

### Written evidence submitted by M2C Innovation Ltd

My business M2C Innovation Ltd is an online retail business that specialises in supplying people attending festivals with all their camping requirements with a web site [www.onestopfestival.com](http://www.onestopfestival.com) and also 2 innovative camping systems that connect together allowing customers to build their own bespoke camping set ups on [www.podtents.com](http://www.podtents.com) and [www.gubetents.com](http://www.gubetents.com)

These products were designed and engineered in the UK and been exported all over the world to assist in revenue here in the UK and companies like mine have always previously been identified as "The growth of the country "and innovation like mine has been championed as exactly what the country needs.

With innovation comes risk and as a small business director I have invested everything I have in these products and any profit made in a season is always invested back into improving the products and continuing to innovation to ensure we lead the market. The market has a small window of sales April – September in the UK / Europe and if we don't make our money in that period we have nothing to pay ourselves or re-invest.

As a result we expanded into the USA to try and negate the short sales period in Europe and have held stock with a logistics partner in the USA for 5 years now to improve the global potential for our brands which for a 1 man business is pretty outstanding I believe.

Because of all of the above as a small business director I pay myself in dividends as we don't have a regular income so PAYE isn't an option for us, This has never been an issue before and is entirely legal in the UK tax system and with the changes in Tax law over the last few year actually means we pay a similar amount of tax overall to a PAYE employee when you take into account corporation tax.

Covid has meant that our UK/ Euro camping season has been catastrophic with all festivals cancelled and camping not opening up in the UK until August when it was already too late , Stock for the 2020 season was purchased and paid for at the end of 2019 as we have a 3-4 month working lead time for stock arriving in from China. As a result all our 2019 reserves were used to pay for the 2020 stock leaving us with no cash and stock we couldn't sell and with the total lack of support for dividend directors we have had no income since March.

We did receive the £10,000 grant however our rent / service costs are £1200 / month in the UK and \$800 / month in the USA , And when you add in phones , heating lighting , insurances we have operating costs of £2500 / month so that was eaten up in 4 months and that simply covered overheads.

At month 9 and with the prospect of us not being able to generate sales until April at the earliest our debts are racking up and all of this without me being able to pay myself or claim any furlough / financial support.

Why have you chosen to specifically exclude small business directors as a group of people who you have always claimed to support and innovators who you claim are the very people the country needs?

EIC0887

I cannot diversify as all our cash is tied up in stock that was purchased prior to Covid and would be capitalised until the world gets back to normal. The way we have been treated when every other group ( employed / self-employed) in the country has seen financial support is criminal and a clear policy of discrimination. The governments continued denial and response that they are looking after everyone else so that's OK isn't a defence and only adds to my growing frustration.

Having built my business from nothing and investing all my life savings to get it off the ground to where it was pre Covid was something I was proud of and now thanks to your continued lack of support I am looking at losing everything after 10 hard years of putting my heart and soul into my business.

Imagine how being excluded would make you feel , to be effectively told you are worthless and that despite having the drive and passion to innovate and run your own business you are expendable and no longer a valued member of society.

Asking businesses like mine to take on loans as a solution when no other group is being asked to take on debt to cover loss of earnings just increases and compounds the idiotic nature of the policies of exclusion.

We are simply asking for parity and to be treated as equals to all other employment groups nothing more nothing less.

Jason Thorpe

Director

*November 2020*