



Business Survival in COVID-19 & Beyond



Financial Helps available from the UK government

- Job Retention Scheme
- Statutory Sick Pay
- Self-Employment Income Support Scheme
- Self- assessment and Vat Payments Deferrals
- Time to Pay Arrangements
- Business Rates Relief



Financial Helps available from the UK government contd.

- Business Support Grant Fund
- Loan for Small and Medium Sized Businesses
- Future Fund
- Bounce Back Loan
- Loan for Large Businesses
- Corporate Financial Facility



Business Own Measures

- Cost Reduction
- Diversification
- Digitisation
- Revisiting Marketing-Mix
- Cash-Flow Analysis
- Working Capital Management



Be aware...

- Grants: Business Vs. Personal Use
- Risks of Wrongly Extracted Profit
- Terms and Conditions of Grants
- Terms and Conditions of Loans
- Wrongly Claimed Grants



Be aware contd.

- Provisions for Payments of Taxes Deferred
- Repayment Plan for Business Loans
- Record Keeping
- Deadlines for Claims



Beyond COVID-19 UK Perspective

- **Ease of doing business:**
 - According to World Bank Ranking UK is ranked at 8th best country to do business among 190 countries in the world and 2nd Best in G7 countries.
 - UK has always ranked between best 6 to 11 consistently over 10 years
 - Economies with a high rank (1 to 20) have simpler and more friendly regulations for businesses.
 - It is believed UK will continue to be one of the best places to do business post COVID-19



CRISIS



“When written in Chinese, the word ‘Crisis’ is composed of two characters.

One represents danger and the other represents opportunity.”

- John F. Kennedy

CRISIS

危机

A time of danger;

A time of opportunity;



Adapting to the new norm –Post COVID 19

- Remote working
- Revitalising digital strategy/ Online presence
- Commute Vs communicate – Only communication matters.
- Networking Vs Not working – connecting the dots, not everyone spots the dots and their connection
- Remember DAD – Doing All Digitally!

Spotting the GAP -



- Identify the gap – this is going to be more relevant in post COVID 19 business ecosystem than ever.
- Redefine your Unique Selling Point (USP) – selling matters!
- Doing different things Vs Doing things differently
- Selling your story, be yourself – products/ services with unique STORY grabs attention.
- Do not undersell. John Lewis – Never knowingly undersold!

Building the team

- If you want to walk fast walk alone but if want to walk far walk together – building TEAM. “You will never walk alone” – but I am not a Liverpool fan.
- T – Together
- E - Everyone
- A - Achieves
- M - More





EC4 – this is not a postcode

- Employees. Clients do not come first but employees. Look after your employees and they will look after your clients – Sir Richard Branson.





EC4 – this is not a postcode

C4 – Always C4 *not after not before!*

- Cash/ Credit – managing resources wisely (cash is king)
- Customer – Create or exploit the market (Scaling)
- Creativity – innovation (Lack of creativity and adaptation with change leads to extinction). *The only thing that does not change in the ecosystem is CHANGE! COVID is just a change but a major one.*
- Compliance – Regulation is vital, can't afford not to. No one is immune to non – compliance.



Going concern

- Going concern Vs Concern going – mind all the stakeholders.
- Succession plan – don't die for your business as business doesn't die with you.
- Business journey – visualise your destination and plan your journey. Enter the train, enjoy your journey and exit at your destination.
- Ethics/ CSR/ Giving. Remember- what goes around comes around!



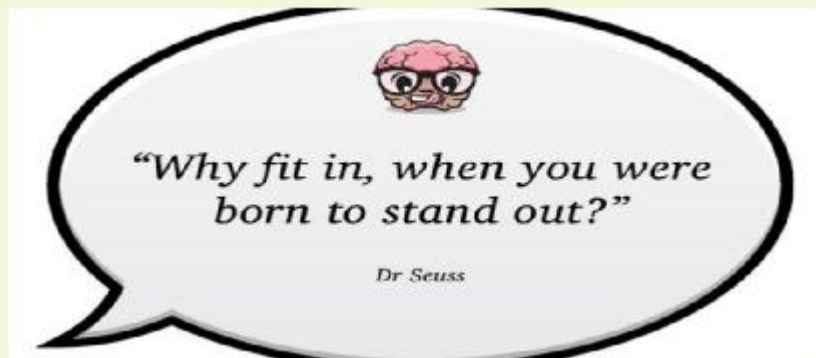
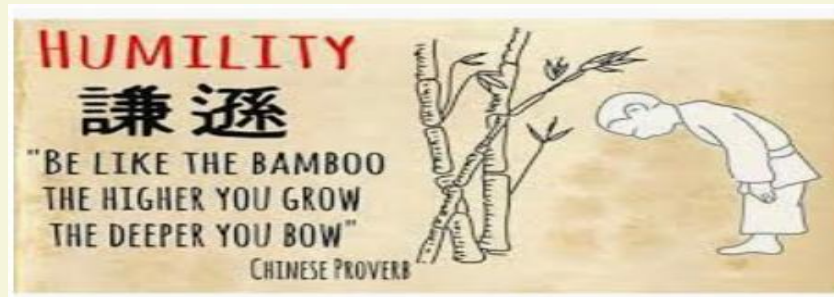
Learn your Alphabets – way of doing business in future

