



FIFE LICENSED TRADE ASSOCIATION

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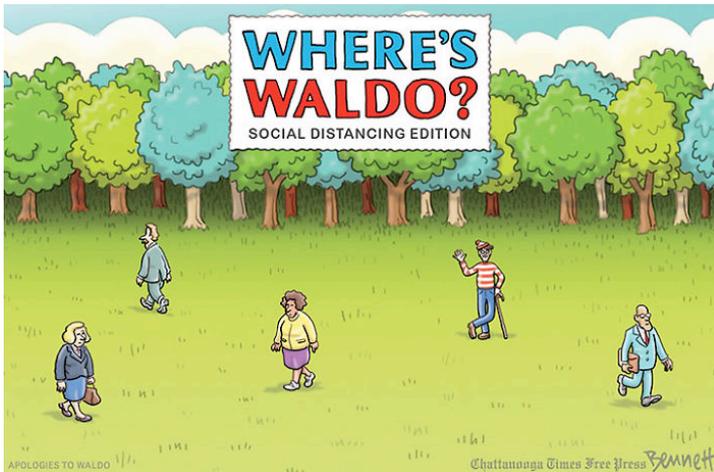
Ever felt like you've had deja vu before?

Those in the world of finance clearly think that the Brits have short memories. The painful experiences of many during the financial crash of 2007-2009 are still fresh in the memory and the consequences are still being dealt with.

At a time when large parts of the UK are pulling together - you only have to look at the numbers of volunteers who responded to the call to help the NHS - it is shocking to see that the lessons of 12 years ago have not been learnt.

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ANNO MCXCI
LINDORES ABBEY
DISTILLERY

Time for the finance sector to step up

The banks and the world of finance may have moved on from the debacle of the credit crunch and financial crash of 2007 -2009 but for many small and medium sized business owners the experience is still very raw.

It was shocking that no one did jail time for the worst excesses of that period - particularly RBS and its notorious Global Recovery Group - and it was not long before the mega-bonuses were back in fashion whilst the rest of the country picked up the tab.

The UK Government's Coronavirus Business Interruption Loan Scheme Retail has not been live for even a week, yet a few of the High Street banks are treating it like Christmas-come-early.

A reminder.

- The Bank of England reduced Base Rate to an unprecedented low of 0.1% on 19th March.
- The Government's CBILS scheme guarantees 80% of loans of up to £5m granted to businesses with a turnover of up to £41m.
- In addition the Government pays the entire interest cost for the first year.
- The panel of banks and finance companies that are accredited under the scheme include the main High Street banks.

Already there are reports of the banks demanding directors' personal guarantees for the whole of any credit facilities made available, despite the Government guarantee being there for the full term.

With bank funding costs at a historic low this benefit is not being passed on to bank borrowing customers in the form of reduced interest rates, which should be automatic given that the banks' risk is 80% the UK Government.

On 25th March there were press reports of businesses being told that once the interest-free period of business interruption loans has expired interest rates of typically 7 -12% p.a. will be applied and in one instance a rate of 22% p.a. was quoted. Furthermore, that applicant was required to put up his main residence as additional security.

It is too early to determine if the banks have classified the hospitality sector as "toxic" once more but it would not be surprising.

The banks got away scot-free last time after the tax payer bailed them out. This time, unless their behaviour changes, we should see the breaking up of the biggest miscreants and a reduction in the banking licence status to that of licensed deposit taker until such time as they have shown they can be trusted.

It is not just business customers who are being shafted. Consumers are being hit with increased overdraft

charges, quadrupling from a typical 9.9% up to 39%, whilst the rates on personal loans are being ramped up as well, with the cheapest deals having been withdrawn in recent days. Ironically it would seem that only RBS/NatWest is playing fair, as all the other High Street banks have been cited as cashing in on the crisis.

Furthermore, despite the Government having announced that mortgage borrowers will be able to apply for a 3 month repayment holiday most of the High Street banks have not yet made this assistance available.

It is possible that the banks will be shamed into doing the right thing although they have been shown to be remarkably thick-skinned. Some of the banks have announced that their customers will face no fees or charges for missed payments on credit cards, loans and mortgages. They have all had plenty of time to prepare for the crisis as it has been abundantly clear which way the country was headed based on the experience of Italy, Spain and France.

So in practical terms all that business owner can do is to shop around for reasonable terms for any CBILS funding they wish to take advantage of if the main relationship bank is not playing ball, which is probably easier said than done given the levels of demand currently and the time it takes to get a response. Be wary of any finance offer that involves a personal guarantee as that will put at risk all your assets other than your home, which the UK Government has already said will be secure during the crisis

Business Insurance

On 17 March Coronavirus-19 was listed as a notifiable disease. The position taken by the insurance companies so far has been to refuse any business interruption claims unless Coronavirus-19 is specifically named, their reasoning being that if they can't assess an insurance risk they can't cover it.

When Covid-19 was added to the list of notifiable diseases it did not affect existing insurance policies as cover is not automatically extended to include subsequent events.

Whether the insurance companies will be able to continue to stick with this position remains to be seen.

Some business policies include a "non-damage denial of access" extension. This means that if your business is forced to close or told to close by government or local authority it may be possible to make a claim under this extension. There is an excellent article on this at www.insurancebusinessmag.com Further information is available from the Association of British Insurers website: www.abi.org.uk on their COVID-19 Hub.

Hygiene explanation

The following was sent to Colin Boyle who has shared it. It is from Irene Ken physician, whose daughter is an Assistant Professor in infectious diseases at Johns Hopkins University, quite informative.

