



The 3 Step Guide to assess your Business post Covid

Step 01



01 Evaluate

Most companies have been affected in one way or another by Covid. Whilst we all reflect on individual aspects of our lives, its important as the world reopens for directors to understand what impact the pandemic has had, or continues to have on their business.

There are some very basic things you as a director can do to understand the position of your business.

Evaluate your business in 5 steps:

1. Sales

How have sales been impacted?
Whether you are selling a product, service or yourself, what are the levels like now compared to pre covid trading?

2. Creditors

What liabilities does the business have? Have the liabilities increased during COVID? You may still need further borrowing.
It is important to remember to include all liabilities such as deferrals of VAT and other tax payments, Bounce Back Loans and other government support schemes.
At any one time what is the TOTAL debt in the business to date?

3. Assets

What assets does the company have?
Is there any cash at the Bank?
Is any money owed to the business?

4. Cashflow

The key to any business, what cash is available today?
What needs paying today and what debts are falling due soon?
Is the cashflow where you expect it to be?

5. Directors

Where are you in the company. Has Covid meant you have had to borrow from the company to survive personally?
Do you have an overdrawn directors loan?
Did you furlough yourself?
Can the business now afford to pay you a wage since Covid?
Is it sustainable going forward?



02 Diagnose

Take the test

Tally up your high risk answers in red.

Do your debts outweigh the assets?

No

Yes

Can you pay debts as an when they fall due with current cash?

Yes

No

Have sales recovered to pre-covid levels?

Yes

No

Has the company deferred any HMRC liabilities i.e. VAT?

No

Yes

Has the company borrowed any money since the pandemic?

No

Yes

Low risk

Medium risk

High risk

1

2

3

4

5

Low risk: It seems that your business is in a good position and currently low risk from any immediate threat however, you may want to follow us as we are always creating guides and tips to help you with your business. **Follow our social media channels for useful information.**

Medium risk: whilst you are not in a critical state it would be worth understanding all options and aspects of your business with a view to implementing a solid plan going forward. **Please find more information here.**

High risk: It is essential you take guidance regarding the financial position of your business and options going forward, please call us for free and confidential guidance on 0333 358 2451 or **contact us now.**

**The diagnosis tool is to be used as an indication only.*

Step 03



03 Plan

Once **steps 1 & 2** have been carried out formulate a short, medium, and long term plan. The lengths of these are dictated by you and how the business is run day to day however, a short plan might be 1-3 months, medium 6 months, and long term 1 year plus.

Having a plan is fundamental in moving forward, even if it allows you to follow an objective and goal. Speak to your accountant or maybe you feel that you need to find a better suited accountant to help execute your plan.

Contact us if you would like to be referred to one of our trusted panel of accountancy firms to guide you forward.

If you don't formulate a plan, covid has shown us that unforeseen events happen and can have a devastating effect on the businesses going forward.



For more information, please speak to us – Free and confidential