

Virtual event: Business survival during Covid-19

Useful resources for webinar attendees

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COVID-19 GOVERNMENT-SUPPORTED LOAN SCHEMES SUMMARY

The table below summarises some of the key terms of the government-supported loan schemes available to businesses. The list is accurate as at 21 April 2020, and is not an exhaustive list of all of the terms attached to these loans. Please speak to our Finance Generator team for more details on how we can assist you in applying for these schemes.

	Future Fund	CBILS Coronavirus Business Interruption Loan Scheme	CLBILS Coronavirus Large Business Interruption Loan Scheme	CCFF Covid Corporate Financing Facility
What is it? 	A scheme that will issue convertible loans between £125,000 to £5 million to innovative companies which are facing financing difficulties due to the Covid-19 outbreak.	Financial support to smaller businesses (SMEs) across the UK that are losing revenue, and seeing their cashflow disrupted, as a result of the Covid-19 outbreak.	Financial support to mid-sized and larger UK businesses across the UK that are losing revenue, and seeing their cashflow disrupted, as a result of the Covid-19 outbreak.	A facility to support liquidity among larger firms, helping them to bridge coronavirus disruption to their cash flows through the purchase of short-term debt in the form of commercial paper.
Who is eligible? 	You're eligible if your business: <ul style="list-style-type: none"> is based in the UK and is unlisted can attract the equivalent match funding from third-party private investors and institutions has a substantive economic presence in the UK has previously raised at least £250,000 in equity investment from third-party investors in the last 5 years. 	Your business must: <ul style="list-style-type: none"> be UK-based in its business activity have an annual turnover of no more than £45 million have a borrowing proposal which the lender would consider viable, were it not for the current pandemic self-certify that it has been adversely impacted by the coronavirus (COVID-19). Lenders will need further information to confirm eligibility. Businesses from any sector can apply, except the following: <ul style="list-style-type: none"> 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. 	Your business must: <ul style="list-style-type: none"> be UK-based in its business activity have an annual turnover of more than £45 million have a borrowing proposal which the lender would consider viable, were it not for the current pandemic, and for which the lender believes the provision of finance will enable the business to trade out of any short-term to medium-term difficulty self-certify that it has been adversely impacted by the coronavirus (Covid-19) not have received a facility under the Bank of England's Covid Corporate Financing Facility (CCFF). Lenders will need further information to confirm eligibility. Businesses from any sector can apply, except the following: <ul style="list-style-type: none"> credit institutions (falling within the remit of the Bank Recovery and Resolution Directive), insurers and reinsurers (but not insurance brokers) building societies public-sector bodies further-education establishments, if they are grant-funded state-funded primary and secondary schools. 	<ul style="list-style-type: none"> Companies - and their finance subsidiaries - that make a material contribution to the UK economy firms that can demonstrate they were in sound financial health prior to the shock companies with significant employment in the UK firms with their headquarters in the UK the company generates significant revenues in the UK serves a large number of customers in the UK has a number of operating sites in the UK. The clearest way to demonstrate the sound financial health test is to have, or acquire, a rating. For such firms, investment grade means a short-term rating of A3/P3/F3/R3 or above, or a long-term rating of BBB-/Baa3/BBB-/BBB low or above by at least one of the major credit ratings agencies: S&P, Moody's, Fitch or DBRS Morningstar. There are options for firms without a rating.
