

Coronavirus Business Interruption Loan Scheme FAQs

1. What are the current CBILS deadlines?

The current deadline for applications is 31st March 2021. Lenders then have a maximum of two months to underwrite the proposal and provide a formal acceptance (31st May). Business loans typically need to be drawdown within 1-3 months from the offer date and asset finance / refinance products 3-6 months.

2. What facilities are available under CBILS?

CBILS is available to support business loans, asset finance, asset refinance / restructuring, invoice finance, property finance and acquisition / Management Buy Out (MBO). A lot of SMEs are unaware that CBILS is available to support expansion and growth, in addition to working capital requirements.

3. Can I have multiple CBILS facilities?

Businesses can secure multiple CBILS facilities up to a maximum of £5m, subject to individual lender eligibility criteria. Many SMEs have secured a combination of CBILS facilities from different lenders to support their business through 2021 and beyond.

4. Can I still obtain a CBILS facility if I have been declined by my bank?

Yes, just because you have been declined by your bank does not mean there isn't a lender in the alternative finance marketplace that will support your funding requirement. There are now over 100 accredited lenders who can offer CBILS facilities.

5. Can I take a CBILS facility to build up cash reserves and settle it off if I don't need to utilise it?

Yes, many UK SMEs are accessing the CBILS scheme to build up a cash war chest to protect themselves against any unexpected changes in 2021. With many CBILS facilities, there is nothing to pay for 12 months and no penalties for settling the agreement early, therefore the funds could be paid back at month 11 with no cost to the business.

About Us

MHA Moore and Smalley's Corporate Finance team are a dedicated and experienced group committed to identifying, creating and maximising shareholder value through generating strategic M&A opportunities and providing commercially focused transactional related advice to North West businesses.

6. Can CBILS be utilised to support an Acquisition or MBO?

There is nothing stopping CBILS facilities being used as part of a wider funding package to transact an MBO, EOT, acquisition or other such transaction requiring fundraising. We have seen funders utilise CBILS in a number of different situations, be that asset finance, invoice discounting, term loans or a combination of all three to provide funding on a transaction.

7. Can CBILS be used to restructure my existing borrowings?

Yes, many business owners are using the scheme to restructure their existing borrowing structures and benefit from low or no payments for 12 months to reduce their outgoings. Restructuring your current debt profile under CBILS can help safeguard your business in the long term.

8. Can CBILS be used to invest in new equipment?

CBILS funding is available to support businesses who have been affected by COVID-19, but also those who are now looking to expand and grow. Many asset finance lenders have access to the CBILS scheme where the first year's interest and fees are paid by the Government on hire purchase or finance lease agreements. With the Annual Investment Allowance extended to £1m for 2021, it may be the perfect time for some businesses to invest.

Now, for tomorrow

9. Can I have a CBILS facility alongside my invoice finance facility?

Yes, on any CBILS facility up to £250k, the facility is fully unsecured and can sit alongside any invoice finance facility. CBILS lending may be available through invoice finance providers who can provide a CBILS business loan alongside your working capital facility.

10. Will there be a successor scheme to CBILS?

The British Business Bank has stated that there will be a scheme that replaces CBILS, however it has been indicated that the terms may not be as attractive as the current scheme.

The Coronavirus Business Interruption Loan Scheme (CBILS) is managed by the British Business Bank on behalf of, and with the financial backing of the Secretary of State for Business, Energy and Industrial Strategy (BEIS). British Business Bank plc is wholly owned by HM Government and is not authorised or regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). Full details on CBILS and the list of participating CBILS lenders can be found on the British Business Bank website at: www.british-business-bank.co.uk/CBILS


Contact Us



Andrew Feeke
 Corporate Finance Director

E: andrew.feeke@mooreandsmalley.co.uk
 T: 07747 807 481

mooreandsmalley.co.uk

 @MooreandSmalley

 Offices in: Preston, Blackpool, East Midlands, Kendal, Lancaster, Liverpool, Manchester and Southport

Moore and Smalley LLP is a limited liability partnership that is registered in England and Wales under registration number OC313996 whose registered office is Richard House, 9 Winkley Square, Preston, Lancashire, PR1 3HP. The term "partner" indicates a member of the LLP who is not in partnership for the purposes of the Partnership Act 1909 and a list of members is available from the registered office. The LLP trades as MHA Moore and Smalley and is registered to carry on audit work in the UK by The Institute of Chartered Accountants in England and Wales and is authorised and regulated by the Financial Conduct Authority. Moore and Smalley LLP trading as MHA Moore and Smalley is a member of MHA, an independent member of Baker Tilly International Limited, the members of which are separate and independent legal entities. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Moore and Smalley LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Moore and Smalley LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. Arrandco Investments Limited is the registered owner of the UK trade mark for the name Baker Tilly. The associated logo is used under licence from Baker Tilly International Limited.

Moore and Smalley C.A. Limited is a limited company that is registered in England and Wales under company number 5373155. Its directors are Deborah Wood FCA and Christine Wilson FCA and its registered office is Richard House, 9 Winkley Square, Preston, Lancashire, PR1 3HP. Moore and Smalley C.A. Limited is a wholly owned subsidiary of Moore and Smalley LLP and trades as MHA Moore and Smalley.

Moore and Smalley LLP (Blackpool) is a member of AISMA, Association of Independent Specialist Medical Accountants.

Moore and Smalley C.A. Limited (Nottingham) is a member of AISMA, Association of Independent Specialist Medical Accountants.

Now, for tomorrow