

Written evidence submitted by Emily Treasure

I am the company director of an SME in the leisure industry.

Treasure Gymnastics Ltd, was started by me as a sole trader in 2003. It has grown to be the largest gymnastics provider in Hampshire, seeing 2000 children per week for physical activity, producing gymnasts that go on to represent GB and providing employment opportunities, apprenticeships and training to primary education teachers to improve their physical education delivery. The company, and me as the director have “fallen through the cracks”

I changed the company to a Limited structure in 2014 on the advice of my accountant, because it is sensible to do this with a growing number of employees to protect the director from unlimited liability, and because our local council would not engage with us a preferred supplier if we were a sole trader.

I currently have 38 employees, and I am taking advantage of the furlough scheme to protect them from redundancies. I’m extremely grateful to be able to do this, I think the system was quick, effective and generous.

As the sole director of the company, I took the decision to furlough everyone, because the company income streams stopped completely, This means I was the only person left to communicate with customers, chase outstanding invoices and do day to day admin, and check the premises regularly whilst the company was “closed”

I take my salary, like many, legally, in company dividends. It is a modest salary and I don’t have large reserves, or a wealthy family to fall back on. I have a Husband, two children and a very large mortgage. My husband has been able to continue to work, however as we earn approximately 50% of the household income each we have been left in a situation where we have had to use credit cards to pay for essential food, we are building debt, with no idea how, and when we will be able to pay for it.

I am not eligible for furlough - For 2 reasons

I still need to work - even though we have no classes running.

I am paid the majority of my salary through dividend.

I could just accept that the company will fold, and take the £500 per month I am “entitled to” and allow my employees to all lose their jobs, and me to lose my life’s work. But I am not prepared to do that.

There will be no profit from the business this year, so I will not be getting paid for a good while.

It is very frustrating to have employees at home, willing to help but unable to (although I understand the reason for no work on furlough).

What is more frustrating is that if I was self employed rather than the director I would be allowed to claim the furlough pay (for profit - ie. Including dividends) AND continue to engage with my customers to help my business survive. This is unfair.

I have been hoping all along that this “glitch” will be fixed and that I will be able to claim some support.

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After all i've worked bloody hard from the day I left school at 16 and paid full NI / Never claimed benefits. I have 38 other families relying on me. I am the one being left to lose my home, and potentially have to start looking to food banks to feed my children.

I've been told to apply for a loan - Yes this helps the business but it doesn't help my family.

The furlough scheme was easy to navigate, easy to apply, and the funds were timely. I'm very grateful for this. If company directors could apply to this taking in to account their dividends then our family would be able to weather this storm much more easily. I appreciate comments on this being difficult to manage, but I think now people are really desperate, a pay and claw back approach, with agreements to that effect should be the way forward.

As a company we also fell through the 'Net'

Our gymnastics hall is in a shared building which means we don't pay rates, so we were not eligible for business grants.

Our office is sublet from a Storage company - therefore also not eligible for a grant.

This has been really very difficult. We cancelled everything we could and pleaded for breaks and holidays. This has left us with £7500 a month of fixed costs to pay over and above wages, and no way to pay it.

I was told apply for a CBILs. So while my hairdresser neighbour got £10000 to pay her £2000 of bills I was being forced in to more borrowing and debt.

The CBILs wasn't accepted anyway, so we were back to square one.

The BBLs came along and we were told by MPs - Here you go this is the answer. Again I am grateful for being able to access this and it will certainly help, but it does not provide the company with parity to other companies with premises that are not shared or sub let.

I am hopeful that the discretionary fund announced will address this and again I am very grateful for this, it would have been extremely helpful sooner though, to save me from 8 weeks of serious stress and worrying of if we really do need to shut down, because I know we are not currently.

Whilst I commend the government on the funds and schemes so far set up. I think they have been too slow to act on the apparent large gaps, and there should have been some kind of application for a universal income application, if you fell through the net in all other ways you could access a living wage amount (or 80% of!), in order to be able to function through this crisis.

I know Universal credit was put out as the option for this. I applied and was unsuccessful. Others I know have been successful but have to wait another 5 weeks to access a very small amount. At the end of the day UC is not set up for this purpose and it doesn't work.

The lack of equality between people and how they get paid and the support they can access is the biggest issue I have found through the whole coronavirus outbreak. I've always believed in our political system, and was sure initially this was an oversight, but the longer it goes on the harder it is to believe this. And the more debt I am finding myself in, the more scared I am for my family's future. The acceptance that not all families will be supported and that we are somehow "Collateral damage" is heartbreaking to realise.

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