How much can you borrow? 	Up to £5m subject to at least equal match funding from private investors. Minimum amount of £125,000.	Up to £5m.	Up to £25 million for eligible businesses with a turnover under £250 million. Up to £50 million for eligible businesses with a turnover in excess of £250 million.	Up to £1bn but dependent on rating.
What are the required terms of the loan? 	The loan shall constitute no more than 50% of the bridge funding being provided to the company, with the remaining amount provided by matched investor(s). The bridge funding shall be used solely for working capital purposes and shall not be used by the company to repay any borrowings, make any dividends or bonus payments to staff, management, shareholders or consultants or, in respect of the Government loan, pay any advisory or placement fees or bonuses to external advisers. The Government shall receive a minimum of 8% per annum (non-compounding) interest to be paid on maturity of the loan. The interest rate shall be higher if a higher rate is agreed between the company and the matched investors. The loan shall mature after a maximum of 36 months. The details of the conversion rights and other terms can be found here.	For term loans and asset finance facilities: up to six years. For overdrafts and invoice finance facilities: up to three years. The Government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied charges. There are no guarantee fees for SMEs.	From three months to three years. The CLBILS scheme does not have Business Interruption Payment to cover interest and fees for the first 12 months.	Sterling denominated commercial paper with the following characteristics: <ul style="list-style-type: none"> A maturity of one week to 12 months (up to 365 days) if issued via a dealer issued directly into Euroclear and/or Clearstream the facility will offer financing on terms comparable to those prevailing in markets in the period before the Covid-19 economic shock. For primary market purchases the Bank will purchase securities at a spread above a reference rate, based on the current sterling overnight index swap (OIS) rate. For secondary market purchases the Bank will purchase CP at the lower of amortised cost from the issue price and the price as given by the method used for primary market purchases as set out above. The Bank will apply an additional small fee (currently set at 5bps and subject to review) for use of the secondary facility, payable separately.
What security or guarantees are required? 	Unsecured.	No personal guarantees for facilities under £250,000. Personal guarantees may still be required, at a lender's discretion, for facilities above £250,000, but they exclude the Principal Private Residence (PPR) and recoveries under these are capped at a maximum of 20% of the outstanding balance of the CBILS facility after the proceeds of business assets have been applied. Lenders can take other security such as corporate guarantees, debentures and share charges.	No personal guarantees are permitted for facilities under £250,000. For facilities of £250,000 and over, claims on personal guarantees cannot exceed 20% of losses after all other recoveries have been applied.	The BoE will consider normal security options for such facilities.
Who provides the loan? 	The Government in partnership with the British Business Bank	Accredited Lenders British Business Bank list of accredited lenders and partners	Accredited Lenders British Business Bank list of accredited lenders and partners	Bank of England
What loans are available? 	Term loan	<ul style="list-style-type: none"> Term loans Overdrafts Invoice finance Asset finance 	<ul style="list-style-type: none"> Term loans Revolving credit facilities (including overdrafts) Invoice finance Asset finance 	Commercial paper

