

Re: Important update following Chancellor's speech

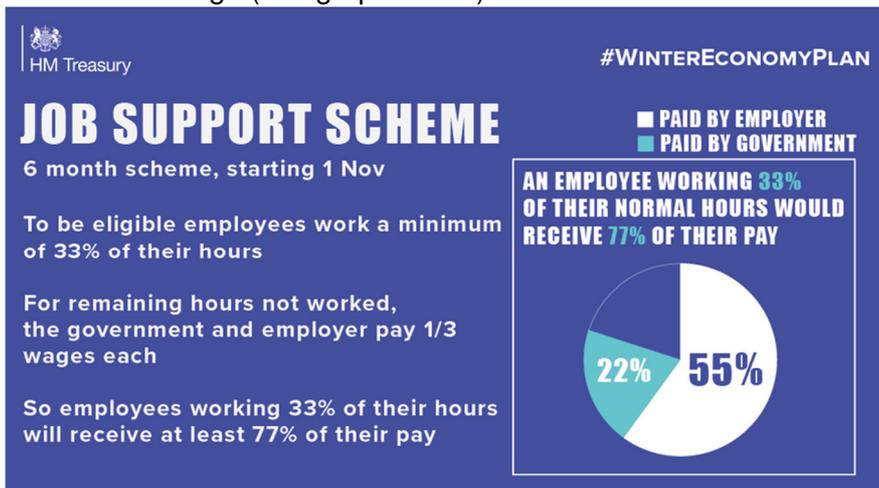
Good afternoon,

Following the Chancellor, Rishi Sunak's speech at 12pm today in parliament, we wanted to update you on the content of this and how it could affect your business.

JOBS SUPPORT SCHEME

This is a new scheme that will replace C.J.R.S. (furlough) when that scheme closes at the end of October.

- Employees must work at least 1/3 of their normal hours and their employer pays this. Wages will then be topped up by the government and employers.
- For the remaining hours not worked, the government pays 1/3 and the employer 1/3. This effectively means if an employee works 33% of their normal hours they receive 77% of their wage (see graph below).



- The Jobs support Scheme will last for 6 months from 1st November.
- All SME (small and medium sized businesses) will be eligible.
- The scheme is available across the U.K.
- The Chancellor has announced on twitter that "Anyone who as of yesterday is employed is eligible.". We will know more detail as it is released.
- Employers can use this scheme and still claim the previously announced Job Retention Bonus.
- There will also be similar support relating to those who are self employed and qualified for the Self Employed Income Support Scheme (S.E.I.S.S.). A recent tweet from the treasury said that "The Self-Employment Income Support Scheme extension will support viable traders who are facing reduced demand over the winter months, covering 20 per cent of average monthly trading profits via a government grant." We will update you when more information is released.

CASHFLOW SUPPORT

There were 4 key points to this part of the Chancellor's speech.

1. Bounceback Loans

- 'Pay As You Grow' announced, what this means is that you can extend the terms of your loan from the initial 5 years to 6-10 years.
- You will have the option to make interest only payments
- You will have the option to apply for suspension of payments for a period of 6 months.

2. C.B.I.L.S. (Coronavirus Business Interruption Loan Scheme)

- The government guarantee is to be extended for up to 10 years.
- The end of September deadline for applications is to be extended to the end of this year.

3. Deferred tax

- The deferred VAT that was due in March 2021 will now be able to be paid as 11 smaller payments with no interest due.
- Any self assessment income tax due can be paid over 12 months from January 2021.

4. V.A.T. rates

- The 5% VAT rate has been extended until March 31st 2021.

As I'm sure you can appreciate, this information is brand new and subject to details being released by the government.

As soon as we receive updated information, we will let you know.

Current information can be read on the government website here:

<https://www.gov.uk/government/news/chancellor-outlines-winter-economy-plan>

Best regards,

The Team at Roslyns.