

Your business post-COVID

Research has demonstrated the enormous economic impact of the COVID-19 lockdown on businesses. Just four weeks after social distancing was imposed more than a third of businesses (35%) were struggling to keep trading, while 16% had already closed.

However the research, from accountancy marketers PracticeWeb, shows that 29% were continuing to trade as normal and a further 19% said the effects on their business were unclear.

The coming weeks and months will see businesses trying to return to normal – or at least the latest version of normal – as quickly and safely as they can. To succeed in this new climate, they will need to be flexible and agile and ensure they have planned for the challenges and opportunities that lie ahead. Managing cash will be key, with furlough ending and loans needing repayment.

A change in attitudes

For many of us, lockdown has shifted our perspective. For parents who have been working from home, the need to fit work around family life and home schooling has driven a more flexible working schedule.

Mostly productivity has stayed good, staff benefit from not having the commute, and teams have pulled together to make things work. Videoconferencing has become a norm and we believe is likely to remain. There may be elements of lockdown working that we keep for the longer-term benefit of our businesses and people.

Consider which changes made during lockdown are worth keeping. Could staff work more flexibly? And how do you measure success? Financially, and in terms of your wellbeing and that of your employees.

Changing business models

Particularly if you have a strong balance sheet, you could be in a good position to grow your business because you have been efficient, used technology, retained your people and skills, still have your distribution lines in place and your marketing has continued to generate leads.

The Four Rs

At HWB, we refer to the four Rs that should be considered at this stage:

Reflect

What went well and demonstrates your business strengths? Where are the areas of improvement? What did your competitors do?

Reach Out

Communication is essential during this time. Your business has an opportunity to reach out to your customers and suppliers to build and strengthen relationships.

Revenue

One positive of the crisis is that it has led many businesses to diversify their offering to create different revenue streams, spreading risk for the future. Businesses that can adapt to these new needs will be agile and in a better place than their competitors.

Reinvent

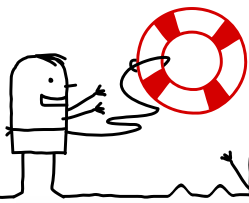
We have taken the first steps out of the crisis but it is far from over. When opportunities present themselves, you want to be ready to make the most of them. Should you change the way you do business? Shift to be more focused online? Streamline your products or services?

Planning for the future

If you would like to bring focus to achieving your business goals then our team can host a strategy day for you and your key team members. The outcome is a clear plan for the future with a renewed focus on what you want from your business, what its strengths are, where the future lies, how its management team will deliver, and how you can grow your business and improve profitability.

Thousands of small businesses in England are set to benefit from £20 million of new grants to help them recover from the effects of the pandemic. Applications can be made through Local Enterprise Partnerships (LEPs). This could be used to arrange a planning for the future session with one of our advisors. Link here: <https://bit.ly/2RhuSgl>

 lep
network



A first for struggling businesses

New legislation has been introduced as a lifeline to organisations struggling from the economic fallout of COVID-19.

The Corporate Insolvency and Governance Act came into effect in June, bringing in a protection scheme that is similar to the American Chapter 11. It puts a company into a “protected zone”, for an initial period of 20 days.

That protection stops creditors and shareholders winding up the company or enforcing security. Banks won't be able to force the appointment of an Administrator, landlords won't be able to force lease forfeiture and, loan and lease companies won't be able to re-possess. Only some employee claims may still proceed through this moratorium period.

The business is still under the control of the directors while they try to sort a rescue package but a court-appointed 'Monitor' assesses whether they can

rescue the company or pay its debts. If they cannot, then the moratorium must cease.

For businesses struggling at the moment, this is a lifeline. It buys time for at-risk companies to restructure finances or agree a CVA with creditors and to put in place a solid business strategy for the future.

If you feel your business may benefit from a moratorium and advice please just get in touch.

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Michaela Johns



Extended probate service

HWB is one of a select number of accountancy firms licensed by the Institute of Chartered Accountants in England and Wales (ICAEW) to provide probate services.

