

COMPLIMENTARY POST COVID-19 BUSINESS STRATEGY MEETING

We understand that many businesses have had to dramatically change their plans because of Covid 19. As restrictions begins to ease, Dixcart can help you to make a new plan for recovery and continued business success. Here are our top 3 considerations for businesses and details of our free post Covid strategy sessions.

People

Prioritising employees' safety must remain the first priority and this can be tied in with finding ways to incentivise staff, even when you cannot pay bonuses or have had to implement pay cuts. Permanent flexible working may encourage people to stay with the business for the longer term, allowing them to improve work life balance by removing the commute, whilst enabling you to keep your business Covid safe by minimising employees on site.

Consideration should also be given to whether an employee share scheme would encourage key employees to stay with the business for the longer term despite reduced bonuses or salaries. An EMI scheme is an excellent tool for SMEs and selected employees can be asked to take part.

Planning for the future

For many businesses, increasing revenue to its previous levels will be key. Even if your business has not lost revenue due to Covid-19, attention should be given to the profile of revenue and whether this has changed. Either way, a return to a 'start up mentality' will be key. Monthly management accounts and cash flow monitoring should be put in place so that cash flow pressures can be predicted and interventions made. Working capital cycles should also be reviewed to ensure systems are in place for collecting debts in a timely manner and managing build-up of stock.

Assessments of business risk should be revisited as key risks are likely to have changed. Businesses which are agile and able to respond quickly to emerging risks are most likely to survive and thrive.

Supply chains should be reviewed to determine whether changing risk profiles means that these are no longer the most appropriate.

For businesses operating within the transfer pricing rules, value chain analysis must be reconsidered to determine whether transfer pricing policies remain appropriate or whether adjustments need to be made.

Property

Is your commercial property still meeting your needs or has the lockdown made you review your requirements? Whether your lease is coming to an end or you cannot meet your financial obligations under its terms, it will be wise to obtain advice on what is needed to manage your obligations on exit. An exit from a commercial lease may occur via termination, surrender, a break clause or force majeure with the options available depending on the drafting of the lease agreement.

There are likely to be other obligations such as a requirement to make repairs and to ensure vacant possession. Where costly leases are no longer commercially worthwhile, alternatives such as serviced offices, incubator hubs or long term home working could be considered.



Free post Covid strategy meeting

Dixcart accountants, tax advisers and lawyers can assist with all of the above. We are currently offering a Covid business continuity planning meeting to help you and your business move forward as lockdown lifts. The meeting would be with one of our accountants and one of our lawyers to review how your business has fared during the pandemic and formulate a plan to help it flourish in the coming months. There is no charge for this meeting.

Topics for discussion are guided by you but may include:

- Maximising business cashflow
- Salary and dividend planning
- Using shares to incentivise employees
- Claiming R&D tax credits
- Restructuring for business efficiency
- Dealing with furlough and redundancy

Prior to the meeting we will arrange a brief call to discuss whether there are any particular issues you would like to discuss so we can arrange for the most appropriate specialist accountant and lawyer to attend the meeting. For example, if you have queries relating to furlough or redundancy, we will arrange for one of our employment lawyers to attend. Meetings are currently being held online and in person meetings will resume in due course once government guidelines allow.

For further information please contact your usual Dixcart adviser or Paul Webb or Sarah Gardner on +44 (0)333 122 0000 or hello@dixcartuk.com



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One team, one goal. We make it happen.