Ask ICAS Webinar Series
Hot topics and latest updates
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This webinar begins in 05/01
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Ask ICAS Webinar Series

Hot topics and latest updates
Your ICAS experts for today

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Director of Practice

Jeremy Clarke CA
Asst Director, Practice

Justine Riccomini
Head of Taxation
(Employment taxes, Scottish Taxes and Taxation community)
CJRS Treasury Direction changes – Key points

Key addition - SSP Measures – as outlined in below slide

More detail on:

• Qualifying circumstances
• Qualifying employees
• Unpaid leave
• Statutory leave (e.g. maternity etc)
• TUPE arrangements
• Duration of current CJRS arrangements (i.e. to end June 2020)
• Further revisions expected this weekend or next week re July-Oct 2020
Salaries paid annually & Furlough

- Appears on FPS between 6 April 2019 and 19 March 2020 – OK
- Appears post 19 March – not OK!
- ICAS and all the other bodies have made strong representations
- HMT – steadfastly sticking to above
- OMBs could lobby MPs?
Employment Allowance

• Recap – State Aid
• £100,000 or less employer NICs liability
• £4K from £3K last year
• How to claim through the portal:

• ICAS Factsheet - updated
Healthcare sector

- Doctors – www.bma.org.uk No advice
- Dentists – www.bda.org Addresses “mixed” practices
- Opticians – www.abdo.org.uk Some advice
- Physiotherapists – www.csp.org.uk No advice
- Optometrists
  - www.college-optometrists.org Some advice
  - www.fofo.com Some advice
- Chiropodists – www.iocp.org.uk No advice
- Dieticians - www.bda-uk.com Limited advice
Statutory Sick Pay

- **Claim portal** opened on 26 May 2020
- See **article** by Justine
- Less than 250 employees
- 14 days per person – covid-19 related absences
- Cannot be paid whilst on furlough
- State Aid
- Agents can make the claim! (if they are authorised to do PAYE online)
Undertakings in difficulty

• EU State Aid regulations
  “an advantage in any form whatsoever conferred on a selective basis to undertakings by national public authorities”

• De-minimus limits increased due to Coronavirus

• Undertaking in difficulty
  • Accumulated losses > 50% of capital
  • Already subject to or fulfils the criteria for collective insolvency proceedings
  • Rescue aid not reimbursed
  • Book debt and EBITDA ratios (n/a to SMEs)

• Business assistance restrictions – state aid and ‘undertakings in difficulty’ (icas.com)
  • Information on which schemes are state aid
  • Checklist for determining whether an entity is an ‘undertaking in difficulty’
Business support

**Business Assistance Factsheet**

- Small Business Grant Fund
  - Extended to include entities obtaining charitable relief
  - 75% grant for 2\textsuperscript{nd}+ properties in Scotland
  - Extended to business within shared offices/spaces where landlord pays rates, businesses without a separate business bank account
  - Retail, hospitality & leisure with rateable value >£51k - £10k grant
Business support

• New funding (grants or loans)
  • Local Business Grant Fund Scheme (E&W)
  • Private Rent Sector Landlord COVID19 Loan Scheme (Scot)
  • Emergency Loan Fund for SME housebuilders (Scotland)
  • Dairy Farmers Hardship Fund Grant (England)
  • Fisheries Response Fund and Domestic Seafood Supplies Fund (England)
  • Third Sector Resilience Fund (Phase 2) (Scotland)
  • Vulnerable Supply Chains Facility
  • Changes to CLBILS and CCFF eligibility and conditions
Private Rent Sector Landlord COVID19 Loan Scheme

What is it?
It is an interest free loan for landlords who were, or had applied to become, registered before 01 February 2020; are not classified as businesses; have 5 or less properties available for rent; have properties available for rent that are classed as being within the private rented sector (as per the terms of the 2006 Housing Scotland Act); and have lost rental income as a result of tenants facing difficulty in paying rent as a result of the Covid-19 situation or where a rental property became vacant on or after 01 February 2020 and the landlord is unable to get a new tenant because of the restrictions currently in place.
Private Rent Sector Landlord COVID19 Loan Scheme

Terms and conditions:

• The loan scheme will cover lost rental income for:
  • a single property
  • up to 6 months, backdated to the 01 March 2020.
• Two pay-out instalments – 50% now; 50% if confirm ongoing losses
• Repayable in 12 monthly instalments starting October 2020
• Only apply if other support e.g. SEISS not available to landlord
• Must seek mortgage lenders 3 month repayment holiday first
Scottish Government - Liquidity support for SME housebuilders

Who can apply?

