



COVID-19

Business Fact Sheet

31 July 2020

CORONAVIRUS PANDEMIC

With the current COVID-19 outbreak having a significant impact on businesses and economies worldwide, the UK government continues to announce measures aimed at mitigating the financial impact of the crisis on UK businesses. A useful website collating updated information on government measures to support businesses can be found [here](#). In addition, the Department for Business, Energy & Industrial Strategy has created a [Coronavirus business support blog](#) which includes case studies, input from UK business and government, as well as links to additional information and resources.

This is a very fast-moving situation and new measures are announced regularly as the government attempts to address the key issues facing British society. We are monitoring government sources and will update our advice as promptly as possible in response to new information and advice. To receive a copy of this factsheet when it is updated, please [sign up here](#).

FINANCIAL ASSISTANCE AND RELIEFS AVAILABLE TO UK BUSINESS

The key measures announced by the government so far to support UK businesses are summarised below. Unless stated otherwise, they are applicable in both England and Wales and include:

- Bounce Back Loans for small businesses under a new scheme announced on Monday 27th April;
- the Coronavirus Job Retention Scheme;
- a Statutory Sick Pay relief package for SMEs;
- a 12-month business rates holiday for all retail, hospitality and leisure businesses in England; in Wales this will now apply only to relevant businesses with a rateable value of £500,000 or less;
- small business grant funding of £10,000 for all businesses in receipt of Small Business Rates Relief or Rural Rate Relief;
- grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £12,001 (Wales) or £15,000 (England) and £51,000;
- the Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs and the more recent Coronavirus Large Business Interruption Loan Scheme offering similar facilities to larger businesses;
- a new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans;
- flexibility for the settlement of outstanding tax liabilities through the HMRC Time To Pay Scheme;
- support for self-employed individuals who, if eligible, may claim a taxable grant worth 80% of trading profits up to a maximum of £2,500 per month for 3 months (capped at £7,500). An extension to the scheme in August 2020 will see a second grant become available worth 70% of the average monthly trading profits for 3 months up to a cap of £6,570;
- a recently announced £1.25bn fund designed to protect firms driving innovation in the UK, including a £500m Future Fund for high-growth companies and £750m for R&D companies;

- in Wales only, the establishment of an Economic Resilience Fund to provide grants of £10,000 for micro-businesses employing up to 9 people (including self-employed employing staff), and up to £100,000 for small to medium-sized firms with between 10 and 249 employees, plus support for larger Welsh companies of critical social and economic importance to Wales. The £100m COVID-19 Wales Business Loan Scheme announced by the Welsh government and the Development Bank of Wales is now fully subscribed;
- a £750m package of support for frontline charities in the UK.

Bounce Back Loan Scheme

A new scheme offering fast track loans of between £2,000 and £50,000 to small businesses within 24 hours of approval has been [announced](#) by Rishi Sunak, following government consultations with business representatives and amid ongoing concern that businesses are struggling to access funding. The scheme is intended to provide rapid loans to the smallest businesses affected by the coronavirus which are desperate for vital cash injections. Businesses can apply for loans representing up to 25% of turnover, which will be 100% government backed, interest and fee-free for the first 12 months, with no repayments due for the first 12 months. The government has committed to working with lenders to agree a low, standardised rate of interest for the remainder of the term, which may be up to 6 years. The scheme will launch at 9am on Monday 4th May and will be accessible by completing a short, standardised online application, with funds being made available in most cases within 24 hours of approval.

