



COVID-19 Guidance issued on behalf of  
**BWM Chartered Accountants**  
Peter Taaffe - Managing Partner  
0151 236 1494 // [www.bwm.co.uk](http://www.bwm.co.uk)

### **Guidance from the Chancellor**

The Chancellor is said to be imminently announcing plans to help with wage costs, various rumours flying around, so watch this space. He is thinking outside the box and the Chamber of Commerce is in a round table conference with him today and their recommendations include:

- Immediate suspension of Business Rates, VAT, and PAYE/NI for all firms for the next three months.
- Covering at least 50% of employee wages, or income for the self-employed, in the most stressed sectors of the economy – with a firm commitment to extend employment support to further sectors as required.
- Suspend rules on State Aid eligibility and limits to allow all firms to get the support they need.
- Expand cash grant scheme to all businesses in stressed sectors

So what's new:

#### **Interest rates:**

The BoE has cut the base rate for the 2<sup>nd</sup> time in a week to 0.1% and is pumping money into the economy. The base rate cut isn't going to make any discernible difference to most of us in the short term.

#### **IR35:**

The implementation of IR35 for bringing off payroll workers in the private sector into PAYE has been deferred for 12 months to April 2021. This will relieve pressure in that regard at least, although many businesses and charities will already have implemented this in anticipation of the former deadline of April 2020. It does give those otherwise caught by IR35 plenty of time to address this issue. If you want further information, do get in touch.

#### **Banks:**

They're reaching out to mortgage customers saying they are putting plans in place to deal with mortgage payment holidays. But perhaps more importantly, they're still open to business, and certainly willing to help. Secondary lenders are not however as engaged as they were pre-Covid 19, many sitting back wanting to understand the impact first.

#### **Insurance Policies:**

Check your insurance policies for what it says about business interruption cover. Talk to your broker about how you make a claim, if you need evidence, eg pre & post business plans identifying losses, talk to us.

#### **Finance companies:**

They're reaching out as well, although how helpful may be another matter.

#### **Delaying payments to HMRC;**

'Time to pay' is something all clients ought to be considering. We are encouraging our clients including charities to take advantage of this. In effect the government is allowing you to delay paying PAYE/NIC and VAT.

Key seems to be to submit your payroll information on-line as normal, so the liability appears on their system, and then ask to defer the payment citing financial difficulties. They should allow you to do this with the view for example that you set up a monthly payment plan. You will need to ring back the following month to do the same for that month's payroll and so on.

This should give at least some further breathing space to deal with the delay in receiving cash, while still having to meet your liabilities. We are getting results on this for our clients but depressingly its inconsistent depending on who picks up the phone at HMRC. The more successful applicants seem to be those who have notified their payroll liability and then simply cite their financial difficulties to enable HMRC to approve the 'time to pay' application. However, we acknowledge that, as always,



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who you get through to at HMRC will dictate the outcome of your call. Give Sue Stephens a call if of interest.

**Companies House:**

Companies House has announced measures to support companies who are likely to file their year-end accounts or confirmation statements late.

If you do not apply for an extension and your accounts are filed late, the registrar has very limited discretion not to impose the penalty.

If Coronavirus has affected your company and you need more time to file your accounts or confirmation statement then an application must be submitted to Companies House in advance of the filing deadline, which will be reviewed on a case-by-case basis and if successful an extension will be granted. Please contact your usual relationship manager.

If you are a director of the company then you are personally responsible for ensuring you deliver your accounts before the time allowed runs out, and they do ultimately threaten criminal sanctions (although I'm not aware of this having gone that far). Delivery means actual receipt at Companies House in the correct format.

**Landlords:**

The 2<sup>nd</sup> highest annual cost for most, landlords are in the main being pragmatic and agreeing deferrals, some of the full amount for 3 months, others 50%. There's little downside to asking the question!

**Cash Flow Modelling:**

The Prime Minister said that his experts are now predicting the slowdown of the virus within 12 weeks. Clearly only an estimate, at least it gives some guidance as to the period we need to address. The preparation of cash flow models over this period is now critical to help you understand the scale of the challenges facing you and the actions you need to be considering now, not in a month's time.