

## **Covid-19 Business Checklist –Six Actions Businesses Should Consider Now**

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Many businesses are still struggling with cashflow as a result of the Coronavirus pandemic, despite the support on offer.

As the Government begins to lift some of its restrictions, now is the time to review your operations and find ways to manage your cashflow so that you can begin to rebuild and recover in the weeks and months ahead.

Our experienced team have looked over the various steps that businesses could be taking right now.

Here are our six top tips that businesses need to consider at this time:

### **1) Capital Repayment Holidays**

Ask banks and other lenders if you can defer making capital repayments on loans and/or borrowings.

### **2) Revisit customer credit limits**

When the economy recovers, some businesses will undoubtedly fail as a result of having insufficient working capital and other customers will be higher risk owing to the sectors they work in. One way you can help to minimise your exposure to this is by reducing credit limits.

### **3) Schedule your tax payments**

Last quarter's VAT was deferred by HMRC but it will still need to be paid in March next year. Likewise, your July payment on account for self-assessment will be payable in January.

However, a company's Corporation Tax bill will fall due in the normal way. To avoid being caught out, make sure you have scheduled when and how these payments will be made.

### **4) Match your staffing needs to expected demand**

Ensure that you are getting the full benefit of the Coronavirus Job Retention Scheme by planning and diarising staff furlough periods to ensure you maximise your claim.

### **5) Review your supply chain**

Can you source items from alternative suppliers or negotiate more favourable credit terms from existing suppliers? It's worth looking around or having the discussion with your supply chain to help your cashflow.

### **6) Prepare cash flow forecasts for four- and 13-week periods so you can check that you have sufficient working capital to fund any expansion in activity levels as the business ramps up.**

For more information on the points above or a discussion on your specific case, please **get in touch with our team** of experienced accountants.

***Please note:*** *It is not suggested that businesses cut customer credit limits while taking extended credit from suppliers. Anecdotally, businesses that are judged not to have treated customers and suppliers fairly during this period will be at a disadvantage post-crisis compared to those businesses recognised as having 'played fair' or having gone above and beyond to help their customers, suppliers and communities.*