

THE IMPACT OF THE CORONAVIRUS ON UK OWNER MANAGED BUSINESSES: AN APA CLIENT SURVEY

Date launched: Tuesday 14th April 2020
Date closed: Thursday 30th April 2020
Total responses: 1,116

Introduction

The Association of Practising Accountants (APA) is a network of leading business advisory firms meeting the needs of owner managed businesses and the real economy.

APA members collectively advise and support well over 14,000 businesses with turnover up to the hundreds of millions. Our clients produce goods and services which help drive and jobs and growth across the UK and internationally.

This research report is an assessment of the challenges facing this vital sector of the economy at a critical juncture. The findings are intended to help policy makers take informed, evidenced based decisions about where vital business support should be prioritised over the next few months.

Introduction

What is clear from our research is that, as a result of the ongoing impact of Covid-19, owner managed businesses face a critical 12 week window which will determine the the survival of many.

In particular:

33% have seen their turnover reduced by over 70% since the lockdown

43% have seen their turnover reduced by over 50%

38% have less than 8 weeks cash in the bank

59% less than 12 weeks cash in the bank

Introduction

A majority (60%) have used the Government's job retention (furlough) scheme of whom 88% regard it as critical to their ability to keep staff on.

The findings also indicate that only 18% of respondent have applied for funding under the Government Coronavirus Business Interruption Loan Scheme of whom 72% reported that the scheme needed to work better.

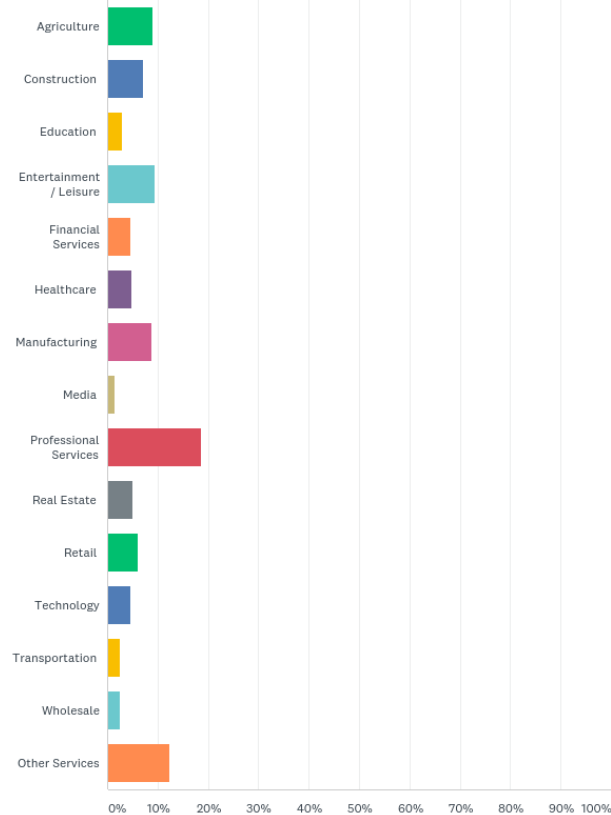
Over the next few weeks Government, policy makers, business bodies and funding providers have a vital role to play in helping the owner managed sector pull through the current crisis. We hope this research will be used to make informed decisions about where support is most needed.

Methodology

Between 14th and 30th April a client survey was dispatched by the Association of Practicing Accountants through its network of member firms. In total 1,116 clients responded to the consultation across 14 sectors and 9 regions of the UK. The quantitative research included in this report is supported by qualitative feedback which provides further anecdotal evidence in support of these findings.

Q1: How would you classify your business by sector?

