



# When business as usual becomes unusual

**Session 4: Business Support Measures**

29 April 2020





# Webinar presenters



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## Guest presenters



**Minister Skelly**  
Department for Enterprise



**Basil Bielich**  
Chairman - Manx Solidarity Fund



# Agenda

**Economic update**

**Update: Department for Enterprise**

**KPMG COVID Support**

**Riding the waves**

**Manx Solidarity Fund**

**Wrap up and Questions**





# Update

**Russell Kelly - Senior Partner**





# Introduction

## Isle of Man

- Easing of the lockdown
- Strong take up of Business Support Schemes
- IOMG underwriting loans of approximately £60m
- Treasury to ask Tynwald for up to £250m of Government borrowing



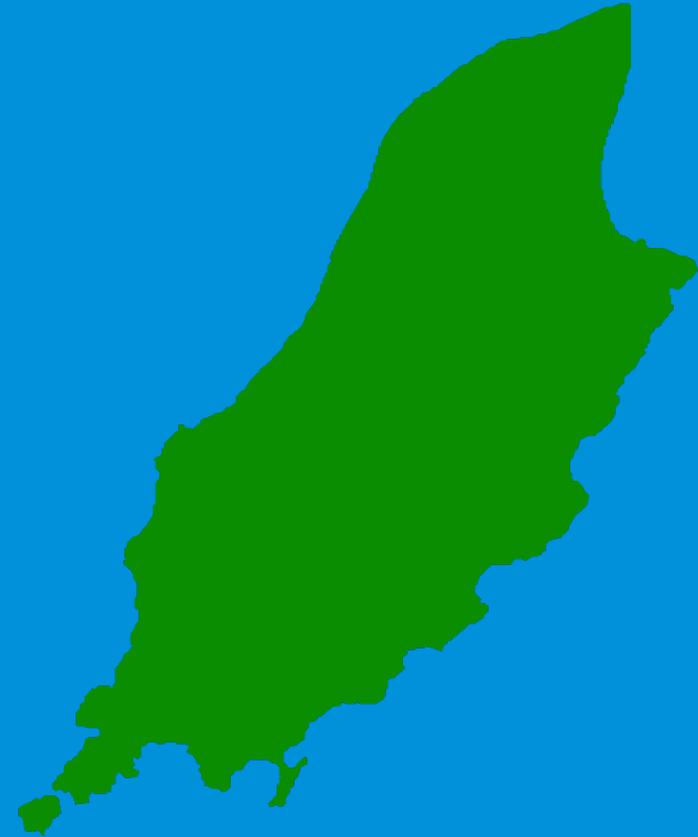
## UK

- Markets down 25%
- No firm plan for easing the lockdown





# Update from Dept for Enterprise



Simon Nicholas – Partner, KPMG

Minister Skelly – Department for Enterprise



### Coronavirus Business Support Scheme (CBSS)

**Overview:** a £3,000 grant to support businesses & self-employed

**Launched:** 17<sup>th</sup> March

**Total applications received:** 3,573\*

**Total applications processed:** 2,851

**Total applications paid:** 2,041

**Total value of applications paid:** £6,123,000

**Total staff working on applications:** 16 staff working 7 days a week

Accurate as of 27/04/20

\*Includes incomplete, some duplicates and ineligible applications

### Coronavirus Business Interruption Loan Guarantee Agreement

**Overview:** : £60 million of new business lending supported by 5 of the Island's commercial banks & Government

**Launched:** 31<sup>st</sup> March

**Total applications received:** 47

**Total applications approved:** 16

**Total value of applications received:** £3,681,826

**Total value of applications approved:** £782,500

Accurate as of 24/04/20



### Strategic Capacity Scheme

**Overview:** Fund to help strategically important business sectors, initially available to the tourism accommodation sector

**Launched:** 3<sup>rd</sup> April

**Total applications received:** 89

**Total applications paid:** 25

**Total applications processed:** 64

**Total value of applications paid:** £1,335,031

**Total staff working on applications:** 5

Accurate as of 24/04/20



### COVID-19 Salary Support Scheme

**Overview:** 12 week wage support package for businesses with a flat rate contribution of £280 per week for every full time equivalent staff member

**Launched:** 16th April

**Total applications received:** 1095

**Total applications paid:** 0

**Total staff working on applications:** 60

Accurate as of 22/04/20



### COVID-19 Manx Earnings Replacement Allowance (MERA)

**Overview:** 12 week income support of £200 a week to those who have been temporarily or permanently laid off, or lost their self-employed work