If your business has been affected by Covid-19 and you need to apply for the Coronavirus Business Interruption Loan Scheme or the Coronavirus Large Business Interruption Loan Scheme, we can help. Our multi-disciplinary team comprises experts with experience of CBILS applications, raising debt, and special situations finance.

Talk to us today on 01242 285 254 or read more www.hcrclaw.com/fg



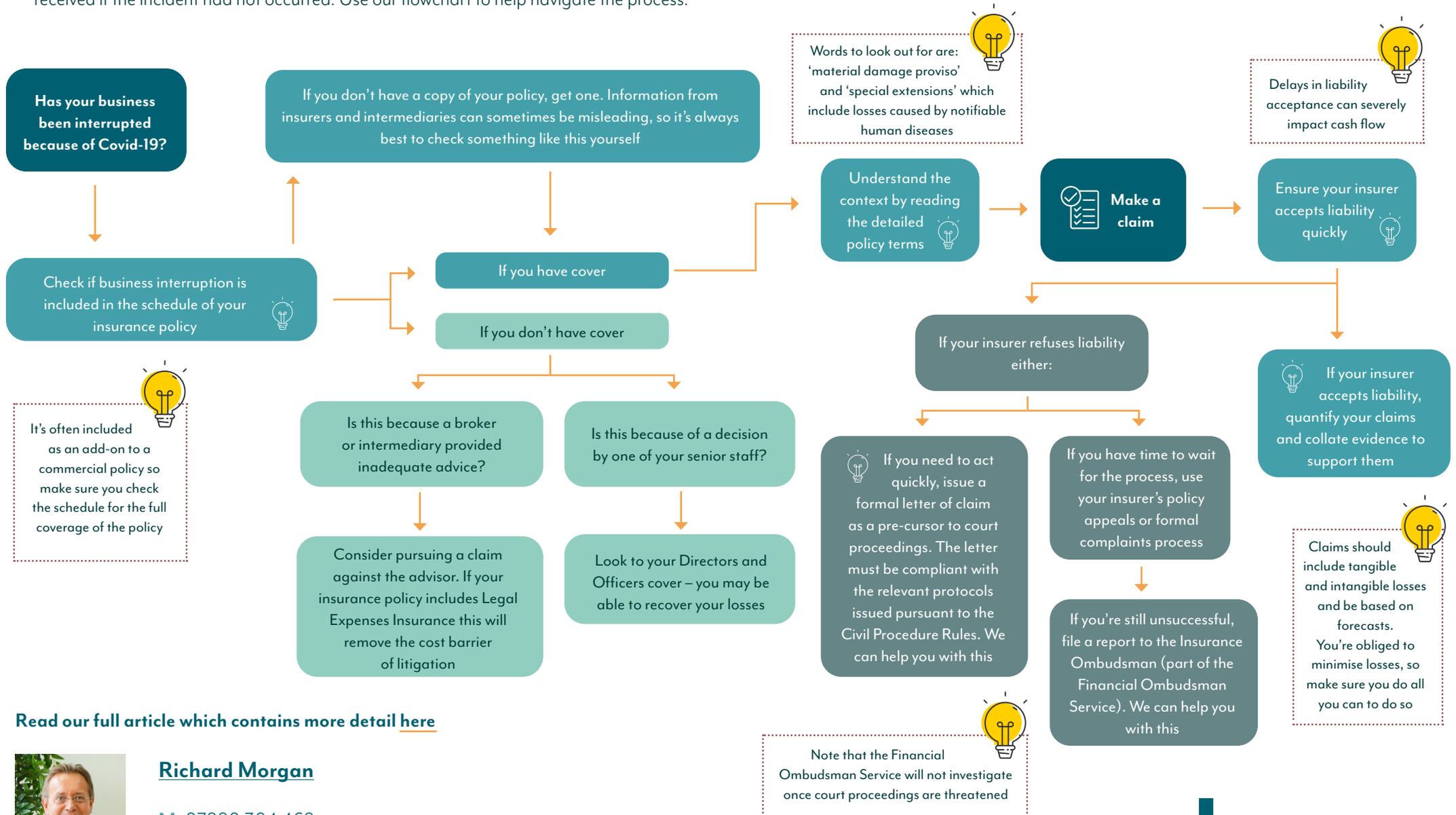
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GUIDE TO CLAIMING FOR COVID-19 BUSINESS INTERRUPTION LOSSES ON YOUR INSURANCE

If your business is interrupted by Covid-19, you might be able to claim for business interruption losses on your insurance. Business interruption cover is designed to protect businesses against the financial loss suffered as the result of an inability to trade, and can mean the difference between survival and permanent closure. It exists to cover the income a business would have received if the incident had not occurred. Use our flowchart to help navigate the process.



Read our full article which contains more detail [here](#)



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Join us for our next virtual event: Protecting you and your family during and after Covid-19

Wednesday 13th May | 11am – 12noon

If the Covid-19 pandemic has you thinking about your finances, who will look after your children when you die, or the decisions you may have to make on behalf of an ill or vulnerable loved one, you're not alone.

For many of us the worlds of 'powers of attorney' and 'advanced care planning' are new. In fact Covid-19 has meant many people are now making their first will. This unprecedented situation has meant many of us are thinking about aspects of our lives in ways we haven't considered before. Whether it's 'getting our house in order' or making really big decisions about our wishes around dying, we're all doing what we can to ensure we protect ourselves and our families for the future. And whether you're in your twenties or your eighties we're all affected in some way.

Register your place



St David's
Hospice Care

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rickerbys solicitors

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— WEALTH MANAGEMENT —

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Cambridge

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Chivers Way
Histon
Cambridge
CB24 9AD

Cardiff

Unit B
Copse Walk
Cardiff Gate
Business Park
Pontprennau
Cardiff
CF23 8RB

Cheltenham

Ellenborough
House
Wellington
Street
Cheltenham
GL50 1YD

Hereford

Thorpe House
29 Broad Street
Hereford
HR4 9AR

London

62 Cornhill
London
EC3V 3NH

Thames Valley

Aquis House
49-51 Blagrove
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RG1 1PL

Worcester

5 Deansway
Worcester
WR1 2JG

Wye Valley

Overross House
Ross Park
Ross-On-Wye
HR9 7US