Answered: 1,116 Skipped: 2



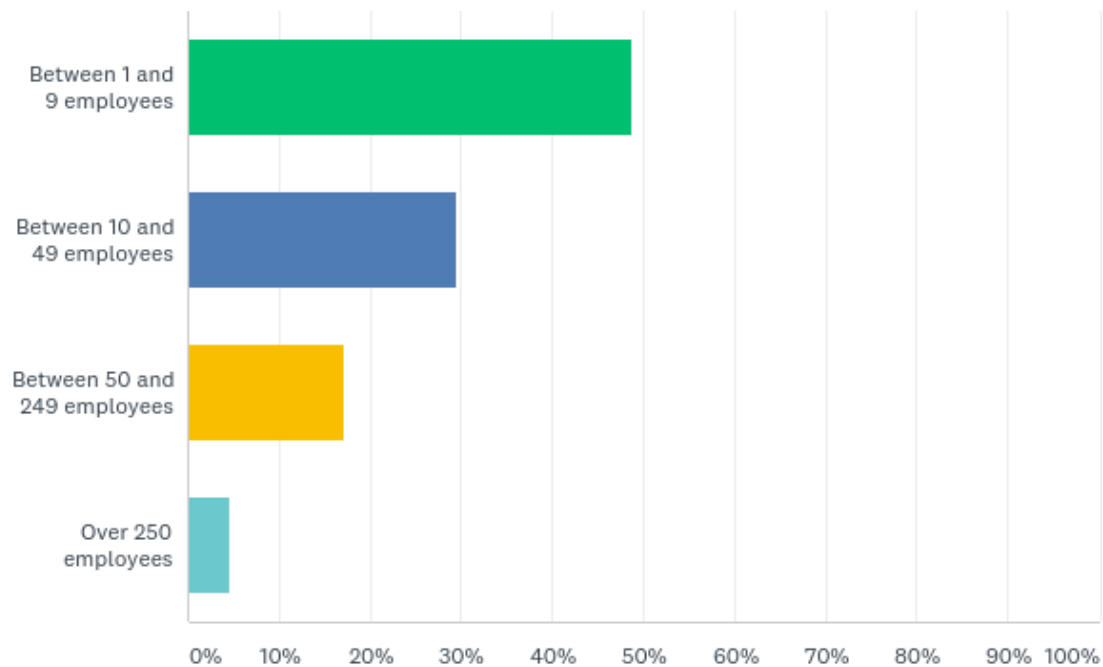
Q1: How would you classify your business by sector?

Answered: 1,116 Skipped: 2

ANSWER CHOICES	RESPONSES	
Agriculture	8.96%	100
Construction	7.08%	79
Education	2.96%	33
Entertainment / Leisure	9.32%	104
Financial Services	4.66%	52
Healthcare	4.75%	53
Manufacturing	8.87%	99
Media	1.43%	16
Professional Services	18.64%	208
Real Estate	5.11%	57
Retail	6.09%	68
Technology	4.66%	52
Transportation	2.60%	29
Wholesale	2.60%	29
Other Services	12.28%	137
TOTAL		1,116

Q2: What size is your business?

Answered: 1,106 Skipped: 12



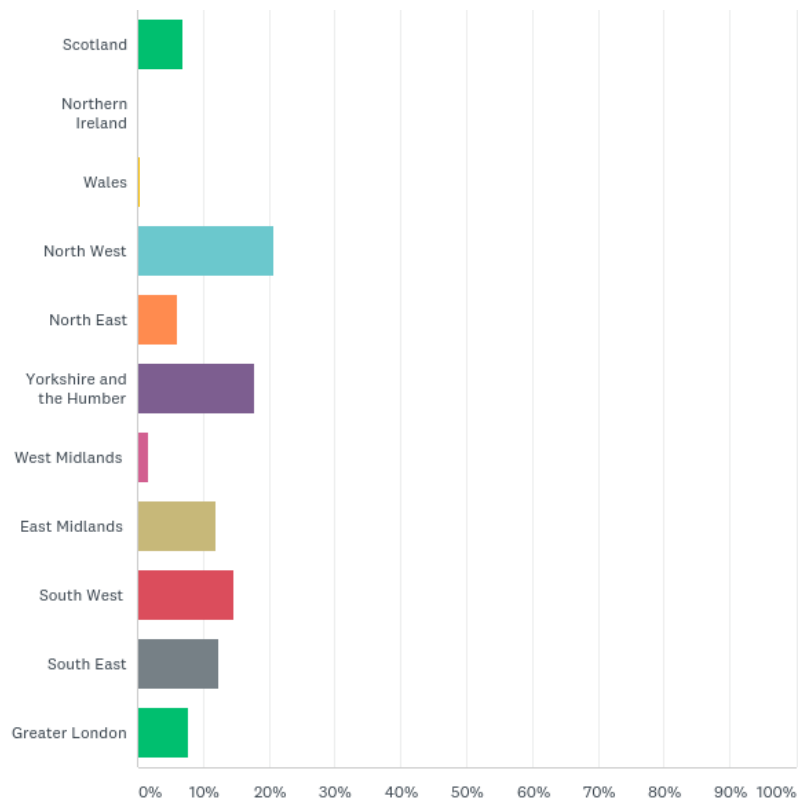
Q2: What size is your business?