Coronavirus Job Retention Scheme

All UK employers which had created and started a PAYE scheme on or before 19th March 2020 are eligible to access support to continue paying part of the salary of those employees who would otherwise have been laid off during the pandemic crisis. Until the end of July 2020, HMRC will reimburse 80% of the wage bill for 'furloughed' employees (employees who are not working, providing services or generating revenue) capped at £2,500 per month, plus the associated Employer NI contributions and the minimum automatic enrolment employer pension contributions on that wage. The scheme applies to full time and part time employees, those on agency contracts and on flexible or zero hours contracts and foreign nationals on all categories of visa. It also covers employees who were employed as of 28th February 2020 and on payroll and were made redundant or stopped working for the employer after that, if they are rehired by their employer and then put on furlough. Claims can be made by submitting the relevant information via the [online claims portal](#). Claims may be backdated to 1st March where applicable. HMRC have produced [step by step guidance](#) for employers and an [online calculator](#) is also now available to help businesses work out how much they are eligible to claim. Employers should note that the [government advised](#) on 27th April 2020 that furloughed workers planning to take parental or adoption leave will be entitled to pay based on their usual earnings rather than a furloughed pay rate.

The CJRS will close to new entrants on **30 June 2020**. After that date employers will only be able to furlough an employee who has previously been furloughed for three weeks before 30 June. As a result, the cut-off date for furloughing employees for the first time will be **10 June** which will enable those employees to complete a full three week furlough and therefore be eligible for continued furloughing after 30 June.

With effect from **1 July 2020**, businesses will be able to furlough employees based on business need thereby introducing a degree of flexibility into the scheme. The scheme will work as follows:

- Employees can be brought back to work on a part-time basis dependent on the needs of the business and employers will be responsible for the wages of the employee while they are working. If there is no work for the employee to do, they can remain on furlough;
- Government will continue to pay 80% of the employees' wages for those hours the employee does not work until the end of August 2020;
- Employers and employees must agree these working hours arrangements in writing and they must cover at least one week. Employers must report and claim for a minimum period of one week.

The CJRS will start to be tapered in **August** as follows:

- During June and July no change will take place other than to allow for the flexible furloughing already referred to above;
- In August the Government's contribution of 80% will continue, but employers will be required to pay employers National Insurance Contributions (NICs) and pension contributions;
- In September the Government will pay 70% of the hours not worked by employees up to a reduced cap of £2,187.50. Employers will contribute 10% of the wages up to the 80% cap and the employers NICs and pension contributions;
- In October the Government contributions reduce to 60% and the cap to £1,875. Employers will contribute 20% of the wages up to the 80% cap and the employers NICs and pension contributions;
- The cap on the furlough grant will be proportional to the hours not worked.

Detailed information regarding the [CJRS and what it means for employers can be found here](#). For a detailed analysis on how the changes that were introduced from 1 July affect employers, see our [flexible furlough article here](#). Both articles are kept up-to-date but with a dynamic situation, please speak to our [employment lawyers](#).

Coronavirus Statutory Sick Pay Rebate Scheme

The Coronavirus Statutory Sick Pay Rebate Scheme (SSPRS) will repay statutory sick pay to employers who have paid sick pay to their employees who are absent from work due to COVID-19. The SSPRS is open to UK based SMEs – for this purpose defined as employers with fewer than 250 employees.

Eligibility will be assessed on the number of employees as at 28th February 2020. Connected companies and charities are able to use the scheme if their total combined number of PAYE employees is fewer than 250 on or before 28th February.

Details include:

- eligible companies will be able to reclaim up to two weeks' SSP paid to each eligible employee who has been off work due to COVID-19;
- employers should maintain records of staff absences and of payments of SSP but employees will not be required to provide a GP's note;
- eligibility for the scheme commenced on 13th March 2020 (the day new Regulations extending the payment to SSP to those staying at home due to COVID-19 came into force).

Further details are available here <https://www.gov.uk/guidance/claim-back-statutory-sick-pay-paid-to-employees-due-to-coronavirus-covid-19>.

Business Rates Relief

In England, the Government has extended the business rates retail discount scheme to all ratepayers in the retail, hospitality and leisure sectors.

