

### **Written evidence submitted by Robert Edward Williamson**

Call for clarity on CJRS scheme relating to Directors of Ltd Companies

Evidence of economic hardship through lack of clarity

- 1) As a Director / Employee of a small limited company (Zapite co reg 4837491) I have been advised to furlough myself since March 1<sup>st</sup> 2020 in expectation of advice from HMRC in relation to support from the CJRS scheme for the PAYE element of my income. This is supported by more than 3 years of certified accounts which have always been filed on schedule.
- 2) Acting on advice from my accountant I have remained economically inactive since the virus emergency lockdown began. Up to May 2020 I have suffered a loss of over £15,000 in cancelled bookings relating to cultural and educational tours I am in the business of providing, and have provided for 30 years. My accountant advised me based on HMRC guidelines that I would be eligible for support under the CJRS scheme for the PAYE element of my income, amounting to approximately £576 per month between March and June 2020.
- 3) April 23<sup>rd</sup> I received a letter from my accountant that caused me (and many others) great consternation. The portal to apply for CJRS would only accept those companies which filed monthly accounts and not annual accounts. I was advised a decision was pending on whether those like myself who filed annually would be eligible, in the spirit of the original advice from HMRC that being a company director did not in itself exclude an individual from being supported.
- 4) That advice was given almost THREE weeks ago but there has, to my knowledge, been no feedback / clarification on the filing issue and therefore my likely eligibility for financial assistance. I am not entitled to Universal Credit as I have savings slightly over £18,000 from a small inheritance.
- 5) I remain in a catch 22 situation because of the lack of clarification. I must furlough myself to be eligible yet if I am deemed ineligible for CJRS I need to wind up my company and seek paid income elsewhere as with no income I am heading towards insolvency very rapidly. I cannot act to save my business until I am sure of receiving modest support to afford day to day costs, primarily food. I paid my Corporation Tax on time on May 1<sup>st</sup> – over £2400 – when I can least afford to, yet there was no facility to delay this payment as was the case with Income Tax.
- 6) I stress that I am not claiming compensation for lost dividends, merely that portion of my income paid under PAYE scheme to which I am led to believe I am entitled. Can something be done to plug this gap in the system which is causing me serious problems in applying for the Job Protection Scheme ?

*May 2020*