In our community chat, here, they sent this excellent summary to avoid contagion . I share it with you because it is very clear:

*The virus is not a living organism, but a protein molecule (DNA) covered by a protective layer of lipid (fat), which, when absorbed by the cells of the ocular, nasal or buccal mucosa, changes their genetic code. (mutation) and convert them into aggressor and multiplier cells.

* Since the virus is not a living organism but a protein molecule, it is not killed, but decays on its own. The disintegration time depends on the temperature, humidity and type of material where it lies.

*The virus is very fragile; the only thing that protects it is a thin outer layer of fat. That is why any soap or detergent is the best remedy, because the foam CUTS the FAT (that is why you have to rub so much: for 20 seconds or more, to make a lot of foam). By dissolving the fat layer, the protein molecule disperses and breaks down on its own.

* HEAT melts fat; this is why it is so good to use water above 25 degrees Celsius for washing hands, clothes and everything. In addition, hot water makes more foam and that makes it even more useful.

* Alcohol or any mixture with alcohol over 65% DISSOLVES ANY FAT, especially the external lipid layer of the virus.

* Any mix with 1 part bleach and 5 parts water directly dissolves the protein, breaks it down from the inside.

* Oxygenated water helps long after soap, alcohol and chlorine, because peroxide dissolves the virus protein, but you have to use it pure and it hurts your skin.

* NO BACTERICIDE SERVES. The virus is not a living organism like bacteria; they cannot kill what

is not alive with antibiotics, but quickly disintegrate its structure with everything said.

* NEVER shake used or unused clothing, sheets or cloth. While it is glued to a porous surface, it is very inert and disintegrates only between 3 hours (fabric and porous), 4 hours (copper, because it is naturally antiseptic; and wood, because it removes all the moisture and does not let it peel off and disintegrates).), 24 hours (cardboard), 42 hours (metal) and 72 hours (plastic). But if you shake it or use a feather duster, the virus molecules float in the air for up to 3 hours, and can lodge in your nose.

*The virus molecules remain very stable in external cold, or artificial as air conditioners in houses and cars. They also need moisture to stay stable, and especially darkness. Therefore, dehumidified, dry, warm and bright environments will degrade it faster.

* UV LIGHT on any object that may contain it breaks down the virus protein. For example, to disinfect and reuse a mask is perfect. Be careful, it also breaks down collagen (which is protein) in the skin, eventually causing wrinkles and skin cancer.

*The virus CANNOT go through healthy skin.

*Vinegar is NOT useful because it does not break down the protective layer of fat.

* NO SPIRITS, NOR VODKA, serve. The strongest vodka is 40% alcohol, and you need 65%.

* LISTERINE IF IT SERVES! It is 65% alcohol.

*The more confined the space, the more concentration of the virus there can be. The more open or naturally ventilated, the less.

*This is super said, but you have to wash your hands before and after touching mucosa, food, locks, knobs, switches, remote control, cell phone, watches, computers, desks, TV, etc. And when using the bathroom.

*You have to HUMIDIFY HANDS DRY from so much washing them, because the molecules can hide in the micro cracks. The thicker the moisturizer, the better. * Also keep your NAILS SHORT so that the virus does not hide there.

The UK Government's Package for the Self Employed

After the surprising level of support extended by the UK Government to employees under the Coronavirus Job Retention Scheme in order to limit the number of job losses during the Covid crisis the pressure has been building for a similar package of support for the self employed, freelancers, contractors and those on zero hours contracts.

Today, 26 March, the Chancellor of the Exchequer announced just such a package - the Self Employed Income Support scheme which will assist an estimated 5million people.

- This involves a taxable grant of up to 80% of average monthly profits over the last 3 years up to a maximum of £2,500 per month for an initial 3 months and is open to anyone who had trading profits of up to £50,000 in 2018 -2019 or an average trading profit of up to £50,000 from 2016-17, 2017-18 and 2018-19. The scheme will be reviewed after that initial 3month period.

- The grant will be paid directly into an applicant's bank account by HMRC in one lump sum.

- Where a business does not have 3 years accounts the calculation will involve whatever records a business does have.

- It is intended that the scheme will be up and running by the beginning of June.

- An application will need to be made to HMRC using a simple online form on the HMRC website. However, people should not apply now. HMRC will be in contact having assessed potential eligibility and will invite applications.

- The tax authorities will contact those that are eligible for grants as a means of avoiding fraudulent claims.

- An extra four weeks grace with effect from today is being extended to people who were due to file their tax returns at the end of January deadline but did not do so. This is because an applicant will need to have filed a return in order to be eligible.

- It is estimated that 95% of people who make most of their income from self employment will

be able to benefit. The remaining 5% on average have an annual income of at least £200,000.

- Those that pay themselves a salary and dividends through their own company are not covered by this scheme but will be covered for their salary by the Coronavirus Job Retention Scheme if they are operating PAYE schemes

- Anybody waiting to apply for the SEIS can in the meantime apply for Universal Credit which has been made more readily accessible with an advance payment available almost immediately.

- Nothing has been said specifically regarding Statutory Sick Pay for the self employed but anyone who is ill or having to self isolate will be able to claim Universal Credit or the new style Employment and Support Allowance during the crisis period. The weekly payment for ESA is usually £73.10 or £57.90 for people under 25 years of age.

- The self employed will be able to receive Universal Credit of £94.25 per week.

- Tax Self Assessments that were due in July will be delayed until January 2021.

There is a sting in the tail. By supporting the self employed at a similar level to the employed it is intended that after the crisis there will be a leveling of tax contributions between the employed and the self employed with more details to come.

The Chancellor noted that even with the Employment Protection Scheme and the Self Employed Income Protection Scheme it will not be possible to protect every job and every business.

More information on www.gov.uk

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