

# Professional support for Chambers of Commerce members

## Surviving the impact of COVID-19

As Covid-19 lockdown restrictions have started to ease, companies will need to act fast and implement plans to minimise the impact on their business. Begbies Traynor Group has provided guidance below that companies can follow to survive the challenges over the coming months:

### Talk to your business support network

- Your **business insurance** might provide the cover you need if your business has to stop or had an interruption in trade trading indefinitely. Check your policy wording as you might have Business Interruption cover in your commercial insurance policy.
- Talk to your bank about **possible emergency finance options**. This could include:
  - Coronavirus Business Interruption Lending Scheme (CBILS) provides government backed loans and other channels of funding such as asset and invoice finance.
  - Bounce Back Loans where small businesses can borrow up to 25% of their turnover.
  - Future Fund aimed at innovative companies that typically rely on equity investment.
  - COVID Corporate Financing Facility (CCFF) provides short-term funding for larger corporations.
- Talk to your customers and suppliers – particularly larger companies – **to pay your outstanding invoices** and to understand your supply chain.
- Talk to HMRC about time to pay arrangements
- Talk to the Government through their **business support helplines**, some of which are dedicated to Covid-19. They have implemented a number of support schemes, such as:
  - The **Coronavirus Job Retention Scheme** to help retain staff when a business has been forced to stop trading. This is extended to October 2020.
  - Companies will now be able to reclaim **Statutory Sick Pay (SSP)** that has been paid to employees for up to two weeks.
  - **Grants for SMEs** – Non-repayable cash grants will be made available to help those in the retail, leisure, and hospitality industry. Many smaller businesses outside of these sectors will also be entitled to a government grant. Speak to your local Council.
- **Talk to your landlord for some breathing space** if you are experiencing a drop in trade which is impacting on your ability to pay the rent. Look for rent reviews, links to profit etc

- **Talk to your local council to discuss business rates** such as a temporary payment holiday.
- **Talk to the local LEP re options and funding they have for growth.**
- **Emergency funding** can help businesses navigate through troubled waters. There are many **different funding options available** – such as bridging loans, extended overdrafts and invoice factoring, talk to a professional.

### Get free professional advice

Our specialists at Begbies Traynor Group can provide the following guidance and support to business:

**Restructuring your business operations** – mitigating losses is key in times of financial distress, so take advice on which parts of your business could be streamlined or cut back.

- Formal procedures available to companies in the form of a **Company Voluntary Arrangement (CVA) which shields businesses from creditor pressure** and allows them to settle unpaid debts over time. Also the new insolvency regime of longer moratoriums for businesses to restructure and reorganise without creditor pressure for up to two months.
- **Directors should also take extra care not to create individual financial exposure** through overdrawn directors' loan accounts and late payments that can breach personal guarantees.
- **Understanding the options available to you and your business** if cash flow worsens advice. Speak to Begbies Traynor Group completely free of charge and find out what options might be available to you. Whether it be refinance, fund raising, credit control, time to pay, asset disposal, business review or a formal restructuring procedure.

UK businesses are facing a challenge like no other; the Covid-19 pandemic presents a huge threat to livelihoods across the country. Business distress is accelerating on an unprecedented scale and taking swift action is absolutely critical as the end of government aid looms and all operating expenditure returns to normal in the next 5 months with increased debt to be serviced.