



Clambering out of Lockdown into Recession

Since we evacuated our office, we, at Beever and Struthers, have a weekly partners meeting to compare notes on how we can best help our clients through these unprecedented times. A standing dish at these meetings is 'Question of the Week' where we discuss how to solve client problems and to share our experiences for our whole client base.

What is remarkable is that the simplest of questions from a client can often develop a conversation about wider, and often unconnected issues. This has helped us to focus on the issues that clients are facing and enhance the tools and solutions we can provide. It proves the point that it is good to talk.

The cash flow of very few businesses has been unaffected by the pandemic regardless of the sector in which they operate, the geography of their trading, or the strength of the business immediately before the COVID19 arrived on these shores.

For those that do, surviving this sorry mess must be considered a major achievement, but as we creep out of lockdown massive challenges remain. So put the fizz on ice for a little longer.

The many financial support schemes that the Government has put in place have enabled thousands of enterprises to continue to trade, or at least go into hibernation. As we begin the new normal there are many challenges that now must be faced, and, dealt with in the face of what we are told will be an economic recession beyond anything we have seen before.

Working capital will have been eroded during the period of lockdown, and the deferral of VAT and other tax liabilities is only a deferral, the liability must be settled. Those liabilities, together with any CBIL or BBL loan schemes taken advantage of over lockdown will crystallise before too long with payments falling due. All this will affect businesses at a time when social distancing requirements may mean it takes many months or more for turnover to return to required levels.

In the same way that the most dangerous part of climbing a mountain is coming back down, so it is in business. How a business manages its affairs coming out of a downturn is fundamental and the importance of sound cash flow management cannot be overstated. It is all too easy to keep kicking the proverbial can down the road, to convince yourselves that the better days are just round the corner, pledging a little more security, and gambling with that family wealth you have accumulated in better times.

A problem shared is a problem halved and by taking professional advice early we can help you develop your plans, anticipate your pinch points, and prepare contingency plans before the financial impact on your business controls you.

We would encourage all businesses with concerns, however small they might appear, to speak to us and our corporate team at the earliest stage. Taking early advice will provide you with more options, and ultimately help you retain control rather than being controlled.

For more assistance, speak to your usual relationship team, or one of the below:



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