The success of our service has resulted in expansion of our team, with Director Gary Brown and Senior Tax Manager Gemma Hedges fronting the service.

“HWB has a highly-regarded specialism in estate planning and inheritance tax,” says Gary.

“It makes absolute sense for accountants to handle probate work, especially for owner-managed businesses. We work as business people first and foremost, so we know and understand a client's business,

their financial affairs and family structures, all of which can be very complex. That makes us ideally informed to plan the distribution of their estate and be a friendly face and informed person when the worst happens.”

If you would like assistance with Probate or Estate Administration, please contact:

Gemma Hedges
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Gemma Hedges



On yer bike!

If the pandemic has got you thinking about the bigger picture – including the importance of the environment and staff wellbeing – then you might like to suggest to your staff that they get on their bike!

The Cycle to Work scheme is a great employee benefit that can save your business money.

How does it work?

- Register your company with a Cycle to Work scheme provider and announce the new staff benefit to your teams – the provider has all the systems in place.
- Individuals choose their bike or electric bike and accessories.
- Sign off the purchase through the system and make the payment.
- The payments are refunded monthly directly from the employee's salary.

Win-win

- Staff can get a heavily discounted bike, interest free credit and the benefits of cycling.
- The business gets tax benefits – typically saving 13.8% NIC on the value of the bike package vs salary.

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Charity Commission extends year end accounts filings

Charities affected by the Covid-19 pandemic can request permission from the Charity Commission to delay the filing of their year-end accounts.

Email the Commission at filingextension@charitycommission.gov.uk or call 0300 066 9197.





Train and gain

The new Kickstart Scheme is a £2billion fund to create hundreds of thousands of high-quality six-month work placements for those aged 16-24 who are on Universal Credit and at risk of long-term unemployment. Initiatives include:

- 100% funding of the relevant National Minimum Wage for 25 hours a week for each job and NI and pension costs – amounting to about £6,500 for each work placement.
- Funding for employers providing work experience at a rate of £1,000 per trainee

KICKSTART SCHEME

- Improving provision and eligibility for traineeships for those with Level 3 qualifications and below, to ensure that more young people have access to high quality training.
- A new payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over, from 1st August 2020 to 31st January 2021.

Construction VAT reverse charge delayed

The domestic reverse charge for construction services will be delayed until 1 March 2021 in response to the impact of the Coronavirus pandemic on the sector.

There will also be an amendment to make it a requirement for businesses to be excluded from the reverse charge if they are end users or intermediary suppliers, by informing sub-contractors in writing.

See: <https://bit.ly/2YcmgeT>

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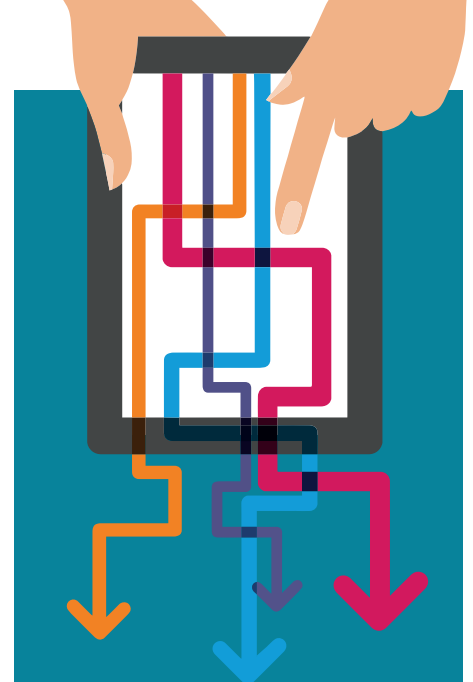


Alan Rolfe



If an FCA firm subject to SUP 3.10.4R is not able to submit a particular CASS audit report to the FCA within the 4-month deadline, it should follow the 'late reporting' rules in SUP 3.10.8, sending an email to CASSAudit@fca.org.uk setting out:

- the name and FRN of the regulated firm
- the period covered by the audit report
- a full account of the reasons for the delay
- when it expects to be able to report



Making Tax Digital for all VAT-registered traders

More businesses will have to register their VAT digitally following a new announcement from HMRC.

