

**Case Study for a Small Business regarding Covid-19 Government Support**  
**Janes Café**

Jane runs a small café. She has a turnover of £200,000, pays wages of £60,000, suppliers £60,000, business rates £15,000, other fixed costs £20,000. She draws the business profit for personal use.

	Pre Covid-19 £	Post Covid-19 £ assuming 100% wages paid	Post Covid-19 £ assuming 80% wages paid
Turnover	£200,000	£0	£0
Wages	£60,000	£60,000	£48,000
Suppliers	£60,000	£0	£0
Rates	£15,000	£0	£0
Fixed costs (insurances, licences)	£20,000	£20,000	£20,000
Job Retention funding	£0	(£48,000)	(£48,000)
Grant for Hospitality, Retail and Leisure	£0	(£25,000)	(£25,000)
	£155,000	£7,000	(£5,000)
Profit = drawings for Jane to live off	£45,000	(£7,000)	£5,000
Possible Universal Credit @£317.82/m		£3,814	£3,814
Net cash inflow (outflow)		(£3,186)	£8,814
Jane worse off by		£48,186	£36,186

As the current Government Support stands, Jane is £36,000 to £48,000 worse off depending on how the 80% works