Initially, the Government announced in the Budget that a 12 month exemption for occupied retail properties with a rateable value below £51,000 would be granted. However, the impact of the "social distancing measures" announced by the UK Government on 16 March, on pubs, restaurants, hotels and theatres, has prompted the extension of the relief to all properties in the retail, hospitality and leisure sectors irrespective of their rateable value. The relief represents a 100% exemption from rates for the year 2020/21.

In Wales, although the government initially announced that it would mirror the English scheme, it subsequently announced that this will now only apply to businesses with a rateable value of £500,000 or less.

Properties that benefit from the scheme are:

- shops, restaurants, bars, pubs, cafes, cinemas, live music venues and theatres. "Shops" includes any properties used for the sale of goods to the visiting public (i.e. not online establishments);
- properties used for leisure activities, including theatres, museums, sports clubs and gyms;
- hotels, guest & boarding premises and self-catering accommodation.

The properties eligible for the relief must be in occupation, therefore vacant properties will not be able to benefit. Those properties which have closed due to the outbreak of COVID-19 will be treated as occupied and so will be eligible for the relief.

Properties that are used for the following purposes will not be eligible for the relief:

- financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
- other services (e.g. estate agents, letting agents, employment agencies)
- medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)

- professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- post office sorting offices
- casinos and gambling clubs

Businesses that received the retail discount in the 2019 to 2020 tax year will be rebilled by their local authority as soon as possible. Businesses should contact their local authority with questions of eligibility and the application process.

Small Business Grant Funding

Additional funding will be made available through local authorities to support small businesses that already pay little or no Business Rates due to the Small Business Rate Relief (SBRR) or Rural Rate Relief. Businesses in England with a rateable value of £15,000 or less (£12,000 or less in Wales) will receive a grant of £10,000 to help mitigate the impact of Coronavirus to help meet their continuing business costs. To be eligible for the grant, businesses must meet the following criteria:

- the business must have a business premises;
- the business premises must be in England or Wales;
- the business must be eligible for either SBRR or Rural Rate Relief.

Start-up businesses are not eligible for the funding. In England, eligible recipients will be entitled to receive one grant per hereditament. In Wales, the multiple property restriction which applies to SBRR also applies to these grants, so that the same ratepayer may only receive the grant for a maximum of two properties in each local authority area.

The scheme will be implemented through local authorities, with funding being received by the government in early April. Some local authorities will automatically contact businesses based on their business rates records and others have established an application process. Businesses should check the procedure applicable in their relevant local authority. For English businesses, the [UK government website](#) has a postcode search facility to enable businesses to access the website of their local authority. In Wales, the [Business Wales website](#) has links to each of the relevant local authority websites.

More generous rules apply to businesses in England and Wales in the retail, hospitality and leisure sectors. The Retail and Hospitality Grant Scheme will provide relevant businesses with cash grants of up to £25,000 per property: properties with a rateable value of up to £15,000 in England (£12,000 in Wales) may be eligible for a grants of £10,000, while those with a rateable value of over £15,000 in England (£12,000 in Wales) but less than £51,000 may be eligible for a grant of up to £25,000.

Coronavirus Business Interruption Loan Scheme and Coronavirus Larger Business Interruption Loan Scheme

The government has announced the introduction of a temporary Coronavirus Business Interruption Loan Scheme (CBILS) to support small and medium-sized businesses and also, responding to initial concerns that a large selection of UK firms (those businesses with turnover of more than £45m but which, for a variety of reasons, are not investment grade) were without support, through the more recently announced Coronavirus Large Business Interruption Loan Scheme (CLBILS).

CBILS

The CBILS will temporarily replace the Enterprise Finance Guarantee for SME overdrafts.

Following feedback on the initial set up from UK businesses, the government has significantly expanded the scope of CBILS, with effect from 6th April 2020, to facilitate access to emergency funding by a greater number of UK businesses:

- the scheme has now been made accessible to businesses which would not previously have been eligible because they met the requirements for a standard commercial facility; insufficient security is no longer a condition;
- banks are no longer permitted to require personal guarantees for loans of up to £250,000. Although loans of over £250,000 may require a personal guarantee, this cannot include the Principal Private Residence and recovery is capped at 20% of the outstanding CBILS balance after the proceeds of business assets have been applied.

