



Best wishes for 2021

The turning of the old year into the potential for the new year has usually generated the “Happy New Year” salutation. And indeed, we do wish our readers all the very best for 2021.

But what challenges we face. When will schools reopen, how long will the national lock-down last, will our already extended business owners be able to ride out the continuing challenges to their finances?

“Happy New Year” could be thought of as wishful thinking - yet if we lose sight of that possibility, any return to normality is likely to be uphill and unpleasant.

On the bright side, the Oxford vaccine joins the fray to oppose Covid and Brexit is finally, finally over. Whatever the consequences of both issues we can now apply our national grit and determination to meeting any future challenges. Covid is still unpredictable and is likely to push our overworked NHS to the limit. There will no doubt be delays at cross border areas as hauliers accustom themselves to the new raft of customs red tape and other regulatory changes, but in both cases these obstacles may not be insurmountable.

During 2020, the only workable solution to the Covid outbreak was to suppress economic activity in sectors that relied on social contact - the hospitality and entertainment trades for example. The vaccines will be the magic bullet to restore a more open and socially engaged economy, but rolling out the vaccinations and waiting for immunity to build is likely to take some time.

Meantime, what can we do to survive this process and emerge from Covid disruption with our hard-won businesses intact?

Our advice is to engage in rigorous planning activity. The curtains are starting to draw back on uncertainty. We now have nine months experience of dealing with Covid disruption and Brexit uncertainty and have enough data to predict what is likely to happen in the next six months. It is now time to dust off your business forecasts.

Activity spent on business planning now will reveal any short-comings to cash-flow or solvency and disclose challenges before they reveal themselves as crises. Planning will open up the opportunity to work your way through.

If you don't know how to undertake this process, please contact your accountant who will be able to help. Happy New Year may not be our immediate experience of 2021, but it will not always be that way.

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