Making Tax Digital (MTD) is set to extend to all VAT-registered businesses from April 2022, and from April 2023, the Treasury expects MTD to include more than four million unincorporated businesses and landlords that turn over more than £10,000.

The process has taken on a renewed sense of urgency because of the difficulties of supporting businesses during COVID-19 without comprehensive data.

A consultation will begin in the autumn about rolling out MTD for limited companies that pay corporation tax.

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Andrew Kershaw

ETL Update

ETL GLOBAL

HWB Accountants is proud to be a partner in the ETL Global Group. The group is represented by over 8,000 professionals in more than 50 countries. With more than 40 years of experience, partners offer the advantages of local service with the strength of global knowledge and resources.

ETL Global ranks 16th in the IAB 2020 World Survey and 9th among international accounting networks in Europe in terms of revenue and staff.

Joining the team

We're delighted to introduce you to some new members of the HWB team! They are:

Joe Hill joins our Business Services and Innovation team. Joe is training under the Association of Accounting Technicians (AAT) scheme.

Taylor Vane joins our audit and accounts team. Taylor is training for the Association of Chartered Accountants (ACA) qualification.

Chris Ellison joins HWB on a year-long student placement from the University of West England, Bristol, in our audit and accounts department.

Geninne Ball joined us on 28 September as a Business Adviser. She will act for non-audit owner managed businesses.

Fiona Jones joined us on 5 October as a Business Adviser. As well as acting for owner managed businesses requiring audits she also has a charity specialism.

We continue to grow and recruit and would love to hear from any budding accountants who would like to train with us in the future.

Long service awards

Sharon Bracken, Secretary 10 years and **Sarah Newton**, Secretary 30 years.

Winging it for charity

High-flying HWB Director Michaela Johns is pictured before a hair-raising wing walk in aid of Solent Mind. Michaela's mission had been scheduled for last year but was postponed several times due to bad weather, so it was this September before she was finally able to take to the skies.

Michaela said: "As I was taking off and reflecting on why I was doing such a crazy thing, I thought of all the people who had donated to Solent Mind throughout our appeal. Now I'm back on the ground and pleased to say I did it and survived!"

Thanks to all those who supported me and the charity."

The £1,785 raised by Michaela has been added to the £4,519.56 total raised for Solent Mind in 2019. HWB's chosen cause for this year is Abby's Heroes, which supports families of children and young people who are being treated at Southampton General Hospital.



HWB promotes Business Adviser to Associate Director

James has been with the firm since August 2007, having qualified with the firm in December 2013. James advises owner managed businesses and specialises in CAA registered organisations. He obtained his practicing certificate in February 2020 and is currently applying for his registered individual status.

As a new member of HWB's leadership team, James has responsibility for managing a wide portfolio of clients, ranging from small businesses to large

audit clients, across Hampshire, Wiltshire and Dorset.

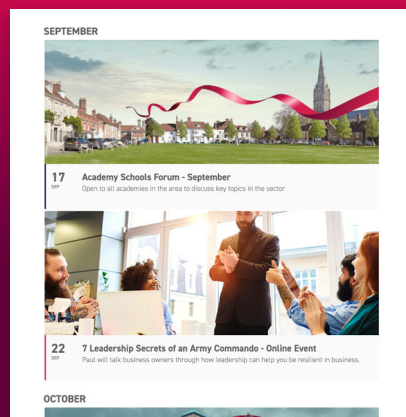
James is a keen sports person, playing both golf and football regularly. He was also part of HWB's 3 Peaks Challenge team helping to raise funds for The Murray Parish Trust.



James Flood

Events reminder

Our seminars programme continues to run throughout the year but now as virtual events. To keep up to date with what we have planned, visit www.hwb-accountants.com/events or email marketing@hwb-accountants.com to find out more.



Don't Worry, be Appy!

Download our free HWB app by scanning the QR code for Apple and Android stores. Access our powerful range of calculators or simply check the latest thresholds and tax rates for this financial year. Scan the QR code to access our new App – using the access code [hwb1985](#) →

