VALUATION ADVICE REGARDING CBILS

The restructuring and insolvency sector will be keeping a keen eye on the outcome of the Coronavirus Business Interruption Loan Scheme (CBILS) incentives designed to assist businesses with the disruption and lockdown implications caused by the Covid-19 pandemic.

Since the scheme was introduced, along with others, in May 2020 approx. 83,000 firms have successfully applied and some £20bn has been loaned by The British Business Bank’s accredited funding providers in the form of CBILS; buoyed by HM Government agreeing to guarantee up to 80% of the loans placed as part of a set of unprecedented fiscal measures to support businesses at risk.

Significantly, over 100,000 applications have not been approved in the period since May 2020.

CBILS allows SME’s the ability to access borrowings up to £5m for up to six years together with other incentives such as limits to personal guarantee exposure and interest/bank charges coverage. Following a December announcement, the Chancellor has extended the CBILS deadline for applications to 31st March 2021.

Undoubtedly there will be companies who have taken advantage of CBILS who will not be in a position to repay under the terms agreed and directors will require guidance from professional advisers in order to navigate through the options available to them in the event of looming insolvency.

Our experienced team of valuers will be available to assist clients across all asset classes and disciplines in the event that valuation advice is required and will be on hand to discuss any potential restructuring casework under review.

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