



COVID-19 (Coronavirus) – Business Response Manual

Mitigate the Impact on your Business

March 2020





The spreading of Covid-19 occurred at an alarming rate making it impossible for businesses to prepare



- The Covid-19 (Coronavirus) business interruption is unprecedented
- It was impossible to forecast it's impact on business across all sectors and it did not allow any time to prepare for any resolutions



Core Business Segments Impacted

	<p>Working Capital Cycle</p> <ul style="list-style-type: none"> • Are you continuing to trade or have public health guidelines resulted in temporary closure or ceasing trading? • Managing all aspects of working capital can assist trading (See page 4 for Focus step by step manual).
	<p>Banks & Funding</p> <ul style="list-style-type: none"> • Bank & Funders are in a strong & stable position at present (strong liquidity) and need to lend money. • Managing your relationship with banks & funders is critical (See page 5 for Focus step by step manual).
	<p>Employees</p> <ul style="list-style-type: none"> • Supporting employees & maintaining strong relationship is key during these unprecedented times. • (See page 6 for Focus step by step manual).
<p>Revenue Cáin agus Custaim na hÉireann Irish Tax and Customs</p>	<p>Taxation & Revenue Commissioners</p> <ul style="list-style-type: none"> • Staying compliant with Revenue is fundamental in trading through the Covid-19 crisis. • (See page 6 for Focus step by step manual).

Covid-19 will have short and long term business impacts. Planning for operational resilience is key to alleviating any effects on your business, workforce, supply chain and customers.



REMEMBER: CASHFLOW IS KING!! throughout any impact or global conditions on a Business's ability to trade



Preparation of a **Detailed 3 – 6 month short term cashflow** is an essential starting point for any business during this Covid-19 Coronavirus crisis

Identifying the short term requirements including financial impacts of your trading business is fundamental!



Review the business cashflows and identify specific funding requirements. An accurate and credible forecast will be a prerequisite for a successful engagement with banks and creditors. Analysing the crisis period and the recovery & ramp-up period that will follow is crucial.



Carefully consider banks & lenders, creditors, employees and customer positions in preparing a revised business plan. Managing receivables will be crucial in trading through this crisis.



The emphasis for all stakeholders should be on preserving the viability of the business in the short term, while also protecting value until the macro environment stabilises and recovers.



Though the end of the current crisis is uncertain, identifying when your business can begin to trade profitably again and generate positive cashflow will be crucial.



In some circumstances, it may be possible to consider alternative uses or ways to trade in the changed environment.



Experience

- Focus have assisted a variety of businesses across all sectors since it's incorporation.
- Experts in financial modelling and cashflow analysis.

Qualified Staff & Capacity

- A team of +30 staff in Focus committed to assisting their clients when and how is it required.
- Depth of knowledge across the firm to assist all our clients.

Commitment to Help Our Clients

- Clients are the core ingredient to Focus and are always viewed as our strategic partners.
- **WE ARE HERE TO HELP YOU!**

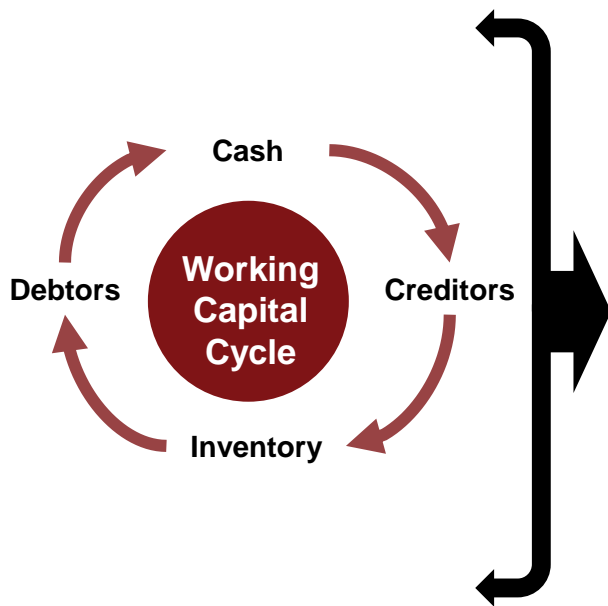


Focus Capital Partners are committed to their clients & are happy to help in any way possible that they can assist





