



LEWIS BROWNLEE

CHARTERED ACCOUNTANTS & TAX ADVISERS
INDEPENDENT FINANCIAL ADVISERS

SUMMER 2020 NEWSLETTER



Sarah Alexander
Managing Director

WE'RE HERE TO HELP!

We are now two months into the offices being closed and all the team working from home. It has been the most challenging and intense two months of my 15 years of being a director at Lewis Brownlee.

I'd like to dedicate this newsletter to all the team who have picked up their laptops, taken them home and got on with it. The feedback from clients has been fantastic and credit goes to everyone at Lewis Brownlee.

We have also learnt some new words during this time! "Furlough" being one of them, "Bounce Bank Loans" and "CBILS" are also new to our vernacular.

We are happy to say that the bank that wins our Bounce Back Loan challenge, is Lloyds Bank plc. From us giving the advice to the client, to the client getting the money into their bank account took, in the first instance, only five hours. Another bank, to be nameless, has advised clients that they don't offer bounce back loans, and has left other clients just waiting and waiting for call backs.

There is a lot of change happening at the moment, and some misinformation out there. Do get in touch if you have any queries, or just to have a chat.

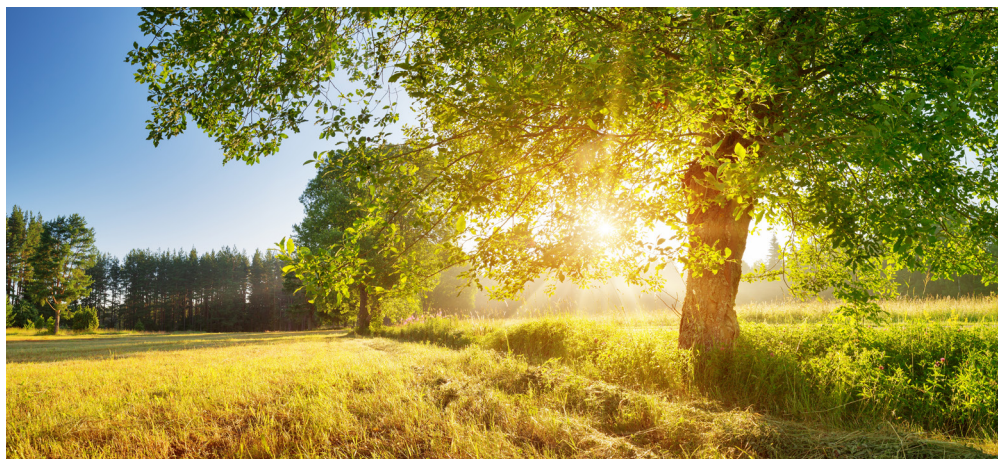
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Tom Foster
Tax Director

SELF-EMPLOYED SUPPORT

SELF-EMPLOYMENT INCOME SUPPORT SCHEME

After what felt like a very long wait for many, the Government's self-employment income support scheme has now gone live. The main conditions for eligibility can be summarised as follows;

- Your self-employment needs to have commenced before 5 April 2019
- You should still have been trading when the Covid-19 Pandemic struck in March 2020 and you plan to carry on trading
- Your business has been adversely affected by the pandemic
- Your trading profits should exceed income from other sources
- Your profits in 2019 should not exceed £50,000, or your average trading profits over the 3 year period to 5 April 2019 should not exceed £50,000 per annum

There is a web page where you can check whether HMRC consider you are entitled to submit a claim. This can be found here: <https://www.tax.service.gov.uk/self-employment-support/enter-unique-taxpayer-reference>. This web page should confirm a time and date that the scheme will be first available for use.

The government's intention will be to pay a single lump sum payment to those who qualify, which should be paid 6 business days after the submission of the claim. The payment should be equivalent to 80% of 3 months' worth of trading profits, taken as an average from profits reported on your tax returns during the 3 year period to 5 April 2019. The maximum payment available will be capped at £7,500.