Answered: 1,106 Skipped: 12

ANSWER CHOICES	RESPONSES	
Between 1 and 9 employees	48.82%	540
Between 10 and 49 employees	29.48%	326
Between 50 and 249 employees	17.09%	189
Over 250 employees	4.61%	51
TOTAL		1,106

Q3: In which region of the UK are you headquartered?

Answered: 1,107 Skipped: 11



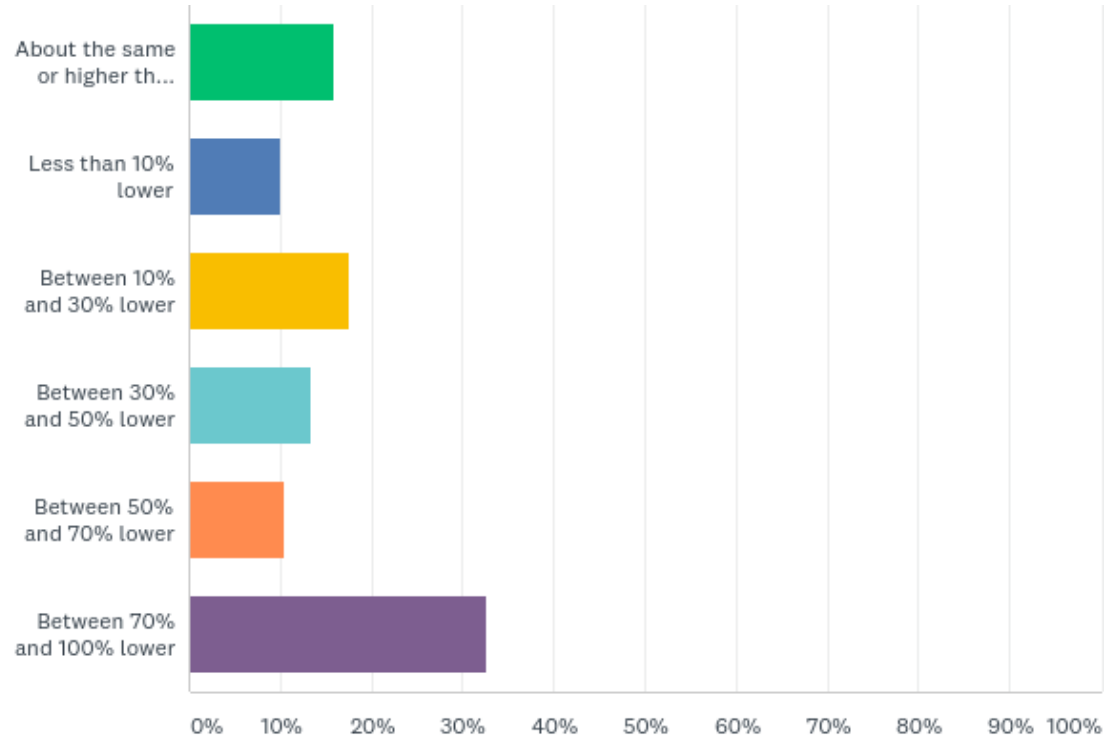
Q3: In which region of the UK are you headquartered?

Answered: 1,107 Skipped: 11

ANSWER CHOICES	RESPONSES	
Scotland	6.87%	76
Northern Ireland	0.00%	0
Wales	0.36%	4
North West	20.69%	229
North East	6.14%	68
Yorkshire and the Humber	17.71%	196
West Midlands	1.72%	19
East Midlands	12.01%	133
South West	14.54%	161
South East	12.29%	136
Greater London	7.68%	85
TOTAL		1,107

Q4: How has your turnover been affected by the public health measures that have been introduced to help tackle the Coronavirus?