Efficient working capital management can release significant pressure on cashflow during this critical trading time



- Explore where you can extend trade credit.
 - You may be a key customer of some creditors who have the capacity and motivation to reschedule payments.
 - Engage early with creditors as current resources will need to support it.
- Cancel any non essential variable costs as soon trading is scaled back or ceased.
 - Assess your supply chain in light of the current global trading restrictions and identify potential exposures and cost efficient alternatives.
- Rent will be the main fixed outgoing for many business. Visibility on your financial position, communication & credible proposals will be key to working with Landlords.
 - This may also apply for other overheads such as rates and utilities. Some Local Authorities may consider a moratorium or reprieve on rates payments.
- Engage early with debtors as the full & timely recovering of receivables will be crucial in trading through the current crisis. Some debtors may have the capacity & ability to schedule early or prompt payment.
 - Analyse customers ability to pay is crucial, deviations may result in cashflow issues.

Analyse & Prepare

- Perform a review of the business.
- Prioritise step by step plan to assist with all aspects of working capital.

Third Party Presence

- Alleviate an additional workstream from management.
- Allow management to focus all efforts on day to day operations.

Experience & Sector Experts

- Access to financial advisors who assist companies in a variety of sectors.
- Acute knowledge of working capital issues and solutions.



Focus Capital Partners are committed to their clients & are happy to help in any way possible that they can assist





Engaging with banks & lenders in a timely manner will ease unknown factor about a core outgoing of your business



Prompt & Swift Communication with Banks & Lenders is critical

This will allow a plan to be established for a key cashflow outgoing and ensure your business remain compliant with all funding covenants & requirements



Banks may consider payment moratoriums and/or covenant waivers where reasonable. Five senior banks (AIB, Bank of Ireland, Ulster Bank, Permanent TSB and KBC) have agreed the following measures with the Minister of Finance to assist businesses during this period including payment breaks, streamlined application processes, protection of credit ratings, deferral of court proceedings, and working capital funding.



Present clear and well-considered business plans which identify recovery & ramp-up scenarios. Though it is difficult in this environment, it is important to present such scenarios to show businesses can recover and value can be preserved. Strong underlying businesses can get support with a credible plan.



The ask of your Banking partner may vary; there may be a requirement for new credit or the solution may be a restructure of existing credit facilities.



Consider short term credit against underleveraged assets, possibly along with a temporary moratorium on repayments. Banks are well capitalised and are willing to provide credit during this difficult period as we have experienced in the early days of this crisis. In addition, SBCI have launched a working capital scheme for loans between €25k-€1.5m (unsecured up to €500k) specifically for this Covid-19 crisis.



COVID-19
Customer
Notice

Crucially important for borrowers of all non bank lenders to engage with their lender immediately

COVID-19
Customer
Notice



Relationships with Lenders

- Focus can assist in negotiating terms & options available
- Focus can use market knowledge with all lenders to leverage options available

Preparation of Information

- Access to templates & financial models that can speed up preparation of plans / scenarios
- Expert knowledge of banking including covenant calculations

Negotiation and Presentation

- Prepare proposals and negotiate terms with lenders.
- Relationships with key people in all key banks/non bank lenders.



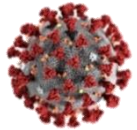
Focus Capital Partners are committed to their clients & are happy to help in any way possible that they can assist






Supporting & Maintaining strong relationships with your Employees will help future proof your business for recovery



Employees across all a range of sectors have been directly impacted on their ability to work and earn income during the Covid-19 Crisis.



Employers have to adopt a forward looking approach

-  **Short-Time:** Reduced pay or hours may be required in the short-term to protect liquidity. Supply employees with state assistance information
-  **Lay-off:** No work available due to mandatory closures, make employees aware this is intended to be temporary & not redundancy.
-  **Illness Benefit:** When a worker is told to self isolate by a doctor or has been diagnosed with Covid-19 (Coronavirus) by a doctor, they can apply for an enhanced Illness Benefit payment of €305 per week

State Assistance Available



- Streamlined online application process.
- **€350 per week** available to staff who are unemployed due to the Covid-19 crisis.

