

## CASH FLOW ACTION PLAN

With the level of uncertainty out there, now is the time to check on your cashflow. This checklist can be used by you for your business to see all the options available to you to maintain a healthy cashflow in this difficult time.

If after you have used this checklist you realise you may need some help to maintain your cashflow then please give email us or call on 01582 405200, and we will talk through the options with you. We may be able to help you access a loan from the Coronavirus Business Interruption Loan Scheme, which is backed by the government and interest free for the first 6 months.

Go through each point and tick off as you go along.

- Our books are up-to-date so we have a true reflection of the amount we owe and what we are owed
- We have contacted all the businesses which owe us money and agreed when they are going to pay us
- We have calculated the cash survival time of our business, by dividing our cash in the bank by the average cost per day to run our business. To find your average cost per day to run your business take the cost of your overheads for the last 90 days and divide by 90. E.g. if we have £20,000 in the bank and a daily cost to run our business of £500, our cash survival time is 40 days. *If this figure is under 30 days, please give us a call to talk through your options to increase your cashflow.*
- We have reviewed the latest help from the government during the coronavirus to see whether our business can reclaim or get the following financial help:
  - No business rates for 2020/2021
  - A £10,000 grant for small businesses who are eligible for small business rate relief or rural rate relief
  - A £25,000 grant if we are a hospitality, retail or leisure business and have a rateable value between £15,000 and £51,000
- We have identified the statutory sick pay we can reclaim for our employees who are off due to COVID-19
- We have reviewed our current overheads to identify:
  - Anything we can cut because we are not using it or is not business critical? E.g. extra software licences or software we are no longer using but paying for
  - Which suppliers, if we needed, would give us more favourable terms to pay? Or a payment holiday?
  - Which suppliers we could enter into a barter arrangement with?
- We have looked at our stock or assets to identify what we could sell or repurpose to sell to realise some cash quickly
- We have talked to identify opportunities to find new or different sources of revenue which we can do quickly at little or no cost to replace any lost income, e.g. taxi drivers becoming food delivery drivers
- We have identified our corporation tax, VAT and NIC/Income liabilities and considered deferring paying these. *(If you are thinking of doing this, please give us a call to advise you on how best to approach HMRC.)*
- We have looked at our wages to identify where would be the right sensible decisions to reduce these if needs be, e.g.
  - Do we need to freeze recruitment?
  - Could we talk to staff about a temporary pay cut? Reduced hours?
  - Do we need to lay staff off?

If you would like help to put together a cashflow forecast, please get in touch!