Under CBILS the government will provide lenders with a guarantee of 80% on each loan (subject to a cap on claims applying to each lender) to give lenders further confidence in continuing to provide finance to SMEs during the COVID-19 pandemic. The government will not charge businesses or banks for this guarantee and the Scheme will support facilities from £1,000 up to £5 million in value. Finance terms are from three months up to six years for term loans and asset finance and up to three years for revolving facilities and invoice finance. The Government will make a Business Interruption Payment to cover the first 12 months of interest payments and in some cases, any lender-levied fees. The borrower will remain fully liable for the debt.

The CBILS covers a variety of types of finance, including:

- term facilities
- overdrafts
- invoice finance facilities
- asset finance facilities

To be eligible for the CBILS, the small business must meet the following criteria:

- be UK based, with turnover of no more than £45 million per annum;
- operate within an eligible industrial sector (a small number of industrial sectors are not eligible for support, including banks and insurance providers) and generate more than 50% of its turnover from trading activity;
- have a sound borrowing proposal. Demonstration of this is likely to require provision of the following:
 - Up to date Statutory Accounts;
 - Current Management Accounts;
 - Up to date P&L and Balance Sheets and updated forecasts.
- be able to confirm that they have not received other public support of de minimis state aid beyond €200,000 equivalent over the previous three years and that the facility will be used to support primarily trading in the UK.

The revised scheme on the above terms is now operational. Full details can be found [here](#). Any small business which was unsuccessful in securing funding under the original scheme parameters may now consider re-applying by contacting their lender ([40+ accredited lenders](#)).

CLBILS

The Coronavirus Large Business Interruption Loan Scheme has been expanded since its initial announcement to cover all viable UK businesses with turnover of over £45m, through the availability of government-backed loans of up to £25m for firms with turnover up to £250m and loans of up to £50m for those with higher turnover. Applicants must have a borrowing proposal which the lender would consider viable if not for the COVID-19 pandemic and which the lender believes will enable the business to trade out of any short to medium-term difficulty. Applicants will be required to self-certify that they have been adversely affected by the coronavirus. CLBILS applications opened on Monday 20th April 2020. Further details can be found on the [British Business Bank website](#).

Support for large firms – COVID-19 Corporate Financing Facility

To further support larger firms during the current crisis, the Bank of England has announced a new lending facility to provide a quick and cost-effective way for businesses to raise short term working capital through the purchase of short term debt. This facility is intended to support companies which are fundamentally strong, are investment grade, but have been affected by a short-term funding squeeze, so allowing them to continue funding their short-term liabilities. It is also designed to support the corporate finance market generally and ease the supply of credit to all firms. The scheme is now open for applications, with further details as to how it will operate and how to access funding available from the [Bank of England](#).

Support for businesses paying tax

Time to Pay - Support for businesses and self-employed individuals in financial distress who may have difficulties paying outstanding tax liabilities as a result of issues caused by the coronavirus outbreak can be sought through HMRC's Time To Pay Service. Arrangements are agreed on a case-by-case basis, taking into account individual circumstances and liabilities and may include arranging for outstanding tax to be paid by instalments, suspending debt collection proceedings and cancelling penalties and interest where there are administrative difficulties in contacting or paying HMRC immediately. Businesses and self-employed persons can seek advice on this service via HMRC's dedicated COVID-19 helpline on 0800 024 1222 (8am to 4pm Monday-Friday).

Deferral of VAT – VAT payments are deferred for a period of 3 months with effect from 20 March 2020 to 30 June 2020. This is an automatic relief for taxpayers albeit a temporary one. Businesses will be required to repay the outstanding VAT by the end of the 20/21 tax year.