A SME housebuilder with an annual turnover of less than £45 million that is a non-public organisation, and which has a business registered in Scotland. It must have been directly affected by COVID-19 and have been financially viable before COVID-19. It must complete five or more homes in Scotland per annum, and have been unable to secure funding from existing private banks or other financial institutions or from their own resources to meet liquidity needs. It must also have attempted to secure funding from the Scottish Government, UK Government or other public sector COVID-19 schemes before applying to the fund.
Scottish Government - Liquidity support for SME housebuilders

How much funding is available and on what terms?

• Loans of between £50,000 to £1 million, which will normally be limited to a maximum of 25% of annual turnover;
• Interest payable at 2% per annum; and
• Flexible repayment terms, with the option for capital and interest payments to be offset for 12 months – but the majority of loans are expected to be repaid within 24 months.
• Providing security will help reduce the risk profile of loan funds for the Scottish Government
Scottish Government - Liquidity support for SME housebuilders

How to apply

There is an application form below requiring the following information:

1. Details of the company structure, ownership and directors
2. A copy of the company’s last audited accounts
3. Information on how COVID-19 has had a direct impact on the business
4. The amount of funding being sought, and what it will be used for
5. Company cashflow, including COVID-19 related costs and repayment profile. Template is provided in the application form.
6. What security can be offered (if any)
Scottish Government - Liquidity support for SME housebuilders

7. Details of the company’s existing lenders and securities
8. Bank details (and a copy of a bank statement less than three months old showing the account name, sort code and account number) signed as a true copy by an authorised signatory of the company
9. Details of efforts to secure funding from other private or own business sources
10. Details of attempts to secure funding from the Scottish Government, UK Government or other public sector COVID-19 schemes, alongside evidence of whether these attempts were successful
11. Confirmation that the business was not in difficulty before COVID-19 for state aid compliance.
Business support – Members and firms

Advice and guidance for Members receiving financial assistance due to the coronavirus crisis (icas.com)

• Accessing support measures such as VAT or SA Tax deferral, mortgage payment holidays, etc

• Insolvency affects ICAS membership
  “any form of arrangement (statutory or non-statutory) for the purpose of management and repayment of a Member or affiliate’s debts to his or her creditors”
  • Relates to collective arrangements which cover all (or substantially all) of an individual’s creditors

• Members or Firms facing the prospect of financial difficulties or who are at risk of insolvency are advised to contact ICAS at the earliest opportunity to seek help and advice.
Bringing people back to work safely - Roadmap

• Are we looking at July?
• ACAS
• HSE
• Employment lawyers – retainer or project-based?
• Scottish Government
• Fraser of Allander – economic analysis for Scotland (and blogs)
• Transport Scotland's Transport Transition Plan
Other things to think about

- Hardship fund/'Bounceback' loans
- Managing finances
- Continuing to work/trade
- Retaining key workers
- Client relationships
- Which clients to service first – sector specific?
- Tax returns – deadlines & C-19 exemptions
- Recruitment
- Social distancing and capital expenditure?
- Moving into new territory safely – advising clients
- PII notifications, PCRT guidance, Fraud advisory panel
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Further information and guidance

• Tax and practice matters on icas.com/tax and icas.com/practice

• Coronavirus Hub on icas.com/coronavirus

• CA Connect on icas.com/caconnect

• Technical Helpdesk (Contact us on icas.com)

• Follow on Twitter @ICASaccounting
  and LinkedIn ICAS - The Professional Body of CAs
ICAS Webinars – What's coming up

**ASK ICAS**

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<td>Spring Tax Update: Part 2 – taxation of businesses</td>
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<td>11-Jun</td>
<td>Accounts and Audit: Going concern and events after the reporting period for small and micro-entities</td>
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<td>18-Jun</td>
<td>Corporate Insolvency &amp; Governance Bill</td>
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**ICAS INSIGHTS**

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