

COVID-19 Fact Sheet

Finance & cash flow support



Cash flow: Start with daily cash flow modelling, moving to weekly on a receipts and payments basis, then to 6-month and 12-month forecasts based on your most pessimistic projections. You need to know your worst case scenario for your own peace of mind and as a basis for any application for Government funding.

Build in the following factors:

- List every cost essential to keeping your doors open, prioritising the most important due dates. Include prompt payments to suppliers – without them you've got nothing to make or sell.
- Government promised a 12-month business rates holiday for all retail, hospitality and leisure businesses in England
- The cost of providing 14 days of statutory sick pay per employee for Coronavirus related illnesses will be refunded by the government for businesses with fewer than 250 employees. HMRC has set-up a dedicated helpline on 0800 0159 559 for businesses struggling with PAYE and IN payments.
 - a) Cost in your current wage bill as experienced and well-trained staff are difficult to replace once the crisis is over. If you see no way clear other than to reduce your wages bill the following should be noted:
 - a) A worker can be furloughed, which means employees don't work at all but are paid an agreed amount but might be paid fully again at some point in the future.
 - b) HMRC will reimburse 80% of a furloughed worker's wage cost, up to a cap of £2,500 per month backdated to March 1st and the scheme is open for three months although it could be extended.
 - c) You access the scheme by submitting information to HMRC about the employees that have been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required)
 - d) Remember: You must notify your employees of this change - changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation.
 - e) The grant is a reimbursement to the employer therefore the employer will make the wage/ salary payment to the furloughed worker and then be reimbursed by HMRC. So include this in your cash flow projections.
 - f) It is worth noting, the policy doesn't appear to be designed as a catch all wage subsidy for the UK workforce, so if your staff continue working as normal, you cannot claim the subsidy.