Key Alphabets - ABCD

- A for Artificial Intelligence (AI)
- B for Block Chain (BC)
- C for Crypto Currency (CC)
- D for Digitisation
- M for Machine Learning (ML)

Human being Vs Being Human

- Bamboo Tree
- Giving
- Leave mark not stain





Questions & Answers Session



NAA UK

Webinar – 21 June 2020

Questions and Answers Session

Question: Company has claimed furlough, but the turnover has been increased, is it OK?

Answer: As per Treasury Direction in relation to Coronavirus Job Retention Scheme (**CJRS**), an employee is a furloughed employee and CJRS grant can be claimed in respect of such employee, if:

- A. the employee has been instructed by the employer to cease all work in relation their employment,
- B. the period for which the employee has ceased (or will have ceased) all work for the employer is 21 calendar days or more, and
- C. the instruction is given by reason of circumstances arising because of the Coronavirus.

Condition C above is relevant to the question. Condition C does not mention that the business has to be adversely affected by COVID-19. Therefore, whether the turnover of the business has increased or decreased is not relevant.

Question: I had increased salary for our staff from April 2020, that is annual decision performance-based decision made in February. When I had to furlough them from March, I paid higher salary from April as earlier decision, is that a mistake?

Answer: The decision to increase salary of a member of staff is a matter of agreement between the business and the member of staff and the employment law. The decision to increase the salary and payment of the salary accordingly does not affect the eligibility for CJRS claim. However, the Treasury direction is clear in respect of how the grant amount should be calculated. The calculation of the grant amount must be based on the salary in the latest period ending on or before 19 March 2020 (assuming fixed salary employee) and not the increased salary.

Question: Can I furlough my staffs for less than 1 week?

Answer: Not from 01/07/2020. However, until 30/06/2020, the minimum furlough period was 3 weeks.

Question: Can I just pay 70% in September 2020 and 60% in October 2020 to my furloughed staffs?

Answer: No, as an employer, you need to make the total to 80% and remaining 20% will be voluntary and subject to employer and employee negotiation.

Question: What happens if the staff is outside of country and he is stuck due to Covid-19 flight restrictions? Can I furlough them till October 2020?

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Answer: There is not explicit conditions not to do that. So long, employees are on payroll and RTI is duly submitted. He or She can still be furloughed.

Question: During the Furloughed period, can staffs work for other employment or self-employment? Will that affect his overall tax liability?

Answer: Yes, they can. If they earn more there will be more tax to pay to HMRC.

Question: Can I continue my self-employment business whilst receiving SEISS grant?

Answer: Yes, you can.

Question: Can I swap my CBILS with Bounce Back Loan? How I can do that?

Answer: Yes. Please watch the deadline of conversion which is so far up to 04/11/2020.

Question: Can I extend filing dates of Accounts and CT600 during this period? How can I do that?

Answer: Yes, you can. For Companies House, you can email them. For CT600, you need to contact HMRC, Corporation Tax.

Question: I am vat registered business. The turnover is way below the vat threshold. Will that be beneficial to deregister VAT now and then register when I exceed the threshold? Please advise.

Answer: If you cease your business or if you think you will be exceeding the Vat threshold, yes you can. However, please consult your Accountants before you decide to do that.

Question: I don't think after CJRS, I will be able to hold all of my staffs. How should I deal with them so that things will not fire back to me?

Answer: You can always lay off your employees. However, you need to go through the Employment Contract. Please take legal advice from HR or Employment Lawyer.

Question: Some of us are actively working from home. Are there any expenses we can claim for doing so?

Answer: From 06/04/2020, you can claim £26 per month flat deduction. If you want to claim otherwise, you need to have evidence of the expenses and rationale of the split.

Question: How can I benefit from Time to Pay Arrangement?

Answer: You can defer the tax liabilities and you can manage your cash flow during this Pandemic.

Question: Can I late submit my vat return? How long I can defer the payment?

Answer: No, you need to submit your Vat Return in time. You can defer the Vat Payment till 31/03/2021 if your payment due date is within the time window of 20/03/2020 to 30/06/2020.

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Question: What are the implications of using CBILS or Bounce Back Loan for personal purposes?

Answer: This has been brought for business purposes. Hence, it is not advised to use for personal purposes. There could be tax and legal consequences of doing it. Please consult your Accountant before you actually do it.

Question: Will there be any legal consequences if I cannot pay CBILS or Bounce Back Loan later? Will that affect my credit?

Answer: If there are genuine commercial reasons for not repaying back, these loans cannot touch your first home and personal car etc. Then again, please consult your Accountant as there could be some specific circumstances to consider.

