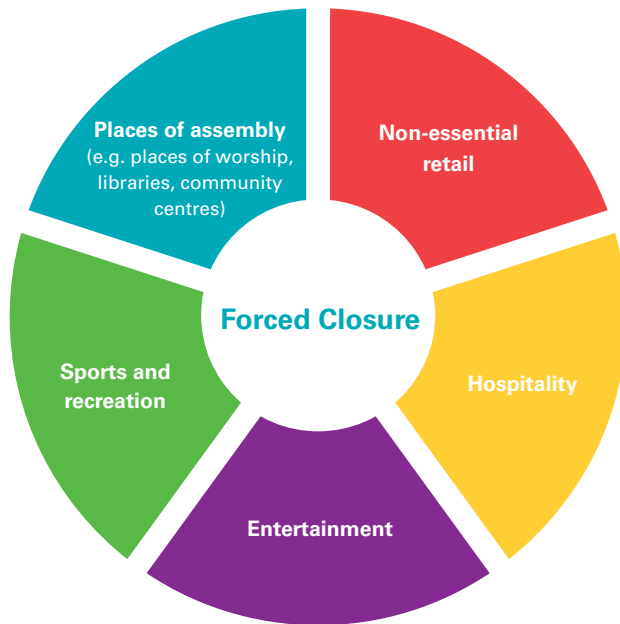


The UK government's advice is changing day-by-day and, in the most recent announcement, further restrictions were placed on personal, commercial and communal activities. Businesses should ensure that they understand whether they are able to continue trading and what form this trading should take. The purpose of this guide is to assist businesses in making this assessment. For assistance with a more detailed assessment, please use our [contingency planning tool](#).

COVID-19 Forced Closure

There is currently no requirement for businesses other than those [listed](#) to close. However, this could change, and businesses should ensure that they are prepared for further restrictions. Employees should also only continue to come into work if absolutely necessary; so, businesses should conduct appropriate reviews to assess whether this is the case.



Maximising Liquidity

Directors should hold an emergency board meeting to consider the longevity of the business. Cash flow forecasting should be amended to take account of any closures or changes to the business.

Decreased Incomings

- Trade credit removed
- Business operation decreased
- Shortages in supply and supply chain
- Inability to fulfil contracts (and therefore non-payment)
- Decreased demand (lockdown and decreased consumer confidence)

Cash Preservation

- Sale of assets
- Delaying investments
- Reviewing non-essential suppliers
- Monitoring customer credit limits
- Tightening cash collection

Government Financial Support

- Business rate reliefs
- Grants
- Business loans

Business Adaptation

- Moving to online/remote operations
- Offering home delivery services
- Does the business have complimentary expertise/equipment to enable it to change the goods/services it produces/offers?
- Does the business have the technical infrastructure?
- Does the business have available personnel?
- Are business adaptation measures viable given the additional expense and the risk of further lock-down measures being taken?



Ordinary Business Expenditure

- Rent
 - Negotiate a rent reduction/holiday with landlord?
- Lender repayment dates
 - Extension of funding or revised payment dates?
- Salary
 - Government support available?
 - Reclaiming statutory sick pay?
- Tax
 - Ability to defer?
 - Time to pay arrangements?
- Supplier invoices
 - Negotiate time to pay?
- Services (e.g. IT, utilities, telecoms)
 - Ability to defer?
 - Negotiate time to pay?

Other Key Pressures

Personnel Issues

- Is it necessary for all or certain key employees to be in work?
- Can employees be at work?
 - Self-isolation
 - Illness and inability to work
- Service contracts
 - *Force majeure*
 - Ability to perform
- How will businesses pay employees during lockdown?
- Can surplus staff be reallocated elsewhere?

Ability to Operate Remotely

- Technical infrastructure
- Do the company's constitutional documents permit virtual meetings?

Reallocation of People and Resources

- Assess key business requirements
- Evaluate key roles and employees

Supply Chain

- Identify essential suppliers
- Will suppliers be able to operate?
- Will supplies now terminate? What impact does this have? Will supply be easily reinstated? Have alternatives been considered?
- What will happen if suppliers enter an insolvency process?
- Product shortages may result in increased costs
- End-user/buyer – is there still demand for products/services?

Funding

- Breach of financial covenants
- Risk of cross-default
- Withdrawal of credit
- Restriction on additional lending
- Demanding repayment
- Lender support
 - Early dialogue and structured communications
 - Extension of funding or revised payment dates
 - Additional funding
 - Alternative lending (e.g. asset-based lending)

Obtain Legal Advice

How We Can Help

Contingency planning and identifying key risks

- Review of working practices
- Negotiating with key suppliers

Obtaining funding

- Engaging with banks to agree extensions to bank facilities
- Applying for government grants and loans

Director duties advice and business restructuring

- Reviewing financial position and prospects of recovery
- Exploring alternative avenues

Liaising with HMRC to agree a TTP agreement

Assisting HR to claim back SSP

Ensuring legal compliance and assisting with lockdown procedure

- Health and safety requirements
- Licensing and regulatory issues
- Data protection
- Contract review

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