**Launched:** 6<sup>th</sup> April

**Total applications received:** 2,394\*

**Total applications processed:** 1,699

**Total applications paid:** 1,230

Accurate as of 22/04/20

\*Includes incomplete, some duplicates and ineligible applications



### Coronavirus Business Adaptation Scheme

**Overview:** Businesses that have had to adapt their business as a result of COVID-19 can apply for 50% of any of the costs involved in the adaptation

**Launched:** 27<sup>th</sup> March

**Total applications received:** 11

**Total value of applications received:** £174,980

**Total applications approved:** 4

**Total value of applications approved:** £38,747

Accurate as of 22/04/20



## £3,000 Coronavirus Business Support Scheme

Total enquiries, applications and payments processed to date as of  
Tuesday 28th April 2020

1,012

Enquiries  
received

3,624

Applications  
received

2,934

Applications  
processed

2,155

Number of  
payments  
completed

£6,465,000

Value of  
payments  
completed



For more information, including eligibility, please visit:

[www.iomdfenterprise.im/cbss](http://www.iomdfenterprise.im/cbss)

Coronavirus Business  
Interruption Loan  
Guarantee Scheme



Overview:

£60 million of new business lending supported by the Island's commercial banks & Government

Who can apply?

IOM registered businesses & self-employed with a turnover of up to £10million.

Exclusions; financial & professional services, real estate, utilities, space, public administration & GSC regulated e-Gaming sectors

VAT Deferment  
Initiative



Overview:

Businesses can apply for a deferral of VAT payments between now and the end of June 2020

Who can apply?

Any Isle of Man registered businesses or self-employed individual

Strategic  
Investment Fund



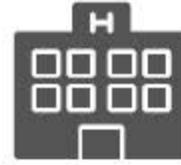
Overview:

This scheme allows Government to purchase legal title to assets (land, property, equipment etc.) from businesses in return for cash

Who can apply?

Any IOM business that is able to demonstrate that they will be able to maintain employment. Independent valuation of assets will be required

Strategic  
Capacity Scheme



Overview:

Fund to help strategically important business sectors, initially available to the tourism accommodation sector

Who can apply?

3 stars & above serviced & non-serviced accommodation.  
Exclusions; permanent campsites and glamping sites, TT and MGP Homestay, B&Bs and temporary TT and MGP campsites & glamping sites

Mortgage  
Repayments  
Holiday



Overview:

Bank support package which offers homeowners a repayment mortgage holiday of up to three months

Who can apply?

Residential homeowners with a mortgage with  
Isle of Man Bank,  
Santander International, HSBC,  
Barclays, Lloyds, Nedbank  
Private Wealth  
International and Cayman  
National Bank

## National Insurance Holiday



### Overview:

Businesses can apply for a nil rate of secondary Class 1 (Employers) Contributions in respect of March 2020 remittances, which are due and payable by 19 April 2020

### Who can apply?

Businesses in the tourist accommodation, catering & entertainment, travel & tour operators, logistics sectors

## Coronavirus Business Adaptation Scheme



### Overview:

Businesses that have had to adapt their business as a result of COVID-19 can apply for 50% of any of the costs involved in the adaption

### Who can apply?

Businesses and self-employed in any sector may apply, with the exception of large retail businesses with taxable income of more than £500,000

# KPMG COVID-19 Resource Hub

**Help is at hand and it's as easy as 1, 2, 3...**

1. Isle of Man Government Support Schemes
2. KPMG COVID Resources
3. Other Support Services

[www.kpmg.co.im/covidsupport](http://www.kpmg.co.im/covidsupport)  
[covidsupport@kpmg.co.im](mailto:covidsupport@kpmg.co.im)





# Riding the waves

Kristan King – Director, KPMG





# Wave 1 - Survival

Focus will initially have been on short term actions:

- Communicate with clients and suppliers
- Project and protect cash
- Control staff costs and overheads
- Access short term funding support
  - Wage Support Scheme
  - Business Support Scheme
  - VAT deferral





# Wave 2 - Stabilise

Redefine short-term actions and identify medium term plans:

- Look at KPIs for the last six weeks
- Monitor government plans for relaxation of restrictions
- Update short and medium term cash flow forecasts
- Determine potential requirements to fund “tight spots” in forecast cash headroom





# Accessing finance

Remember that to a greater or lesser extent, all lenders are taking commercial decisions as cash funding is a finite resource and so it is important that you prepare before applying for finance.