Question: My business was OK till May 20. After that it started deteriorating. Can I claim SEISS for second and final round? How much I will get and when it will open?

Answer: Yes, you may be eligible for second and final round of SEISS which will open in August 2020.

Question: I took the loan because I was very scared. Now, I think, I can survive. Can I repay CBILS or Bounce Back Loan? Are there any early repayment charges?

Answer: There is no early payments charges. You can always repay your loan in full or in part without incurring any penalties.

Question: I only opened my Takeaway to cater food to NHS. It was fully charitable. For that purpose, I needed to use some of my furloughed staffs. Will that affect their furloughed status?

Answer: No, this is purely on philanthropic basis and doing this, you are not contributing to turnover of your business.

Question: I have read somewhere that Government is planning to bring up rules whereby we can cash our business loss due to COVID-19. Is that right?

Answer: This is win-win for both Government and Taxpayer. As this has not been published yet, we will not know.

Question: I have more than £50,000 trading profit in FY 2018/19. However, my average trading profit over FY 2016/17, FY 2017/18 and FY 2018/19 is less than £50,000. I meet all other conditions. Will I be eligible for SEISS?

Answer: Yes, you will be.

Question: I opened by sole trading business after 6/4/2019. I also employ 2 staffs which started from 19/03/2020. What Grants, I will be able to secure?

Answer: Very few. You should try applying for Universal Credit. You may realistically estimate your turnover and apply for Bounce Back Loan. You may secure some.

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Question: What is the Importance of Corporate Social Responsibility in pandemic:

Answer: An importance of the Corporate Social Responsibility (CSR) will be higher than ever in situations like Pandemic. Customers and other stakeholders would now like to do business with these companies or business which consider CSR as equally important to profitability. CSR also plays a key role in PR which enhance the brand value and overall image of any business.

Question: Can bounce back loan be used for personal reason specially in the case of sole trade business:

Answer: The answer is no. The conditions which are agreed by borrower as part of loan application make it clear that this loan is purely for the purpose of business. Any other use in violation of the term of the loan could be treated as breach of covenant and there may be repercussions.

Question: How business (of any size) should manage cash in a crisis?

Answer: There are many practices for managing cash in a crisis, but they all include five critical actions: 1. Forecast, 2. Set spending priorities 3. Communicate with staff and stakeholders 4. Shorten the reporting cycle 5. Plan for low cash points.

Question: Can the submission of VAT return be deferred during lockdown?

Answer: No, the return must be submitted on due dates.

Question: How can I claim cash grant from council if i am not registered as rate payer?

Answer: Normally the grant is provided for the ratable business property with a maximum value of £50,000. But if you are not registered then please contact the Council for 'Local Authority Discretionary Grant Fund.

Question: What support is available to charities?

Answer: On 8 April 2020, the Government announced a £750 million package for charities supporting vulnerable people and providing frontline work. £370 million will support small, local charities working with vulnerable people. The funds will be provided through organizations, such as the National Lottery Communities Fund in England. £60 million will be allocated to Wales, Scotland, and Northern Ireland, accessible through the Barnett formula. UK government will provide £360 million directly to charities providing essential services and supporting vulnerable people. Up to £200 million of this will go to hospices. The remaining amount will be allocated to organizations such as St John's ambulance, the Citizens Advice Bureau, victims of domestic abuse or disabled people. Charities will also qualify for 100% rate relief as well as the Job retention scheme.

Question: Company House accounts filing: how long we can extend?

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Answer: From 25 March 2020, the Companies have an additional three months to file their accounts with the Companies House. This is to help Companies to avoid penalties during the Coronavirus crisis. Companies will have to apply for the extension through an online system.

Question: If I make an error when claiming furlough money – how do I rectify this?

Answer: If it is an overpayment claim, you can adjust in the next claim but for the underpayment claim, you need to contact the Job Retention Scheme Helpline on 0800 241 222 to speak to an adviser.

Question: Now started coming back to work partially, in some cases, few days in a month, different pattern to different staff? Can I claim furlough money?

Answer: The government has introduced flexible furlough. You can claim proportionately.

Question: Can I defer VAT, PAYE and corporation tax.

Answer: Yes, for VAT (due between 20 March to 30 June), for Corporation tax and PAYE business facing difficulties can agree with HMRC for time to pay (TTP).

Question: I was about to invest in the property market just before the pandemic but now I am confused. Please advise me whether I can invest now as the property market has gone down?

Answer: It all depends where you are investing and how much you are investing. If you have excess funds this could be the right time for the investment due to reduction in the property prices but you need to be careful as the market is volatile and you may not get the return on investment that you are expecting for! Also, for reselling purpose property prices may not increase for the next few years or so as the 'Brexit' is waiting on the other side of the road. We would also like to advise you to take the specialist advice as well.

Question: I am a director of my own company working from home what support can I get in this crisis?

Answer: You can put yourself on Furlough if you were on PAYE scheme before 19 March 2020. If you were self employed as well as a director of a company, you can claim under Self Employment Income Support Scheme.

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