Income Tax – Another automatic, but temporary relief favours the self-employed. Payments due for Income Tax Self-Assessment are deferred from 31 July 2020 to 31 January 2021.

Support for the self-employed

The Self-Employment Income Support Scheme (SEISS) supports self-employed individuals (including members of partnerships) who have lost income due to COVID-19. A taxable grant, equal to 80% of trading profits, up to a maximum of £2,500 per month for a 3-month period can be claimed by individuals whose self-employed trading profits are less than £50,000 and represent more than 50% of total income. Individuals who wish to claim must do so before 13 July 2020. To be eligible you must have submitted a Self-Assessment tax return for the tax year 2018-2019 by 23rd April 2020. Further details on the operation of this initial phase of the grant can be found [here](#).

The SEISS is being extended to allow eligible self-employed people to claim a second SEISS grant in August 2020. The grant is taxable and will be equal to **70%** of the average monthly trading profits of the individual for three months up to a maximum of £6,570. Eligibility criteria for the scheme remains the same and can be found [here](#).

Detailed information regarding the second grant of the SEISS is to be provided by HMRC on 12 June 2020. This factsheet will be updated with that information as soon as that information is made available.

Support for innovative businesses

An additional support package worth £1.25bn, targeted at innovative UK business operating in sectors including tech and life sciences, has also recently been announced. This will include the Future Fund, announced on Monday 20th April 2020 and anticipated to launch in May 2020, which will be delivered in partnership with the British Business Bank. The Future Fund is aimed at supporting innovative UK companies facing financial difficulties as a result of the COVID-19

outbreak, by making £250m of funds available by way of convertible loans of up to £5m, subject to at least equal match funding from private investors. Eligible businesses will need to have raised at least £250,000 in equity investment from third-party investors in the last 5 years and will need to secure equivalent funds to match the government loan from private investors or institutions. [Headline terms](#) applicable to Future Fund loans have now been published.

In addition to the Future Fund, a further £750m will be made available in the form of grants and loans to UK SMEs focusing on research and development. Innovate UK, the national innovation agency, will accelerate up to £200m of grant and loan payments for its existing 2,500 customers. An extra £550m will also be made available to increase support for existing customers and £175,000 offered to around 1,200 firms not currently in receipt of Innovate UK funding. Click [here](#) for further details.

Support for businesses in Wales

Wales only – Economic Resilience Fund

Due to the scale of demand, the £500m Economic Resilience Fund announced by the Welsh government has been paused while the government considers what further support it can provide to businesses, charities and social enterprises in Wales. The fund was established to provide grants to micro-businesses and SMEs which have experienced a significant reduction in turnover since the crisis began and to support larger Welsh companies of critical social or economic importance to Wales.

The £100m COVID-19 Wales Business Loan Scheme launched at the end of March by the Welsh Government and DBW is also now fully subscribed.

The Development Bank of Wales (DBW) has announced that it is offering a three month capital and monitoring fee repayment holiday for all DBW customers on request, under an arrangement that will remain in place until 30th June 2020. Click here to visit the [DBW website](#) for further details.

Further advice for Welsh businesses is available via the [Business Wales website](#). This includes a series of [digital courses and webinars](#) aimed at Welsh SMEs, covering topics including alternative business models and diversification, cashflow and finance, and managing teams and workloads remotely. Available courses can be searched using the Business Wales online [Events Finder](#).

Charities

The Charity Commission has issued [guidance](#) for charities seriously impacted by COVID-19.

On 8th April 2020 the [government announced](#) a £750m package of support for frontline charities in the UK. £360m of this total will be allocated by government departments to charities providing vital services and helping vulnerable people during the current crisis and a further £370m will go to small

and medium-sized charities carrying out vital work at the heart of communities, including delivering food and essential medicines and providing financial advice, some of which will be distributed by way of a grant to the National Lottery Community Fund. This new funding will be available in addition to the existing business support measures for which charities may be eligible including deferral of VAT bills, business rates relief and furloughing of staff through the Coronavirus Job Retention Scheme. Where charitable services are devolved, the UK government has applied the Barnett formula in the usual way and expects the devolved administrations to receive £60m through the charities pot and further significant Barnett allocations through the direct grant pot.

