



# Covid-19: finance and insolvency review – where will we be in six months?

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# Dates to be aware of

1 December

## Crown Preference restored

From 1 December, HMRC will rank ahead of floating charge holders as a creditor for VAT, PAYE, some NIC and some other taxes. Fixed charge holders will still rank ahead of HMRC; however, this new change will, of course, cause uncertainty for floating charge holders and unsecured creditors.

25 December

## Rent Quarter Day

You should ensure that you have plans in place in respect of commercial rents that are due, and have conversations with landlords to plan for the future. Take particular note of the forfeiture options available to landlords from 31 December.

31 December

## Statutory demands and petitions have effect

The extended restrictions in respect of the use of statutory demands for winding-up petitions will end on 31 December, which means that a winding-up petition is possible even if the Covid-19 pandemic has had a financial effect on the debtor company.



## Landlords can resume forfeit and CRAR

Landlords will have the ability to forfeit leases for non-payment of rent.

Landlords will also be able to use the Commercial Rent Arrears Recovery process for recovering rents owed under commercial leases.

If you have any concerns in relation to outstanding commercial rent, it would be sensible to hold early conversations with your landlord to discuss this to make a plan for the future.

# 2021

## 31 January

### End of Brexit transition period

Make sure that you have Brexit plans in place for your business (i.e. is your business ready for the UK to leave the EU without a deal?) and that you assess how any changes can affect your business.



### Due date for deferred Self-Assessment payment on account 31 January 2020

You will not be charged any penalties or interest if you pay the deferred payment on account by 31 January.

### Closing date for business loan schemes; CBILS, CLBILS and Covid-19 corporate finance facility

Ensure that any new applications are submitted in good time, so that you do not miss the deadline on 31 January.

## 25 March

### Rent Quarter Day



# 31 March

## Deadline for VAT deferred from March-June 2020

On 24 September the Chancellor announced that UK VAT registered businesses can opt-in to a scheme so that, instead of having to pay their full VAT bill by 31 March 2021, they have the option to make 11 smaller payments up to 31 March 2022, interest free. However, if it is possible to pay the VAT in full on 31 March 2021, then you should do so.

Remember to make sure that you can afford the additional monthly outgoings if you opt-in to the deferred payment scheme.

## Closing date for Coronavirus Job Retention Scheme (CJRS)

Have you planned for the end of furlough in order for employees to return to work? This could include other cost savings elsewhere in the business or planning to restructure the workforce. In any event, adequate budget planning should be considered before any key decisions are made.

# 1 April

## New Job Support Scheme (JSS) comes into effect

At the time of writing the JSS is currently postponed. But this scheme, announced on 24 September, which took effect from 1 November 2020 was originally due to run until 30 April 2021. If you had moved, or intend to move employees from the CJRS to the JSS in the future, you should note that employees cannot be made redundant or put on notice of redundancy during the period that their employer is claiming the grant for that employee.



## Final day for CJRS payment claims

We don't yet know the specific date but it's likely to be that the final day you can submit CJRS payment claims for periods ending on or before the end of the scheme (currently 31 March 2021), will be in April. If you do not submit your claims before the deadline, you will be unable to submit any new claims or add to any existing claims.

## For more advice on how we can help, contact us



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