Answered: 1,108 Skipped: 10



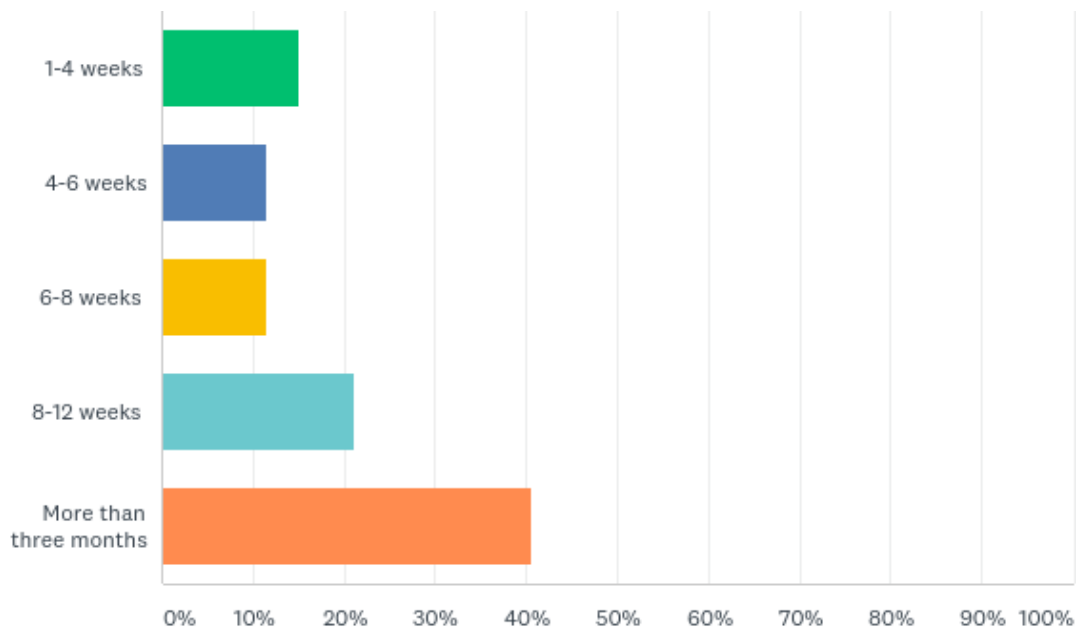
Q4: How has your turnover been affected by the public health measures that have been introduced to help tackle the Coronavirus?

Answered: 1,108 Skipped: 10

ANSWER CHOICES	RESPONSES	
About the same or higher than the previous month	15.88%	176
Less than 10% lower	10.11%	112
Between 10% and 30% lower	17.51%	194
Between 30% and 50% lower	13.36%	148
Between 50% and 70% lower	10.56%	117
Between 70% and 100% lower	32.58%	361
TOTAL		1,108

Q5: How many weeks 'cash in the bank' do you currently have?

Answered: 1,103 Skipped: 15



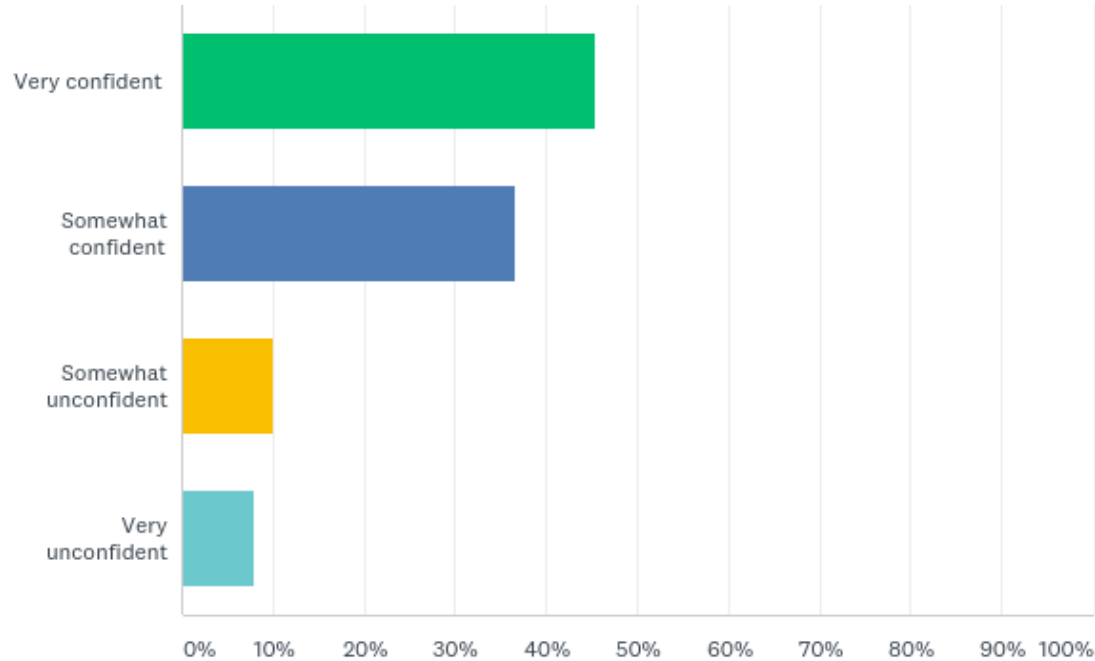
Q5: How many weeks 'cash in the bank' do you currently have?