Regrettably, despite being registered agents we are unable to submit any claims on behalf of our clients. Claimants will be required to access their own individual account on the Government Gateway. If you have not yet set up an account on the government gateway, and you do not yet have a government gateway ID number, we would strongly recommend you register now. You will need to answer security questions to prove your identity, which could be regarding your driving licence or passport. You will also need to know your unique taxpayer reference and your national insurance number. You can register at this web page: <https://www.gov.uk/log-in-register-hmrc-online-services>

The procedure for making claims itself is fairly straight forward as HMRC have already calculated what grant payment they consider claimants are entitled to. If a claimant does not agree with HMRC's workings, they can query how the grant has been calculated. It is though recommended to claim what the system determines you are entitled to but then to submit a separate query to ensure further consideration will be given as to whether the correct amount of grant has been paid.

Whilst we will be unable to help with the actual claim process, we will of course be pleased to assist should you have any queries or require any information to help you with this.



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BUSINESS SUPPORT SERVICES

The government support for furloughed employees has been a huge relief for lots of businesses, however it does mean that you may be missing some of the functions that your finance team provide.

With our team's diverse range of skills and expertise, and we want to offer our support to your business.

Some of the services we can assist you with include:

Bookkeeping Support:

Let us carry the burden of your bookkeeping should you be missing your finance staff. Available at an affordable hourly rate to suit your needs, on a no fixed-term basis with a 14 day notice period.

Payroll Services:

As payroll functions become more complex and confusing, why not consider using our professional Payroll team who can ensure your businesses payroll is done in a timely and compliant manner.

Cash Flow Monitoring:

Ensuring that your business maintains a healthy and consistent cash flow is vital during these strenuous times. We can monitor and help you manage your business cash flow so your business doesn't suffer due to bad cash flow management.

BUSINESS FUNDING OPTIONS

All businesses have had to adapt to the restrictions which have been put in place. it's important to be aware of the government support that has been made available and know what support your business can take advantage of.

Bounce Back Loans

This scheme is designed to help small and medium-sized businesses to borrow between £2,000 and £50,000 capped at 25% of turnover. The government will guarantee 100% of the loan and there won't be any fees or interest to pay for the first 12 months.

Loan terms will be up to 6 years. No repayments will be due during the first 12 months. The government will work with lenders to agree a low rate of interest for the remaining period of the loan. The scheme will be delivered through a network of accredited lenders.

You can apply for a loan if your business is based in the UK, has been negatively affected by coronavirus and was not an 'undertaking in difficulty' on 31 December 2019.

The following businesses are not eligible to apply:

- banks, insurers and reinsurers (but not insurance brokers)
- public-sector bodies
- further-education establishments, if they are grant-funded
- state-funded primary and secondary schools

If you're already claiming funding:

- You cannot apply if you're already claiming under the Coronavirus Business Interruption Loan Scheme (CBILS).
- If you've already received a loan of up to £50,000 under CBILS and would like to transfer it into the Bounce Back Loan scheme, you can arrange this with your lender until 4 November 2020.

Business Interruption Loan Scheme (CBILS)

This is to support primarily small and medium-sized businesses to access bank lending and overdrafts.

The government will provide lenders with a guarantee of 80% on each loan (subject to a per lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £5 million in value.

Businesses can access the first 12 months of that finance interest free, as the government will cover the first 12 months of interest payments.

You are eligible for the scheme if your business:

- Is UK based, with turnover of no more than £45 million per year
- Meets the other British Business Bank eligibility criteria

To access the scheme:

The full rules of the Scheme and the list of accredited lenders is available on the British Business Bank website: <https://www.british-business-bank.co.uk/ourpartners/coronavirus-businessinterruption-loan-scheme-cbils/>

If you have an existing loan with monthly repayments you may want to ask for a repayment holiday to help with cash flow.

You can speak to one of our team about what Business Funding options could be right for you, just call us on 01243 782 423!

