

CBILS Information Requirements for Loan Request

Key areas to cover in your loan request

1. Impact of coronavirus on your business now and over coming months
2. Actions you've taken to date to help your business remain viable
3. Outline any medium term impacts on the business once the current situation subsides
4. The performance of the business pre virus
5. Last 12 months financial information
6. If loan request over £250k provide 12 month forecast to estimate your cash requirement
7. Amount and term of the loan requested & how you will use it

Prompts to assist

These are only suggestions and the information you provide should be determined by the specific requirement of the lender and the information you have available.

1. **Impact on your Business** – consider:
 - 1.1. Revenues - cash collection and ability to generate new revenue
 - 1.2. Staff – lower productivity due to work pattern disruption or sickness
 - 1.3. Suppliers – impacts of their ability to maintain their services
 - 1.4. Customers/clients – changes in their behaviour/demand for your products/services
2. **Actions taken to date** –prompts so nothing forgotten:
 - 2.1. Directors remuneration cuts and/or cash injections
 - 2.2. Staff cost reductions e.g. part-time, temporary wage cuts, suspending consultants work
 - 2.3. Overhead cuts e.g. rent, advertising, discretionary spend
 - 2.4. Capital repayment holidays on existing loans
 - 2.5. Government support - including use of:
 - 2.5.1. Small Business Rate Relief
 - 2.5.2. Retail & Leisure related support
 - 2.5.3. Job Retention Scheme
 - 2.5.4. Extended access to SSP
 - 2.5.5. Delayed payment of VAT
 - 2.5.6. Use of HMRC Time to Pay
3. **Medium Term Impacts** – consider:
 - 3.1. Revenues – how quickly will they recover to pre Virus levels, will there be opportunities or challenges in rebuilding your income? If you are reliant on a small number of customers how will you manage the risk?
 - 3.2. Staff – will you want to make good the temporary wage cuts people accepted or pay bonus to reward staff over the difficult time? Will redundancies be required? How quickly will productivity return? Will some of the benefits of remote working continue?
 - 3.3. Suppliers – will they still be there? How quickly will they recover? If you are reliant on a small number of suppliers how will you manage the risk?
 - 3.4. Delayed payments – don't forget deferred VAT and other taxes will need to be paid plus capital repayment holidays will come to an end

4. **Performance pre Virus** – consider:
 - 4.1. How were revenues, profits and cash performing compared to last year and budget?
 - 4.2. Are there any specific projects/investment that are impacting current performance?
 - 4.3. How is your sector performing and how do you benchmark to your competitors?
 - 4.4. Are you dependent on a small number of customers or work sources? What contingencies do you have to manage the risk?
 - 4.5. Are you up to date with HMRC payments?
5. **Financial information** – provide:
 - 5.1. Latest year end accounts - the full Profit & Loss and Balance Sheet (not just the statutory accounts filed at Companies House)
 - 5.2. Up to date management accounts ideally:
 - 5.2.1. Profit & Loss
 - 5.2.2. Balance Sheet
 - 5.2.3. Aged debtors and Creditors
 - 5.3. Schedule of HP or 3rd party finance commitments - current balance, repayment commitment details and expiry dates
6. **Forecasts** – provide:
 - 6.1. As a minimum a monthly cash flow forecast for 12 months applying a small range of revenue scenarios
 - 6.2. Preferably an integrated monthly Profit & Loss, Balance Sheet and Cash Flow Forecast
 - 6.3. Assumptions – consider
 - 6.3.1. Revenues at say 20%/40%/60%/80% of normal for between 3 & 6 months
 - 6.3.2. Impacts of all actions taken so far to preserve cash
 - 6.3.3. Need to pay at least 80% of furloughed workers wages in short term
 - 6.3.4. Receipt of government support:
 - 6.3.4.1. HMRC portal unlikely to be operation before the end of April
 - 6.3.4.2. VAT deferment currently only short term (maybe extended)
 - 6.3.5. Costs of unravelling short term measures such as part time working, delayed creditor payments include rent etc.
7. **Loan Requirements** – provide:
 - 7.1. Amount - consider:
 - 7.1.1. If difficult to estimate cash income over the next 6 months so assume the worst
 - 7.1.2. The need to fund government support which may take 2 to 3 months to receive
 - 7.1.3. Essential payments including staff and owners remuneration
 - 7.1.4. Taken as a variable rate loan - no early repayment penalties so all or some can be paid back at any time in the first 12 months at zero cost. *BUT once repaid the amount cannot be redrawn.*
 - 7.2. Term – consider:
 - 7.2.1. Maximum Term is 6 years which includes the 12 month capital repayment holiday so loan repayments will be calculated over 5 years and commence 12 months after the loan is taken.
 - 7.2.2. Taken as a variable rate loan - no early repayment penalties mean that lump sum repayments can be made over the course of the loan. *BUT once repaid the amount cannot be redrawn.*
 - 7.3. Use of Funds – consider:
 - 7.3.1. List essential payments that can't be covered from existing cash or known income
 - 7.3.2. Include payments needed to be made prior to receiving government support
 - 7.3.3. Be proportionate but remember you don't want to have to go back in 2 months for more so err on the side of pessimistic!