Answered: 1,103 Skipped: 15

ANSWER CHOICES	RESPONSES	
1-4 weeks	14.96%	165
4-6 weeks	11.60%	128
6-8 weeks	11.60%	128
8-12 weeks	21.21%	234
More than three months	40.62%	448
TOTAL		1,103

Q6: How confident are you that you will be able to meet your wage bill over the next 1-3 months?

Answered: 1,100 Skipped: 18



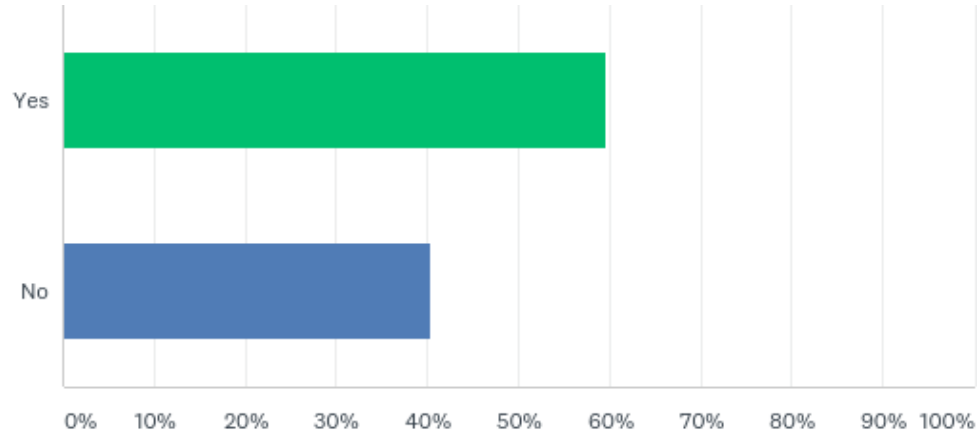
Q6: How confident are you that you will be able to meet your wage bill over the next 1-3 months?

Answered: 1,100 Skipped: 18

ANSWER CHOICES	RESPONSES	
Very confident	45.45%	500
Somewhat confident	36.64%	403
Somewhat unconfident	10.00%	110
Very unconfident	7.91%	87
TOTAL		1,100

Q7: Are you using the Government's Coronavirus Job Retention (furlough) Scheme?

Answered: 1,112 Skipped: 6



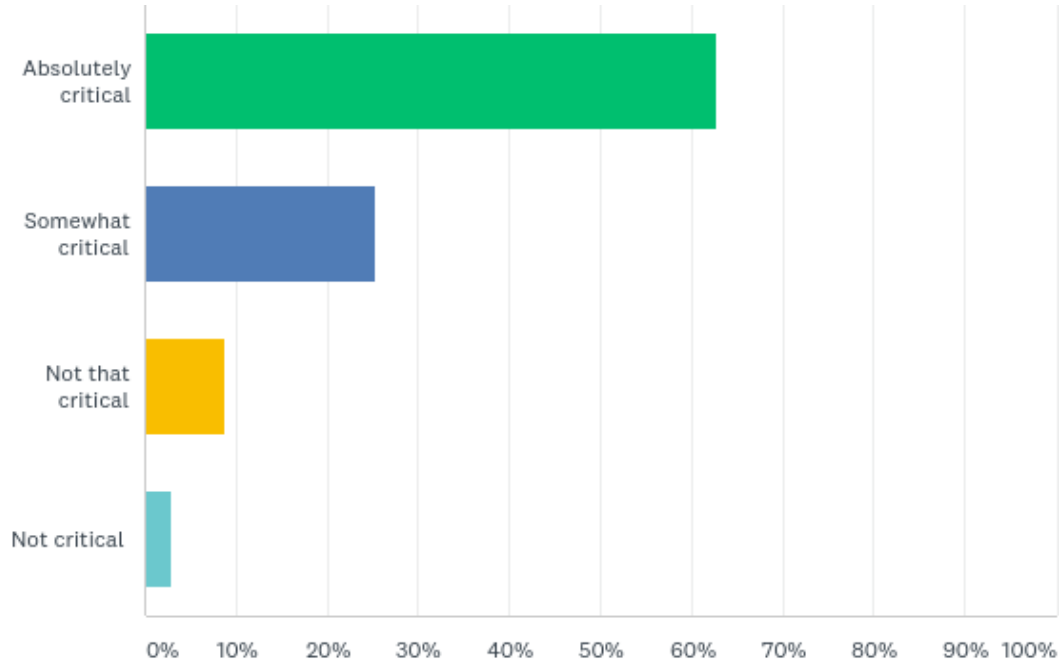
Q7: Are you using the Government's Coronavirus Job Retention (furlough) Scheme?

