



## Free Bounce Back Loan assessment



The Bounce Back Loan Scheme was introduced by the government as one of the many support measures in response to Covid-19 offering loans of up to £50,000 to SME's with attractive repayment terms. Many of these have now started to enter the first phase of their payment terms despite many businesses not returning to 'normal' trading, resulting in cashflow issues and an uncertain future. We have noticed a significant increase in activity from HMRC, banks and other financial institutions who are now actively monitoring the repayment of these support funds via letters and phone calls leaving businesses struggling with additional stress about what action to take next. If this is your situation, you are not alone but it is important you seek professional advice in a timely manner.

Moorfields Advisory aims to support companies through every step of their business lifecycle. We specialise in providing confidential assistance and support in dealing with the difficult matters you and your company may encounter.

These include negotiating settlements with HMRC or other creditors, providing assistance and advice to companies struggling with cashflow and offering advice on solutions to get your company back on track.

While we understand that picking up the phone can be difficult or daunting, we hope you will find comfort in the fact that sharing the problem early can help provide options.

If you, or anyone you know, has any concerns regarding the recent correspondence from HMRC, banks and other lenders, please contact us to talk through your situation in a free non-obligation confidential discussion.

To find out more and for a free consultation please contact Milan Vuceljic on +44 (0) 207 186 1166 or email [milan.vuceljic@moorfieldscr.com](mailto:milan.vuceljic@moorfieldscr.com).

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## Bounce Back Loan FAQ's

### When will I have to repay my Bounce Back Loan?

No repayment is due for the first 12 months after taking the Bounce Back Loan. The loans were fixed at low interest of just 2.5% for the entire 6 years. Monthly repayments begin in month 13 and continue for the lifetime of the loan, but for companies that are struggling there are options.

### What is the Pay as you Grow Scheme (PAYG) and how can it help with repayments?

The Pay as you Grow scheme offers companies the option to relieve the financial burden of repayment when they are still struggling to get back on their feet. It gives companies three options:

- You can extend the initial 12 months by a further 6 months
- You can extend the loan term from 6 years to 10 years - reducing monthly costs
- Interest only repayments for 6 months

Speaking with your lender will enable you to execute all or some of these options to ease the financial burden.

### I am still unable to repay my Bounce Back Loan even with the support of the PAYG scheme.

#### What can I do ?

If you feel that the PAYG scheme still can't provide you with enough support then it's important you speak us, and in turn, we can offer you a free assessment. As soon as you fail to make repayments, it's likely your lender will take action to recover arrears. Whilst this may appear as just a letter or phone call at first, this can quickly escalate. It's important to speak to us early as there will be options and we can help you to explore these further.

### Am I personally liable for a Bounce Back Loan?

No, the Government provided security to all lenders meaning directors will not face any personal liability providing they have used the funds correctly.

If you are worried you may have misused the loan, we can help discuss issues in confidence.

### If I am not personally liable, can the loan be simply written off ?

Unfortunately not. Even though the government agreed to take full security for the loans, the company remains liable for the loan whilst they are still a legal entity. The government will only step in when the company is entering a formal insolvency procedure such as a Company Voluntary Arrangement (CVA).

### I used the Bounce Back Loan to pay for company wages. Is this allowed?

Absolutely! Bounce Back loans were made to be used for any business purpose including overheads, outstanding debt or investing in company assets or property. The loans just weren't allowed to be used for personal use.

### What will Moorfields do to assist?

Our business support team is made up of accountants, advisors and licensed insolvency practitioners who will provide a fresh pair of eyes and an independent view of your company, its forecasts and its likely viability to determine your best plan of action.

### Do I qualify for a free assessment?

Yes, we are offering free assessments to all businesses who have taken out a bounce back loan. Moorfields work with companies across a variety of sectors and sizes including partnerships and SMEs to Blue Chip companies.

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