Penguin

Plan - Perform - Protect

Raising cash and cash-flow help for your Business

Sign up to our Self-Audit series to get daily money saving tips, helpful guides, downloads, videos, advice, and articles to start your financial Self-Audit.

www.penguinwealth.com

This guide is produced with the intention of:

- **Helping individuals and businesses with ideas and information about how they might raise cash.**
- **Survive extensive cash flow problems considering current events.**
- **Give you access to our Advice team to discuss your position.**

To explore any possible fund raising or accessing any help either for your business or your personal finances, this should only ever be done after you have received appropriate expert advice.

General Position and Points

No-one can say with any certainty:

- What is coming down the line;
- How long this problem will persist;
- What the economic consequences will be.

This will mean that raising funds to get through whatever is coming will be important for many businesses, the people and staff within those businesses and the directors and owners.

We will outline two of the options you have to tackle this:

1. DIY Options
2. Government help

DIY Options

It is possible that many businesses will be left having to work through the challenges themselves.

Even if short-term funding is made available through the Government-backed schemes, this may only cover over the cracks.

You may need far greater help to achieve long-term security.

This is really where we can help you best.

All the following are *examples* of these possible solutions. They may not work for you, they may not be a good idea in your situation or even available for you, but we hope this list works to provide something for you to explore.

1. Accessing your Pension

There are various ways you may be able to use Pension funds to put money into your business or to give you some cash to live off for a while.

Anyone over the age of 55 has the flexibility to take funds from their Pension, provided it is a personal-type scheme.

Under 55 it is more difficult but there may be ways to put funds directly into a business via a Pension. It is entirely circumstantial but worth exploring.

Top tips:

- With a Pension it is important to note there are many complicating rules.
- For example, if you draw money out, this could have consequences on your ability to pay more money back into the Pension in the future.
- There could also be unintended Tax consequences (remember we are still in the 19/20 Tax Year until 6th April 2020).

Important note: You should take advice before doing anything with an existing Pension.

2. Cashing in savings or Investments

This may work for some of you, but if it does, think carefully about Tax considerations. Think about how you might get money from the savings or Investments across to the business in the most Tax efficient way possible.

Also, be wary of cashing in Investments that have lost significant value.

Top tips:

- If you are looking to Investments to help, then which areas or funds do you take the money from?
- You may have some in Tax Wrappers and don't want to lose this protection.
- You should take great care in making withdrawals and look at all factors, including long-term ones.
- Avoid making any decision based on an emotional 'knee-jerk' response.

3. Borrowing

If you can't borrow through the business can you do so personally. For example, by extending your Mortgage or through a personal loan?

An alternative may be to borrow from family or friends.

Top tips:

- Remember, Mortgage interest rates are very cheap, credit cards and personal loans are much more expensive.
- For example, if you can borrow at very low Mortgage rates (e.g. 2%) this will be much lower than credit cards or bank loans. Some credit cards could be closer to 20%.
- If you borrow money from your own sources, for your business, or from family/friends then use a Trust mechanism (which is much easier than it sounds). This may help protect against liquidation or bankruptcy later.
- In any of these cases you should ensure you explore all options carefully. As above, there may be consequences, in terms of Tax, legal and structure, which you need to consider. Including how best to get money from you personally into the business.
- It may well be that the decisions you take today affect future Tax payments.

4. Crowdfunding

We expect crowdfunding to become more popular as a way of keeping a great business going. It could be that many businesses will turn to customers to help them.

If those customers cannot access your service or product due to restrictions or adverse market conditions, you could aim to put a crowdfunding campaign together and email your customers (or others) asking for help.

This is just a 'flavour' – contact us and let us know your position and requirements, at top level, and we can see how we can support you from there.

Book your no obligation 15-minute Self-Audit call with a member of our Advice Team.

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Government help

The Government has made significant statements towards offering a range of help. These are likely to develop and expand in the coming months.