Answered: 1,112 Skipped: 6

ANSWER CHOICES	RESPONSES	
Yes	59.62%	663
No	40.38%	449
TOTAL		1,112

Q8: If so how critical is this scheme in terms of your ability to maintain staff?

Answered: 664 Skipped: 454



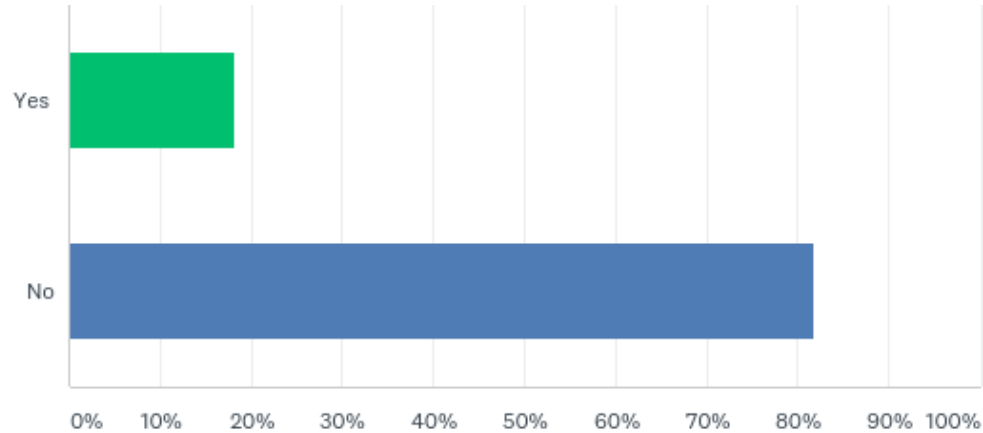
Q8: If so how critical is this scheme in terms of your ability to maintain staff?

Answered: 664 Skipped: 454

ANSWER CHOICES	RESPONSES	
Absolutely critical	62.80%	417
Somewhat critical	25.30%	168
Not that critical	8.89%	59
Not critical	3.01%	20
TOTAL		664

Q9: Have you applied for funding under the Coronavirus Business Interruption Loan Scheme (CBILS)?

Answered: 1,097 Skipped: 21



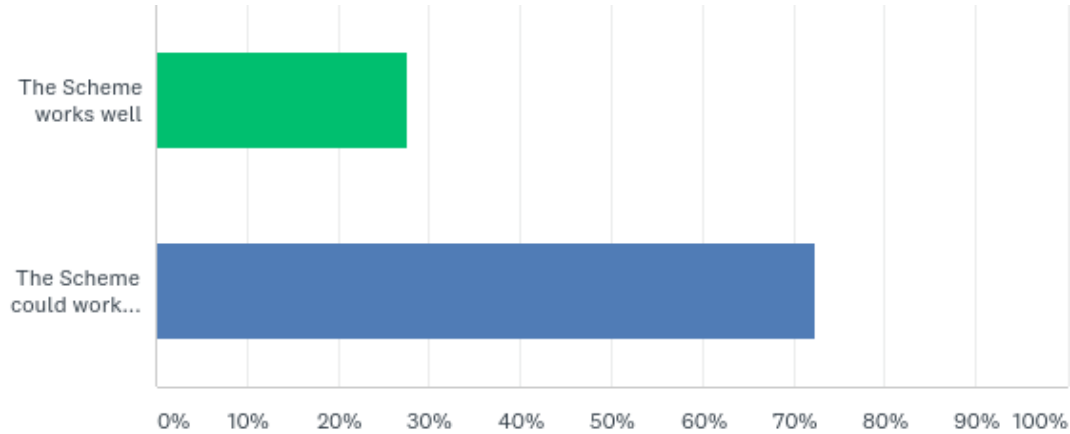
Q9: Have you applied for funding under the Coronavirus Business Interruption Loan Scheme (CBILS)?

