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This too shall pass away. Let us fight together.

Date: 15th April, 2020

We are all aware of evolving changes in UK and all over the globe as a result of pandemic COVID-19. This mail is to let you know about how Collab is taking the rapidly changing circumstances to protect the safety and wellbeing of our team, associates and clients located in UK and at our outsourcing offices, while keeping our continuous delivery and support promise.

We aim to provide continuous support and maintain our services amidst these prevailing circumstances.

Continuous Support

Firstly, we would like to inform you that we are working from home to serve you with the same level of attention, dedication and insight you expect from Team Collab. We are extending that care and services while enabling our team working from home. We are also ensuring the highest level of data security and process quality.

Technology Driven

As always we have focused on improving technology to deliver all our services with the better way. We are securing the digital data, sharing knowledge electronically and using other mediums to provide you with the support and service you need at whatever point of time.

We will continuously work together with our teams and with you, to create an atmosphere that supports this changing business environment.

Please let us know of any concern or updates on support@collabaccounting.in. We value your feedback.

Team Collab

Covid-19 Business and Individual Support Measures

Following recent announcements by the Government of United Kingdom around funding and other support for businesses, employees and others, we've taken the opportunity to summarize some thinking around the same;

Sl. No.	Name of Scheme
1	Grant for self employed
2	Business Rates Relief
3	Direct business grants for having ratable value > £51,000
4	Coronavirus Business Interruption Loan Scheme
5	VAT Deferral
6	Statutory Sick Pay (SSP)
7	Job Retention Scheme
8	Deferral of second tax payment for 2019-20

1. Grant for self employed (Self calculation eligibility calculator is attached)

Benefits of Scheme

- Taxable Grant available with a ceiling of up to £2,500 per month for 3 months

Eligibility

- Self-employed trader or in a trading partnership
- Must have < £50k profits in 2018-19 and < £50k profits on average over the last 3 years (2016-17, 2017-18 and 2018-19) - Where the individual has not been trading for the previous 3 years, HMRC will only use those years for which tax returns have been filed.
- Majority of taxable income must be from the trade (More than 50% of annual income)
- Have filed a tax return for 2018-19 (In case if it is not filed, you can file upto 23 April 2020)
- Must have traded in 2019-20 and currently trading at the point of application and intend to continue to trade in the tax year 2020-21
- Have lost trading profits due to COVID-19 & Business started after 5 April 2019 is ineligible

Supporting Documents and action required

- Latest up to date statutory accounts and Current management accounts
- Tax return for last 3 years
- Integrated (P&L/Balance Sheet/Cashflow) forecasts with assumptions showing distress caused by Covid-19.
- Business plan and Historic accounts

2. Business Rates Relief (BRR)

About Scheme

- 100% exemption in business rates for one year (2020-21) to all retail, hospitality, nursery and leisure businesses in England, mostly this will benefit any property used wholly or mainly as shops, restaurants, cafes, drinking establishments, cinemas, live music venues, hotels and self-catering accommodation with a rateable value below £ 51,000. (Earlier it was £ 12,000)
- Local newspapers in England will also continue to benefit from a business rates discount of £1,500 for their office space until 31 March 2025.
- It is assumed that the reliefs will be processed automatically by each Local Authority.

3. Direct business grants

- Retail, hospitality or leisure businesses with a rateable value under £15,000 will receive a grant of £10,000 who are also eligible for BRR.
- Larger grants of £25,000 for retail, hospitality or leisure businesses operating from premises with a rateable value over £15,000 but below £51,000 who are also eligible for BRR.
- Your local authority should be able to help with any questions on eligibility

4. Loans and Bank Support

(i) Coronavirus Business Interruption Loan Scheme (CBILS) - SMEs

Benefits of Scheme

- The Government will provide lenders with a guarantee of 80% on each loan at no cost requiring personal guarantees of 20% only for loans over £250,000.
- Below £250,000, personal guarantee of business owner will not be required.
- Business owners are not required to provide house as security.
- Interest free for 12 months followed by reasonable and sensible rates
- Capital repayment holiday for 12 months
- No arrangement fees
- Available through almost 50 lenders including the high street banks

Features of Loan

- Type of Loan - Term loans / Overdrafts / Asset finance / Invoice finance
- Amount of Loan - £1,000 to £5,000,000
- Term - Up to 6 years

Eligibility

- Businesses with less than £45m turnover
- All businesses affected by Covid-19 are eligible except banks, insurers and public sector businesses etc.
- A sound borrowing proposal

(ii) Coronavirus Business Interruption Loan Scheme (CBILS) – Large Business

- Businesses with turnover £45m – £500m
- Loans up to £25m at regular commercial rates of interest
- Available if the business is unable to source regular finance
- The Government will provide the lender with an 80% Guarantee

Supporting Documents and action required for SMEs and Large Business

- Latest up to date statutory accounts and Current management accounts
- Integrated (P&L/Balance Sheet/Cashflow) forecasts with assumptions showing distress caused by Covid-19.
- Business plan, Historic accounts and Details of assets

5. VAT Deferral

- Deferral of VAT payments due between 20 March 2020 and 30 June 2020 until 31 March 2021. This effectively means an interest free loan from HMRC for one quarter's VAT
- It is automatic and need not to be applied for
- Customers who normally pay by direct debit should cancel their direct debit with their bank.

6. Paying Statutory Sick Pay (SSP)

- Employers with fewer than 250 employees (as of 28 February 2020)
- Reclaim up to 2 weeks SSP for any employee who has claimed SSP as a result of Covid-19
- The scheme will commence from the 13th March 2020.

7. Job Retention Scheme

Benefits of Scheme

- Funds from Government to pay 80% of the wage, up to a maximum of £2,500 per month to furloughed workers.

Eligibility

- Available for “furloughed” workers – i.e. who are told there is no paid work for them to do for the time being.
- Furloughed minimum period of 3 weeks
- Not available for still working employees
- Furloughed employees must have been on company PAYE payroll on 28 February 2020. However, employees who were made redundant or who stopped working for the employer on or after 28 February can be rehired and placed on furlough
- Preferably an agreement is required between employer and employee that their employment is being furloughed.

8. Deferral of second tax payment for 2019-20

The second tax payment on account for self-assessment, due on 31 July 2020, for 2019-20, is being deferred till 31.01.2020 without any interest and penalty.

Contact Us

We will be glad to serve you to avail the benefit of this scheme.

You can reach us on support@collabaccounting.in.

Thanking You

Team Collab