

## Guidance when considering finance

- 1. In the first instance, I strongly recommend you explore what access you have to free government support, click here [Gov.uk](#):**
  - Coronavirus Job Retention Scheme
  - VAT and Income Tax Deferring scheme
  - Statutory Sick Pay relief package for small and medium sized businesses (SMEs)
  - 12-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England
  - Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
  - Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
  - HMRC Time To Pay Scheme
- 2. Having explored the options available to you and your business above, it may be that you need to restructure or take on finance for your business over this period. Options as follows:**

### **Capital Repayment Holiday on Existing Finance**

- We may be able to agree up to 12 months capital repayment holiday – please provide us with the latest set of year end accounts and up to date management information
- Please note, interest remains payable during the repayment holiday and once the holiday has lapsed, capital and interest payments will be recalculated in line with the remaining term

### **Coronavirus Business Interruption Loan Scheme (CBILS)**

- Please find attached a Fact Sheet detailing the loan scheme together with an eligibility check from the British Business Bank
- Lending is available as follows: £25,001 - £5million; amount required should take into account a requirement for fixed costs, overheads and disruption contingency, evidenced as affordable pre COVID-19
- Valid for ongoing payment of expenses/overheads/creditors for a short term period of disruption arising directly from COVID-19
- Maximum term of 6 years
- Fee free and interest free for first 12 months
- There is an option to take capital repayment holidays for the first 12 months of the scheme so that you can match payments to your income (subject to prior approval)
- Important – you will be responsible for repayment of 100% of the CBIL facility, not just the 20% outside the coverage of the government's guarantee. Where defaults occur, we follow our standard commercial recovery procedures, including the realisation of security, before we make a claim against the government's guarantee for any shortfall. Whilst loans are available to most business sectors, [some restrictions do apply](#)
- If we can offer finance on normal commercial terms without the need to make use of the scheme, we are obliged to do so
- We are still working through specific COVID-19 lending support below £25,000, in the meantime we can support levels below £25,000 under normal commercial terms

### **Please provide us with the information requested below in order to help us proceed with your application**

- Completed CBILS Customer Information Form (attached)
- Completed Data Protection and Disclosure Declaration Form (*one document to be completed for each guarantor and a separate document for the borrowing entity*) (blank forms attached with examples)

- Latest audited accounts (1 year only) or 12 months Management Information whichever is the most up to date for the borrower and any associated legal / de facto group member
- If you are applying for a loan of over £250k, please also complete the attached SALIE (Statement of Assets & Liabilities) form for each Director/Business Owner

**We will also need the following questions answered in as much detail as possible please**

- What is the purpose of the requested facility (short term cash flow/longer term cash injection) and how will the funds be specifically used to address the shortfall caused due to COVID-19?
- Please provide detail on the amount of the borrowing request and how this amount has been derived. eg. How much are you requesting and why? Please explain how you have calculated the amount of the request, in what area of your business has the COVID-19 had its impact and how will the monies be used to help the business through this period of disruption. How do you feel the borrowing will support the longevity of the business?
- On what basis has the amount been calculated? Has this been based on existing (pre virus) income and expenditure levels or future levels? If future, what assumptions are being used? Is it likely further borrowing at a later date will be required?
- When the Pandemic is over, how long do you think it will take your business to recover? What challenges do you expect to see e.g. future loss of contracts/staff availability?
- What changes are the business making in the short and longer term to help drive business performance back to either pre virus levels or beyond?
- What was your Annual Sales Turnover for 2019?
- What was your Annual Wage Bill for 2019?
- Please provide the current number of Employees
- What are the costs you currently have to pay in regards to running the business e.g. staffing costs, business premises costs, stock and or/other debt costs and what are you doing to reduce these? Please provide us with a list of any other loan and finance commitments currently outstanding, including monthly amounts being made for each of these commitments
- What have you been able to access in terms of government schemes in response to COVID-19 (Grants/rates non-payment/VAT deferral/Time to pay arrangements)? - please provide details

**The following websites may be of interest to you and provide further support and information:**

- British Business Bank website (useful application infographic) : <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>
- Barclays website: [https://www.barclays.co.uk/business-banking/borrow/coronavirus-business-interruption-loan/?campaign=LI\\_20512Business223032020&chnnl=SMC&linkId=100000011345815](https://www.barclays.co.uk/business-banking/borrow/coronavirus-business-interruption-loan/?campaign=LI_20512Business223032020&chnnl=SMC&linkId=100000011345815)
- British Chambers  
Website: <https://www.britishchambers.org.uk/page/coronavirus?k=30cdfbcf8e205792be8adadf43630166035c27d5>