## Likely sources of finance

- Existing shareholders
- Family or friends
- Overdrafts or loans from banks or commercial lenders
- Government schemes
  - Disruption loan guarantee scheme
  - Coronavirus Business Adaptation Scheme
  - Strategic Investment Fund

## Key preparation

- Research into eligibility criteria
- Assess available security
- Business plan
  - Qualitative details
  - Financial history and forecasts



# Key contents of a business plan

The business plan needs to describe your business so a third party can understand it and include realistic financial forecasts where downside sensitivities have been considered.

## Qualitative factors

- What is your product/service?
- Intellectual property
- Which markets do you sell into?
- Who are your key customers?
- Pricing arrangements?
- Supply chain?
- Influencing macro-economic Factors?
- Regulated or not?
- Management team experience

## Quantitative factors

- Historical P&L, Balance Sheet and Cash Flows
- Historical operational KPIs
- Description of historical trends and the reasons for them
- Financial forecast model (P&L, Balance Sheet and Cash Flow)
- Scenario analysis



# MANX SOLIDARITY FUND



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# MANX SOLIDARITY FUND



BACKGROUND

01



THE CHARITY SET UP

02



OBJECTIVES OF THE CHARITY

03



WORKINGS OF THE MANX SOLIDARITY FUND

04



THE FUTURE

05



**Helpout.im**

Isle of Man Coronavirus Community Support

# CHARITY SETUP



START



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[www.manxsolidarityfund.com](http://www.manxsolidarityfund.com)

# OBJECTIVES

To deliver funds and support to individuals and organisations effected by COVID 19