Answered: 1,097 Skipped: 21

ANSWER CHOICES	RESPONSES	
Yes	18.23%	200
No	81.77%	897
TOTAL		1,097

Q10: If so what has your experience been like?

Answered: 192 Skipped: 926



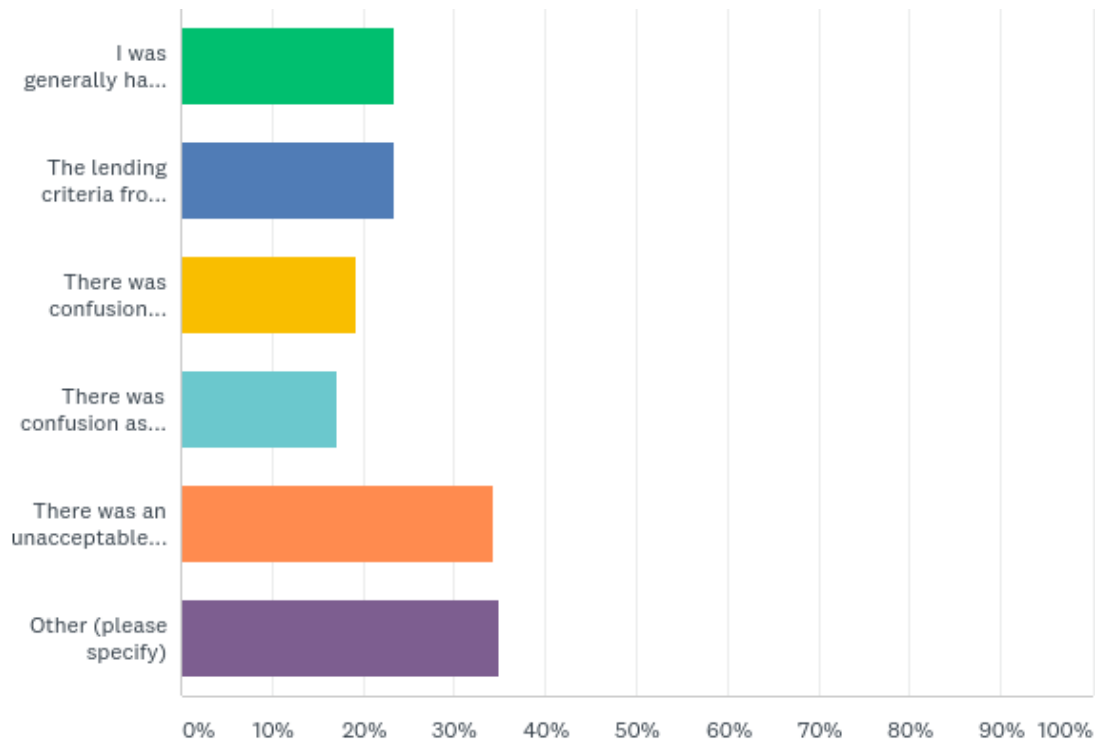
Q10: If so what has your experience been like?

Answered: 192 Skipped: 926

ANSWER CHOICES	RESPONSES	
The Scheme works well	27.60%	53
The Scheme could work better	72.40%	139
TOTAL		192

Q11: Could you expand upon your answer?

Answered: 192 Skipped: 926



Q11: Could you expand upon your answer?

Answered: 192 Skipped: 926

ANSWER CHOICES	RESPONSES	
I was generally happy with the way the scheme worked	23.44%	45
The lending criteria from my bank was not clear	23.44%	45
There was confusion around the level of personal guarantee that would be required	19.27%	37
There was confusion as to whether this was an alternative to more conventional funding	17.19%	33
There was an unacceptable delay in the application process	34.38%	66
Other (please specify)	34.90%	67
Total Respondents: 192		