

THE INSTITUTE FOR TURNAROUND FINANCIAL ROADMAP FOR SMES

The Institute for Turnaround (The IFT) is the UK's leading membership organisation for accredited turnaround experts. The IFT brings together independent professionals, bankers, investors and advisers to evolve the profession and respond to new challenges and trends.

The IFT defines turnaround as the sustainable return to viability of an underperforming business or organisation. The skills of IFT members provide immediate viability and confidence to businesses and stakeholders, and are critical in avoiding unnecessary insolvencies. In 2019, it was estimated that IFT members and corporate partners saved more than 200,000 jobs and protected £2 billion in enterprise value.

This roadmap shows the critical points ahead for SMEs, so businesses can seek early intervention in the form of help from an accredited turnaround professional. This roadmap has been updated to reflect the recent changes made to government support measures after the re-introduction of lockdown restrictions in January 2021 in the United Kingdom.

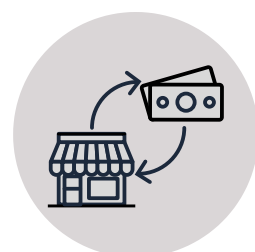
Details are still emerging, and information is correct as of 14 January 2021 but subject to change at short notice given further government announcements. We are expecting more changes and detail to be announced soon.

This roadmap was created in association with Playfair Partnerships. Please contact John or Simon Playfair of Playfair Partnerships if you require any further assistance.



Cashflow Forecasting

We advise that as a first step, businesses create a cash-flow forecast that is updated regularly.



JANUARY 2021 **Support Grants for Businesses** **Forced to Close During Lockdown**

Businesses in retail, hospitality and leisure who have been ordered to close due to the lockdown introduced in January 2021 may be eligible for a government grant of up to £9000 per business property. This can be claimed for each 28 day period under national restrictions.



Job Retention Scheme (JRS)

The JRS is still open to all full and part-time employees on the payroll at 31 October.

Employers can claim 80% of an employee's usual salary for hours not worked, up to a maximum of £2,500 per month. Employers are expected to pay National Insurance (NI) payments and pension contributions. This has now been extended until April 2021.



31 JANUARY

Self Assessment Deferral Extended

The 31 January 2021 deadline for paying taxes through self assessment has been extended to January 2022, giving an extra 12 months to pay. Those who have already deferred payments that were due in July 2020 to January 2021 will also have until January 2022. However, this is an online process and only applies for combined liabilities of up to £30,000 and expects regular monthly payments to be made by direct debit. Deferment of any larger amount needs to be negotiated individually with HMRC.



31 MARCH

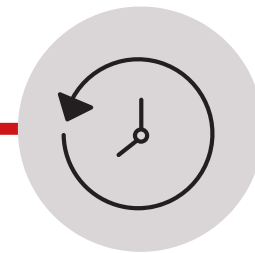
Bounce Back Loan Scheme (BBLs) & Coronavirus Business Interruption Loan Scheme (CBILS) Application Extended

The application deadline has been extended again for BBLs (<£50k) and CBILS (<£5m) to 31 March 2021. The government extended loan terms from six to ten years through the Pay As You Grow (PAYG) scheme. For BBLs, there is now also an option for businesses to move to interest-only repayments for up to three six-month periods or to take one six-month payment holiday. Businesses can repay early without paying a fee.



30 APRIL JRS ENDS

The scheme ends. Employers can no longer claim employees wages under the JRS.



MARCH

Deferral VAT Payment Window Extended

Any VAT payments that were deferred during the period of 20 March – 30 June 2020 can now be paid back in 11 smaller payments up to the end of March 2022, interest free. Businesses must opt into this scheme when it opens in 'early 2021'. There will be more detail to follow.



6 APRIL

Business Rate Relief at 100% Ends

In response to the pandemic, the Business Rate Relief discount was increased to 100% and extended to include the leisure and hospitality sectors. Payments are now expected as normal.



4 MAY

BBLs Repayments

Businesses that took out a BBLs once the scheme opened on 4 May 2020 will now have to start repaying their loans. The PAYG scheme rules apply. Interest will now also be charged at 2.5% a year.