In Wales, Third Sector Support Wales has established the Funding Wales platform to provide a funding search portal to assist charities, community groups and social enterprises in finding grants and local finance opportunities. Details are available of various sources of funding available during the coronavirus crisis on their [coronavirus funding page](#)

Insurance Cover

Government Ordered Closures

Since the government required specified businesses and venues to close from 21 March onwards, insurers have confirmed this is sufficient for companies which have appropriate insurance cover to make a claim. However, it also noted that most businesses are unlikely to be covered since standard business interruption policies are dependent on damage to property and will not cover pandemics. Businesses which do have cover for both pandemics and government ordered closure are likely to be able to claim, although this would depend on the specific policy terms in each case. Affected businesses are advised to check any relevant insurance policies and contact their providers.

The government has provided [additional advice](#) on policies covering notifiable diseases and event cancellation.

Protection from eviction

Commercial tenants who cannot pay their rent because of COVID-19 will be protected from eviction, meaning no business will be forced out of their premises if they miss a rent payment in the next three months.

OTHER FORMS OF SUPPORT AVAILABLE TO BUSINESSES

In addition to the financial measures introduced by government, various sources of support and advice are available.

[Be the Business](#), an independent, not-for profit entity aimed at helping UK firms improve performance, has a dedicated [Coronavirus webpage](#) with an excellent [Best of the web summaries](#) feature, which aims to curate the most useful information from across the web, by category, and includes useful practical advice on matters such as such as controlling fixed costs and managing

cashflow. Each page has a 2 minute read '5 things you can do right now' option and a 20 minute read 'resource roundup' option.

Be the Business has also introduced a new 12 week [Rapid Response Mentoring](#) programme to support owner/managers of businesses through the next few months. SMEs with 6 or more full-time employees and an annual turnover of at least £1m are eligible for the programme, which pairs businesses with suitable mentors from some of Britain's leading firms and provides weekly support calls or online meetings of 1-2 hours, as well as virtual groups and webinars providing relevant support. Businesses can register as a mentor or a mentee [here](#).

LinkedIn have also created a [Coronavirus webpage](#) collating news and perspectives on COVID-19 from trusted sources as well as links to other useful resources including free [online courses](#) covering topics such as Leading at a Distance, Managing Virtual Teams and Microsoft Teams Tips and Tricks, amongst several others which businesses may find useful.

The [Federation of Small Businesses](#) also has a useful webpage with access to free webinars and helpful summary sheets of support available for small businesses based in each of the countries which make up the UK.

Enterprise Nation is an online community of small businesses and business advisors providing startups and growing small businesses with access to trusted business support. They are currently offering three months' free membership using code 'COVID19ENFREE'. To find out more click [here](#).

SUPPORT FOR DIRECTORS

The Institute of Directors has set up a [Coronavirus Support Hub](#) with links to various resources and information which may be useful to company directors during this pandemic. Amongst other things, the IoD is pressing the government for clarification on what activities can be carried out by directors who are furloughed and on the issue of whether furloughed pay can be extended to include dividends, since directors of small companies often take a significant portion of their income in this form.

DISCLOSURE AND REPORTING OBLIGATIONS

In addition to the assistance which may be available to businesses, companies need to be aware of additional obligations and responsibilities which may apply during the current crisis.

Annual reports and accounts

Any company producing annual reports and accounts at this time will need to be particularly mindful of requirements to disclose the principal risks facing their business in their annual and interim financial reports. These obligations can be found in:

- the Companies Act 2006, which requires all UK companies (except small companies) to produce a strategic report for each financial year including, among other things, a fair review of the company's business and a description of the principal risks and uncertainties faced by the company;
- for premium listed companies:
 - the UK Corporate Governance Code (**Code**) requires the directors to carry out a robust assessment of the company's emerging and principal risks and to confirm that it has done this in its annual report, along with a description of those risks, the procedures that are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
 - the DTRs require the annual and half yearly financial report to include a description of the principal risk and uncertainties facing the issuer.