HMRC SCAMS!

Please remember to stay vigilant about any messages you receive. HMRC are very aware that scammers will be taking advantage of these ongoing circumstances, as they may mimic government messages as a way of appearing authentic and unthreatening.

You'll never get an email, text message or phone call from HM Revenue and Customs (HMRC) which:

- tells you about a tax rebate or penalty
- asks for your personal or payment information

If you receive any communications which you think may be suspicious, you can report them to HMRC. Emails can be forwarded to phishing@hmrc.gov.uk and texts can be sent to 60599. HMRC has a list of examples of scams in different formats so you can be aware of what to watch out for, you can find these at: https://rebrand.ly/LB_HMRC_Examples



FREE CASH FLOW SOFTWARE!

Since this pandemic started, most businesses have been focusing on dealing with the immediate effect of lockdown and ensuring they are still able to continue trading "when this is over".

It is vital for businesses of all sizes to ensure they have all the necessary income and expenditure covered in their forecasts to understand what their position is likely to be and ensure their survival.

Good cash flow management is a key goal for any business. Making sure you have correct and up-to-date information for your forecasts will help plan the future of your business.

To help with this we are proud to be providing all our clients, who use Xero or Quickbooks Online with FREE artificial intelligence cash flow prediction software.

Alternatively you can access free and easy to use Excel & Word Cash Flow Tool and Templates on our website: <https://www.lewisbrownlee.co.uk/cash-flow-tools/>.

To discuss your business cash flow with one of our team call 01243 782 423, and we'd be happy to help!



Sam Ede
Head of Audit & Assurance

AUDITING ISSUES UNDER COVID-19

One of the biggest areas for an auditor to be focusing their work will be on going concern.

An entity is a going concern unless management either intends to liquidate the entity, to cease trading or has no realistic alternative but to do so.

It is the responsibility of management to make the assessment as to whether the entity is a going concern. An auditor's responsibility is to review and test the appropriateness of those assessments.

Management would generally be expected to prepare detailed forecasts, updated regularly, until the financial statements are authorised for issue. These forecasts should reflect potential scenarios and management's plans and contingencies. Again, the auditor will be examining and analysing the appropriateness of those forecasts and plans.

Management should be considering the impact of COVID 19 on its entire supply chain including customers, suppliers and staff. The auditor will do the same.

When management is aware, in making its assessment, that the existing or potential impact of COVID-19 results in there being material uncertainties which may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties are required to be disclosed in the financial statements.

In some circumstances it may be necessary to consider whether it is appropriate to prepare the accounts on a going concern basis.

Do keep an eye out on our website for our regular blogs and social media updates on the subject!



Tom Foster
Tax Director

PROBATE SERVICE

Losing a loved one can be one of the most stressful and emotional times of your life. The last thing on your mind is dealing with the additional responsibilities of overseeing the legal and financial aspects of the deceased's estate.

What is Probate?

Put simply, Probate is a term used generically to refer to the process of dealing with the estate of a deceased person. The purpose is to make sure all relevant taxes are collected, money owing to creditors is paid, debts owed to the deceased are collected, and the remaining assets from the estate are distributed to the relevant beneficiaries in accordance with their wishes.

Who can deal with the probate process?

The people who are legally entitled to deal with the estate of the person who has died are known as 'personal representatives'. If there is a Will specifically naming executors, and they are willing and able to act, they become the personal representatives. They will need to obtain a grant of probate from the Probate Registry, which will enable them to fulfil their duties.

If there are no executors willing or able to act, or if there is no Will, the personal representatives will be called 'administrators', and they will need to obtain a 'grant of letter of administration' which gives them authority to act.

How can we help?

It is possible to undertake this process yourself, however it can be an incredibly complicated procedure, and with this in mind, we are pleased to announce that Lewis Brownlee are now accredited by the ICAEW to undertake probate work, and therefore able to deal with this process. We can hold your hand and help you with every step along the way. We focus on removing as much of this burden from you as possible, while keeping you completely in control.