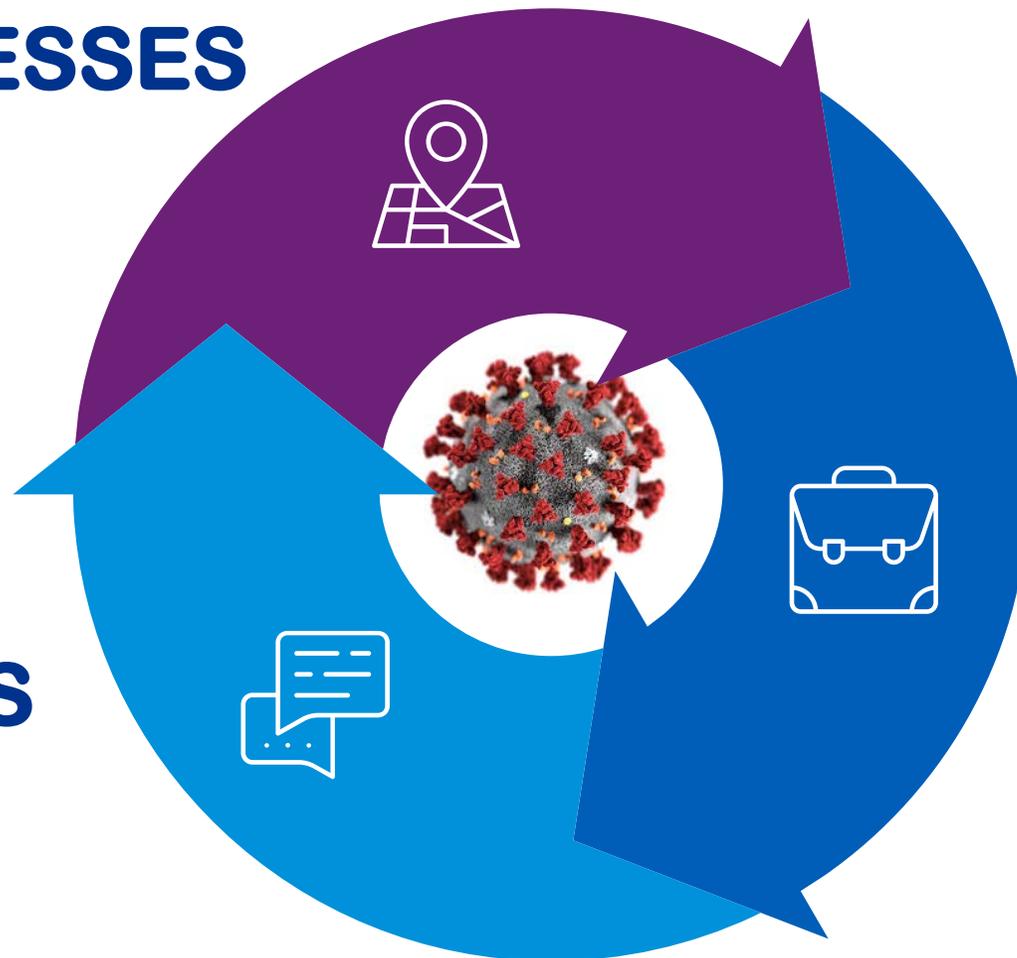
## BUSINESSES



## INDIVIDUALS



## CHARATIES



# WORKINGS OF THE MANX SOLIDARITY FUND

How the trustees operate

## FUND RAISING

Donations and special efforts  
 Just Giving  
 Barclays  
 Much Better

## APPLICATIONS

Identification of Needs  
 Application Forms  
 Direct Approach

## PROCESSING

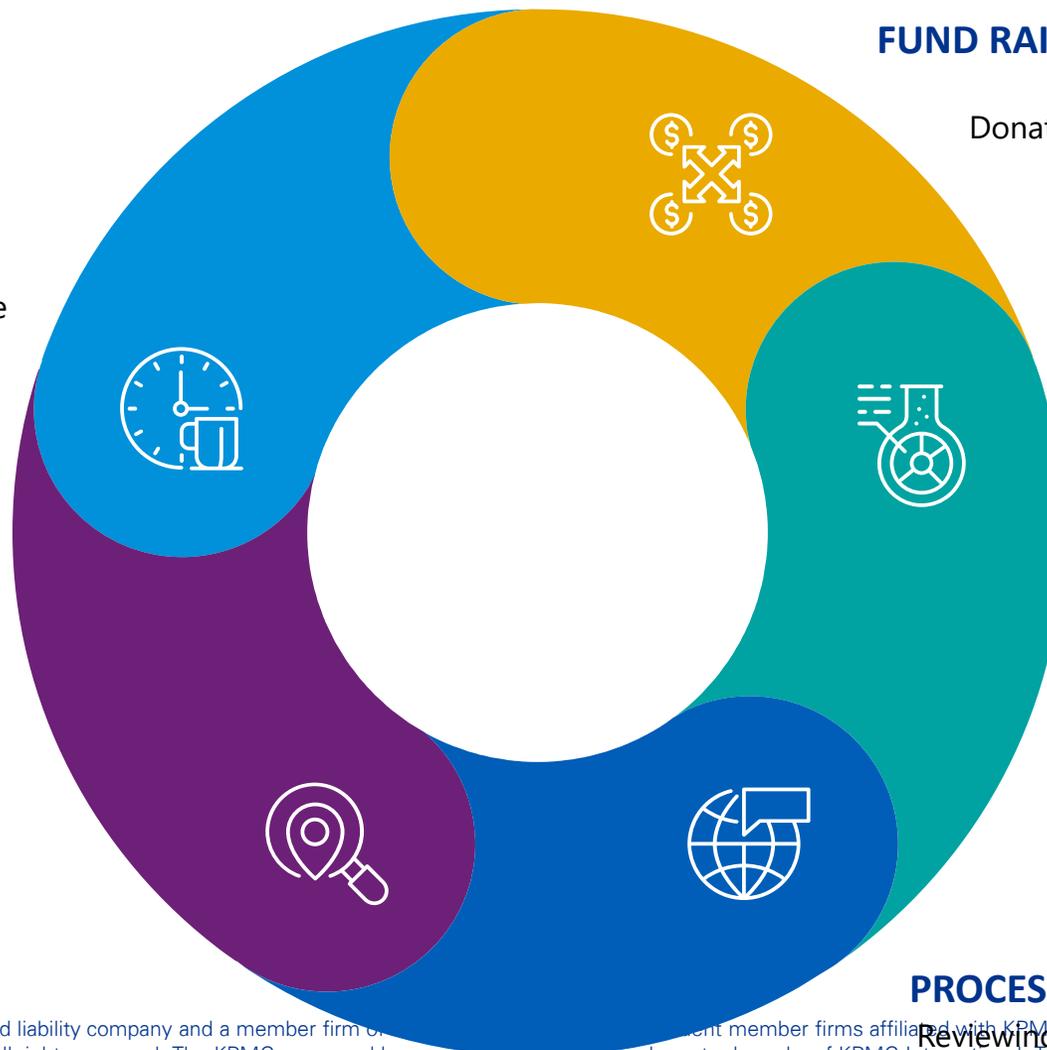
Reviewing and Analysing

## Marketing

Raising the Funds Profile  
 Social Media  
 Events

## Distributions

Distributing Funds to worthy Causes.



# THANK YOU



# MANX SOLIDARITY FUND





# Wrap up and questions



# Dates for your diary

**Join us every Wednesday at 10:00 for our webinar:**

6 May - Managing risk through turbulent times

13 May - Tax update





Thank you





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