In addition to reporting obligations, the Code requires boards of premium listed companies to establish procedures to manage risk and oversee the internal control framework.

Extra time for filing accounts

Companies House has [shared guidance](#) for companies that need additional time to file accounts as a result of the coronavirus outbreak.

Companies should apply for an extension in advance of the due date for filing to avoid an automatic penalty. Companies House advises that the online form takes up to 15 minutes to complete and will require the company number, email address and information about the reasons for requesting an extension, with an option to attach supporting documentation. Click this link to go direct to the relevant page on the [Companies House website](#).

Gender pay gap reporting

The government [has announced](#) that the enforcement of all gender pay gap reporting for companies with over 250 employees is suspended for the year 2019-20, although employers may continue to report relevant information if they wish.

Meetings

The Chartered Governance Institute has published [guidance](#) on the holding of AGMs during the current crisis, including advice on attendance, venue and quorum.

It has also issued [advice](#) on the holding of virtual board meetings during the coronavirus outbreak.

LISTED COMPANIES

Specific guidance for listed companies

On 18th March the FCA also issued [disclosure guidance](#) to companies and auditors for the reporting of risks and other consequences of the spread of coronavirus as well as specific [audit guidance](#).

Going concern statement

Another specific requirement for premium listed companies which will be particularly relevant is the impact the current crisis will have on the 'going concern' statement they are required to include in their yearly and half-yearly financial statements by both the Code and the Listing Rules. This statement must:

- state whether the board considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements.
- assess the prospects of the company and identify any material uncertainties in relation to the company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements.

Longer term viability statement

Under the Code, premium listed companies must also include in their annual report a statement:

- explaining how the board has assessed the prospects of the company, over what period and why it considers that period to be appropriate (in each case taking into account the company's current financial position and risks);
- as to whether the board has a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the relevant period, drawing attention to any qualifications or assumptions as necessary.

For listed companies, the FCA has also indicated, in Primary Market Bulletin 27, that it expects issuers to put in place contingency plans to mitigate the logistical issues that the pandemic may cause for reporting in future reporting periods eg by considering whether any non-essential parts of their report can be deprioritised. Any issuer who thinks it may not be able to meet its continuing obligations should seek appropriate advice and discuss this with their auditors and the FCA.

General disclosure obligation for listed and AIM companies

For directors of listed and AIM companies, the general disclosure obligation to inform the public as soon as possible of any information which, if made public, would be likely to have a significant effect on the price of the company's securities will take on particular significance during this

pandemic. Its impact on the company's financial position, current and anticipated future performance and the likely course of its business going forward will all need to be carefully monitored and announcements made as appropriate. The FCA's [Primary Market Bulletin](#) issued on 17th March made it clear that despite the current challenges, the FCA expects companies to continue to comply with these disclosure obligations in a timely manner.

Publication of financial statements

The FRC has published [guidance](#) for companies preparing financial statements during the coronavirus crisis, highlighting key areas of focus for boards, including the difficulties of making forward-looking statements.

In addition the FRC, FCA and PRC have [announced a series of actions](#) to ensure the continued flow of information to investors and to support the continued functioning of the UK's capital markets. Among the measures announced on 26th March are:

- an FCA statement allowing listed companies an extra two months to publish audited annual financial reports;
- FRC guidance for companies preparing financial statements in the context of current uncertainties;
- guidance from the FRC for audit firms in overcoming challenges in obtaining audit evidence.

AIM listed companies

The [latest edition of Inside AIM](#), the regulatory newsletter for AIM listed companies, details temporary measures being implemented to support AIM companies and nomads during the COVID-19 outbreak.



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