At the current time, measures proposed or available include:

- Help with rates and National Insurance payments;
- Possible Tax deferrals and time to pay arrangements;
- Grants;
- Loan guarantees.

How useful and, perhaps more importantly, how accessible these will be for different businesses is likely to vary.

Grants

The new grants are targeted at the events and hospitality sector. We will be able to provide you with full details as this is rolled out and we can support you if you need help to apply for the funding**.**

Guaranteed loans

The precise details of these new loan arrangements are not available as of writing this guide. Except that it is expected banks will provide loans to small businesses 80% guaranteed by the Government.

How many businesses will be able to make use of this is not known.

It is likely that applying for and accessing this funding could be complicated by conditions and required related information. Please try and get help if this is a route you wish to pursue.

Your bank should aim to help you. We can support you with more detail and updates as this develops.

Start-Up Loans Scheme

One scheme that exists already which may help straight away is the **Start-Up.**

Loans Scheme.

This only applies to new businesses, those that are under two years old but there is money available in the form of a personal loan, backed by the Government, on very good terms.

GET HELP!

You may well be surprised to hear us suggest that as Financial Planners and Advisers we can help. You may think we only really deal with the wealthy or people's Investments, but we don't.

The fact is, we have many skills and access to some of the best solutions and crucially - unlike many alternatives, such as an Accountant - we have a reach into most corners of the marketplace.

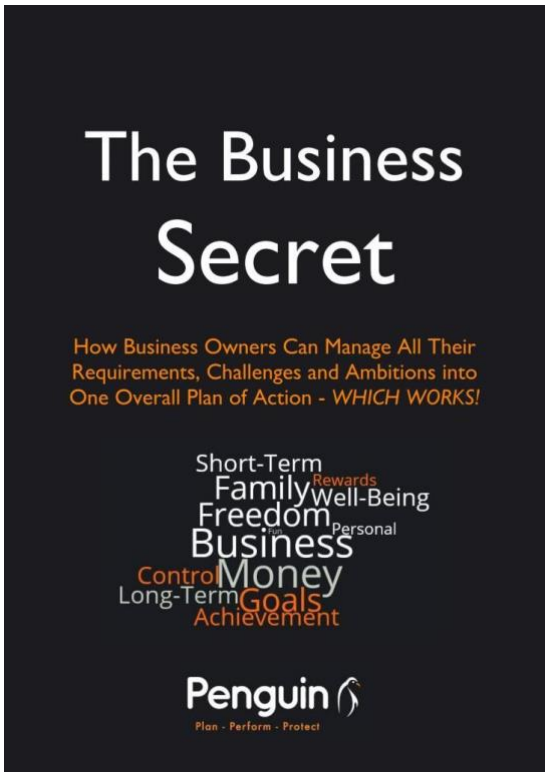
We are therefore uniquely placed to look at

- **Your personal finances**
- **Those of your business**
- **Your current and future requirement**
- **To come up with amazing solutions.**

We can tie all the parts together**.**

Download your free copy of our book The Business Secret for tips, activities, guidance and advice on how to ensure that your business finances stay on track.

shorturl.at/eiTWZ



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We can now offer a 15-minute Self-Audit call with our Advice Team to discuss your situation and any requirements. This call comes with no cost and is an initial assessment so we can judge how we may be able to help. This remote service is perfectly geared for the current climate of working from home, social distancing and, crucially, provides a rapid response.

Book your no obligation 15-minute Self-Audit call with a member of our Advice Team.

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About Us

At Penguin we believe that life is for living! You only get one chance to make your mark and to do all the things you are passionate about. Our task is to help you understand if you have everything organised and in place to do what you want, in the time that you have!

Our principles are reflected by the processes, the support team and the accreditations that we have achieved – all of which ensure we are best placed to help you live the life you deserve. And to make sure your Financial Planning is powerfully linked to your lifestyle goals, both now and into the future.