

# 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.

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 announcements made by the Chancellor in the 2021 UK Budget on 3 March 2021, which extended several coronavirus support measures and outlined plans for the UK's post-pandemic recovery.

Details are still emerging, and information is correct as of 10 March 2021 but subject to change at short notice given further government announcements. We are expecting more 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.



## 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 up until the end of March.



## Job Retention Scheme (JRS)

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

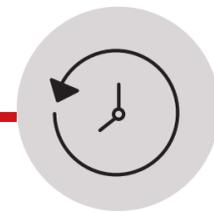
Employers can claim 80% of an employee's usual salary for hours not worked, up to a maximum of £2,500 per month. Employers are expected to pay National Insurance (NI) payments and pension contributions. This has now been extended until September 2021 with changes expected from July as illustrated later.



**31 MARCH**

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

The application deadline for BBLs (<£50k) and CBILS (<£5m) is the 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 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.



**31 MARCH**

**Deferred VAT Payments**

VAT payments that were deferred during the period of 20 March – 30 June 2020 must be paid back. Alternatively, businesses can opt into the VAT deferral new payment scheme, allowing smaller payments to be made up to the end of March 2022, interest free. The online service is open until the 21 June 2021. Businesses may be charged interest or a penalty if they do not pay deferred VAT payments in full by the 31 March or opt into the new scheme by 21 June 2021.



**12 APRIL**

**Restart Grants**

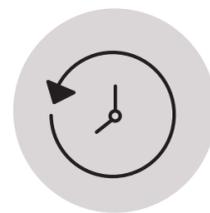
Non-essential retail businesses may be eligible for grants up to £6000 per business property. Restaurants, pubs and salons may be eligible for grants up to £18000 per business property. The grants will be administered by local councils through to June 21, when it is expected that final coronavirus restrictions will be lifted.



**6 APRIL**

**Recovery Loan Scheme**

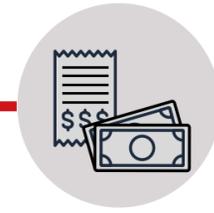
This new scheme replaces the BBLs and CBILS. Details are still emerging but it is likely that there will be a similar eligibility criteria to the BBLs and the CBILS. Term, rates and duration will vary from lender to lender. **The one-year interest free window will not apply to this scheme.** The scheme will stay open until the 31 December 2021.



**21 JUNE**

**Deadline for joining the VAT Deferral New Payment Scheme**

21 June is the final day to opt into the scheme. Businesses may be charged interest or a penalty if they do not opt into the scheme by 21 June 2021.



**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.



**1 JULY**

**Changes to JRS**

Employers must pay 10% of furloughed staff wages in addition to NI payments and pension contributions, meaning that employers can only claim 70% of furloughed wages through the JRS.



**30 JUNE**

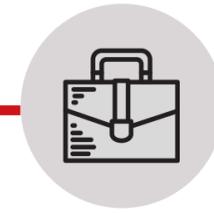
**Business Rate Relief at 100% Ends**

In response to the pandemic, the Business Rate Relief discount at 100% was extended to include the leisure and hospitality sectors. The discount will end at 100% on the 30 June but a 2/3 discount will apply after this point until March 2022.



**30 SEPTEMBER  
JRS ENDS**

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



**1 AUGUST**

**Changes to JRS**

For August and September, Employers must pay 20% of furloughed staff wages in addition to NI payments and pension contributions, meaning that employers can only claim 60% of furloughed wages through the JRS.