Our team are fully trained, qualified and experienced to handle the probate and estate administration process for you, as well as giving you clear and concise guidance on estate planning, inheritance tax planning, trusts, executorships and financial planning.

Whilst we hope no-one reading this will need assistance in this area any time soon, please let us know if you would like any assistance as and when the need arises.

Further Information

To provide further information on Probate and what needs to take place we have created a guide which you can find in our website Library: <https://www.lewisbrownlee.co.uk/library/>

The guide has been put together to help explain what's involved, and the terminology that you may hear or read whilst going through the Probate Process..

If you have any questions about Probate then please do get in touch on 01243 782 423





Chris Page
Financial Services
Director

CORONAVIRUS AND YOUR INVESTMENTS

It's no secret that the Coronavirus outbreak is having a major impact on financial markets across the world. As you might expect, it's a main topic of conversation amongst ourselves and when speaking to clients at the moment. We get the odd call asking for our opinion on what may happen next. We get even more on how people might be able to protect their funds from any future falls. All the while, people are wanting to know how to keep the upside of any potential recovery... (wouldn't that be nice!). The truth is, although we will be able to make an educated guess, we don't have a crystal ball.

Yes, it's true that the FTSE 100 has fallen faster than after the Global Financial Crisis of 2008. In fact, it has also fallen much faster than after previous economic shocks too. That's why the press are currently hedging their bets, reporting on a range of possible outcomes spanning from a mere speed bump to the end of civilisation as we know it.

With all this in mind, is it any wonder why it's not easy to remain rational and positive at the moment. The stress we are all under is having a massive impact on our personal well-being and decision making. We know that when emotions are high, it's actually the worst time to listen to your thoughts and make a call on your finances... but we are human and sometimes you just need to talk to someone. That's where we come in.

So, how are Coronavirus and investments battling it out at the moment?

There's no sugar-coating it! It's been horrible for equities since the end of February. The selloff in March was completely indiscriminate, no hiding anywhere.

Let's be honest, we would all like a lovely straight line going from the bottom left hand corner to the top right, but that is not reality. It's a fact of investing that the markets go up and down. In the event of a crisis, however, the down is more of a nose-dive. It's uncomfortable, it's unsettling, but it's also inevitable.

The shining light at the end of the tunnel is the fact that each and every time in history we have experienced such a shock, markets have gone on to recover and make investors' handsome profits (that is unless you panicked and withdrew all your funds to cash).

What are the short-term implications for investing?

This is the question that no one seems to want to answer, because nobody can. A pandemic and your investments are never going to be a good mix in the short-term. Understandably, the markets are extremely volatile at the moment as investors try weigh up the effect of Coronavirus against measures aimed at easing its economic impact. That's why when Rishi Sunak announced his first virus-related budget amends, we saw a favourable wobble in the otherwise downward trend of the current market.

What we do know is that we can expect the markets to remain choppy in the months ahead as the virus escalates and unfolds. If the markets continue to follow the recent pattern they've established, sudden market drops will be followed by acute intra-day upswings as the market reflects the latest news and re-calibrate its outlook accordingly.

It's a bit like the resonance after a xylophone has been struck. As news come out, the xylophone key is struck. The key bounces up and down (oscillates) as it resonates from the strike. Then another key is struck as a new piece of news come out, and the oscillation starts all over again.

Should I be worried about my long-term investments?

In short, no. While it's entirely likely that the outbreak will continue to rattle markets for the near future, the long-term outlook is what is important. This is because market volatility is normal, and markets often rebound quickly once immediate issues are resolved.

The message as far as Coronavirus and investments are concerned remains the same. Resist the urge to panic! Anyone investing in the stock markets should be thinking longer term, rather than in weeks or months.



**As always, if you are concerned, please do give us a call on 01243 767 469.
We're always here and happy to help!**

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Lewis Brownlee (Chichester) Ltd, Chartered Accountants

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