Employer State Assistance Available




- **70% of a staff wages up to €410 per week available** from government to employers willing to meet remainder of weekly staff cost.

Utilise Technology to Manage Costs



- Use of **remote working apps** to reduce costs.
- Technology can be key to **maintaining core relationships with staff** through the crisis.

LATEST  *Latest publications from Government outline the scheme will initially run for 12 weeks and employers will be free to top-up this element of salaries. Mechanism for reimbursing employers has not yet been announced but we will updated you once it is clarified.*

Analysis of Key Information & Expert Knowledge of the Market



- Analysing staff levels will be key to accurately forecasting cashflow in this crisis period and in the recovery & ramp-up period that will follow.
- If you have queries about the various employments supports announced by Government during this period, please do not hesitate to talk to us.



“

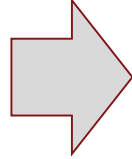
Focus Capital Partners are committed to their clients & are happy to help in any way possible that they can assist

”



Businesses need to ensure they remain compliant with all Revenue guidelines to avoid further impacts on their trading

Update on Filing Requirements









- Suspension of the application of interest late penalties on VAT for the Jan – Feb return period.
- Suspended the application of interest late penalties on Employer's PAYE liabilities for the Feb – Mar for SME's.
- All Revenue's debt enforcement activity is suspended.



Is your company or group structure efficient from a tax perspective?

During the Covid-19 crisis and recovery period ahead, any impacts on your ability to generate cash need to be reviewed

-  Are you concerned how taxation might impact you or your business and have you considered tax planning? 
-  Have you cash reserves in your trading company that you want to protect for future plans: investments, expansions or exits? 
-  Are you maximising the benefit of tax reliefs & deductions and are you managing the close company surcharge effectively? 

Expert Team with significant experience and knowledge of Irish Tax Law

- Focus Tax Partners specialise in advisory and tax planning work for corporates and high net worth individuals across a wide variety of sectors.
- Focus have substantial experience planning and advising on corporate restructuring, M&A, debt refinancing, buyouts, employee share schemes, succession planning and many other areas.
- Focus are experienced in engagements with Revenue: audits, queries and debt enforcement.



Focus Capital Partners are committed to their clients & are happy to help in any way possible that they can assist



Focus Capital Partners know this is a challenging time for everyone and every aspect of our lives including business is being impacted daily. To all our clients, their families, friends and everyone affected by the Covid-19 virus, we are here to help & support you.

We will get through it together, Stay Safe!

Please reach out to us if you think we can give you the advice on what you need.



Rob Adams
Managing Director

Tel: +353 (0)1 9052970
Mob: +353 (0)87 6618452

Email: radams@focuscapital.ie



Martin Higgins
Equity Fundraising Director

Tel: +353 (0)1 9052970
Mob: +353 (0)87 299 0909

Email: mhiggins@focuscapital.ie



Andrew Kenny
Tax Director

Tel: +353 (0)1 9052970
Mob: +353 (0)86 8408359

Email: akenny@focustax.ie



Johnny Dillion
Associate Director

Tel: +353 (0)1 9052970
Mob: +353 (0)86 3205946

Email: jdillion@focuscapital.ie



Brian Barrett
Associate Director

Tel: +353 (0)1 9052970
Mob: +353 (0)87 264 9827

Email: bbarrett@focuscapital.ie



Patrick Dooley
Associate Director

Tel: +353 (0)1 9052970
Mob: +353 (0)87 2325028

Email: pdooley@focuscapital.ie

| 3rd Floor Warrington House | Mount Street Crescent | Dublin 2 | Ireland |

| 2nd Floor Carlton House | Henry Street | Limerick | Ireland |

Focus Capital Partners is a trading name of Focus Corporate Finance Limited which is authorised by Chartered Accountants Ireland to carry on Investment Business.

