

Bounce Back Loans - Update

Please be advised the application for the loans is at your discretion. Please look at your circumstances and whether you will be able to repay these if taken. As Muslim accountants, we do not advise you to take out a loan that bears interest. Interest is charged on the BBL at 2.5% after 12 months of having the loan. Interest is also charged on the CBILS Loan.

Links to applying through your bank.

Natwest - <https://bit.ly/2yKmbFK>

RBS - <https://bit.ly/2Wp8rcO>

HSBC - <https://bit.ly/2ztmSU9>

Santander: - <https://bit.ly/2xTijWT>

Lloyds - <https://bit.ly/3bqbO7k>

Barclays – Login through your online business banking and there will be a link on your homepage. All major UK banks have links to apply for the bounce back loan on their websites.

What are the new Bounce Back loans?

- * Loans are 100% guaranteed by Government
- * Banks already accredited to offer CBILS loans should be able to provide Bounce Back Loan
- * Businesses can borrow between £2,000 and £50,000
- * No repayments in the first 12 months
- * Interest-free for the first 12 months
- * Interest capped at 2.5% after that
- * Loan term can be up to 6 years

Who can apply?

- * Small companies, sole traders and partnerships can apply
- * You need to be based in the UK
- * You are negatively affected by COVID19
- * You were not classed as an undertaking in difficulty* on 31 December 2019
- * You can borrow up to 25% of 2019 revenue or £50,000, whichever is higher

*undertaking in difficulty = accumulated losses are more than half of the share capital of the company

How do I apply?

- * You can apply from 9 am Monday 4 May 2020
- * There will be a network of accredited lenders
- * It's likely that you can apply through your usual online banking site
- * Short 2 page self-certification online application form, making it easy to apply
- * Cash should be available within 48 hours of your application
- * Watch this space for more info

What info do I need to apply?

We don't know this yet, but you will only need to prove that you were viable before the pandemic, not that you will be after

What if I've already received other COVID19 grants?

- * The Bounce Back loans are in addition to other funding such as Business Grants, Furlough Grants, Self-Employed Grants
- * But bear in mind that grants don't need to be paid back. the Bounce Back and CBILS loans do need to be repaid

How does the Bounce Back loan work with CBILS?

If you already have a CBILS loan, you can convert this to a Bounce Back loan.

And here's a little on the Coronavirus Business Interruption Loan Scheme (or CBILS) for reference
The idea was to provide businesses with easy to access funding, but we're finding the loans very slow and difficult to access.

Some of the initiatives include:

- * 80% guarantee from the Government
- * 12 months' interest-free terms
- * Low-interest rates (Bank of England base rate is currently 0.1%)
- * Fast track to approve lenders onto the scheme
- * Apply via your current bank in the first instance.

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Info needed for your CBILS loan application

- * Last 3 years full accounts with detailed P&L
- * Last 12 months business bank statements (some banks need 6 months personal as well)
- * Up to date management accounts
- * Aged debtor and creditor lists
- * Confirmation of any outstanding debt (provider, term, repayment)
- * Statement of personal assets, liabilities, income and expenditure from all Directors
- * Home addresses of all directors/ shareholders
- * Paragraph on how Covid-19 has affected the Business and what the funds will be used for
- * 12-month cash flow forecasts

Additional Links:

[NHS Guidance – URGENT up to date healthcare guidance](#)

[HMRC – Government guidance for employees, employers & Business](#)

[ICAEW – Detailed Business sector guidance](#)

[Business Wales – Business sector guidance in wales](#)

[Chamber of Commerce – Detailed national business guidance](#)

[AAT – Accountancy & small business - planning for business continuity](#)

Talk to us

We're always here to help during these changing times. We have the knowledge to help and advice concerning your actual figures, cash flow, business change new business start-ups and more. We will ensure that Business continues as usual and you can receive your payroll, accounts and tax reports and returns as usual. Our team will do all that they can not to let you down.

Please contact 02920 026505 or 01179

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