



Updated 24/03/20

FAQs

Will I have to pay the VAT for the quarter ending 31 May on 7 July?

Yes. The VAT relief only relates to payments due in the period 20 March to 30 June. If sales are expected to be lower in the quarter ended 31 May, this would result in a lower VAT bill. You should still be able to call HMRC to get time to pay if necessary.

I'm a company director, can I be a Furloughed employee?

Most likely not. We need to wait for the rules to be announced, but as you run the company, the company cannot operate without you. If it was possible to furlough you, you wouldn't be able to do any work.

I'm a company director. Am I classed as employed or self-employed?

It depends who is asking you. Universal Credit class you as employed, even though you are on the payroll. Technically you are employed.

If I get the £10,000 grant, will I have to pay tax on it?

There is no mention that this is tax free. If a business is making a loss during this period, the grant will help reduce the losses so will effectively not have tax on it. If over the course of the year the business makes a profit, this will be included in the calculation of the profit, unless we hear otherwise.

Can I claim Universal Credit if I also get the grant?

Possibly not. If you are still getting paid from the business as normal your income might not be low enough to qualify for UC. Also, if you are self-employed, if the grant results in you effectively showing a profit in the month that you receive it, this could affect your UC claim.

I'm self-employed, can I claim SSP?

No. This scheme doesn't work for self employed people. Instead you would need to claim for Universal Credit.

I'm a company director for a small business. Can I claim SSP?

If your company operates a PAYE scheme, yes, you can claim SSP.

I work from home. What support is there for me?

If you are working from home, that means that you don't have business premises, so sadly you won't get the £10,000 grant for the smallest businesses. That is for businesses with a rateable value of less than £15,000 on their business premises.

At the moment, there is only Universal credit. There is a lot of lobbying the Government going on at the moment and so this position may well change in the next few days. Watch this space!

I'm paid a mixture of salary and dividend from my company. Can I carry on doing this?

If your company has retained profit and is continuing to make a profit, yes you can.

If you are in a situation that you are unable to pay your bills, taxes and staff, but are still paying yourself as normal, then no. This is a strong indicator that there is insufficient profit in the company and you shouldn't continue paying yourself this way.

You should speak to your accountant if you have any doubt about this. They can look at the business position and advise how you pay yourself and, in some cases, make adjustments to how your salary is paid so that you can claim Universal Credit if you need to.

I'm running a restaurant and I can't afford to pay my staff whilst I'm waiting for the grants to come through. What should I do?

First of all, speak to your bank and see if they can provide you with or increase your overdraft in the short term. Also speak to them about the Coronavirus Business Interruption Loan Scheme.

In the meantime, speak to your team, reassure them and keep them informed of the position. If you can pay them something, that will help. They will know what is going on and should hopefully sympathise.

You should look at whether you are able to continue your business in the short term by providing a meal delivery service. Many restaurants are trying this and maintaining some turnover.

You might also want to explore the option of suggesting some staff finding other work temporarily until this all blows over, and keeping their job open for them when things get back to normal? Think outside the box, but check with your HR to see if this is a viable option.

How am I supposed to plan when we have no idea how long this is going to go on for?

It's difficult, and everyone is in the same or similar boats. You would plan financially based on what you know (such as fixed costs and guaranteed regular income) and estimates of worst-case scenarios.



Some businesses might still be able to trade reasonably normally, but experience cash flow shortages as their customers might take longer to pay. Some might be very quiet now, but would be expecting a big influx of work once things get back to normal. Some might have little or no work for the foreseeable future.

It's all about balance, as business usually is. If you are able to maintain most business activities and trade in a similar guise to normal, carry on. This is what is going to keep the economy going and will help it recover sooner once we are through this.

Accept that cash-flow is going to be tight whatever your business circumstances and consider getting help via a loan from the Coronavirus Business Interruption Scheme.

Use your knowledge of the history of your business. Is the business you have lost during this period gone forever or will it be stacking up and resulting in a busy time to catch up later? The answers to these questions will help you plan.

CCF will be providing support with forecasting and planning, plus will be giving extended payment terms to businesses who are adversely affected by this situation. Contact teresa@ccfaccountancy.co.uk for details.

Are these support measures means tested?

There has not been any detail on this at the moment in relation to the grants.

What we do know is that the Employment Retention package is available to all employers, but the SSP payment for the first 14 days is only paid to employers with less than 250 employees.

The local authorities will advise on the eligibility criteria for the grants and this will become apparent in the next few weeks, but it as these are mainly available for hospitality, retail and leisure businesses, it is clear that they have suffered a catastrophic drop in income and so will need it.

Universal Credit is means tested. If you have personal savings of more than £16,000, you won't qualify.

