A quarterly newsletter
from CBSL Accountants | **Autumn 2025**

www.cbslgroup.com
01743 249 992
enquiries@cbslgroup.com

cbsl. accountants

the number

Welcome to the Autumn 2025 edition of our Newsletter.

Inside this edition

In this edition we have a mix of fun and regulation. The latter is the changes that Companies House have made, chiefly in the area of confirming identity. The fun, is looking back at the photos of our annual drinks event, held at GlouGlou in Shrewsbury.

We have previously written about profit improvement, but in this edition go further than before **with an explicit offer to help 3 companies to achieve profit improvement.** We will do the doing – rather than just talk about it!

As always, we include important dates, and if there is anything you would like us to cover in future editions, please let us know.

Adrian Barker Managing Director

Profit Improvement *by Adrian Barker*

Over 25 years or so: the last 21 of which have been with CBSL Accountants, I have helped a number of companies improve their profits. It is very hard work but extremely rewarding: for the clients of course but also for me as we get to really understand the businesses that we are working with and their owners. It is why I also love the M&A work that we have become well known for.

When I first started doing advisory work 25 years ago, I was perhaps a little delusional that a one size fits all approach might work, but of course it doesn't...

(continues over)

Profit Improvement

There are naturally quick wins to be made but it is about understanding the drivers of profitability which vary business by business, and their owners' and managements' real desire to make change: this desire & commitment (or lack thereof) is a common blocker.

Pricing, for example, is a great way to improve profit, but it depends on what sector you are in. Can a farmer say that the market price for wheat doesn't matter, and he is going to charge an extra amount per tonne? Can the supplier into retail, say to Tesco or M&S, tell them that they have put their prices up, with no quibble?

The new Burger King Wagyu burger has a suggested price point of £11! As many outlets are franchisees they can set their own prices, and so you might see them sold for more.

I have a copy of Managing the Professional Services Firm by David H Maister, which I have had for longer than our oldest child. I am also fond of Ron Baker's guide to value pricing.

The learnings in any book of their ilk need to be applied with care. I knew of an accountant who confident in her recent lessons, sacked half her client base… and subsequently half of her team as she teetered on the edge of going out of business: she managed to achieve the "Work 10 hours a week" but didn't make the "For £100k per year of remuneration".

Key to profit improvement is knowing your numbers. Your profit and loss and balance sheets are two to start with. And there are others.

Vilfredo Pareto was born in Paris. His name came from his father who was from Genoa, but who lived in exile in France. Vilfredo was good with numbers and spotted that 80% of the wealth in Italy was in the hands of 20% of the population. This later became the 80:20 rule. Apply to your customers, products, suppliers, staff member productivity, etc. It will enlighten you.

I am currently at 450 words and I could write a further 2,000. Specificity to business circumstances is what matters though. The prescription for one company will not be the same as the next.

So, instead, I will make an offer.

I will offer 6 hours' of my time with each of the first three company owners who email me, at no cost to them. We will discuss your current profit levels, your aspirations and how you can achieve them. Together we will make a plan.

I look forward to working with you.

adrian.barker@cbslgroup.com

Property & Landlords

SHOULD I SET UP A LIMITED COMPANY OR NOT?

Many landlords and investors are considering whether it is beneficial to set up a limited company to hold property rather than owning it in their own name. There are pros and cons to each option but generally it depends on how many properties you plan to own and whether you are a basic, higher, or additional rate taxpayer.

BENEFITS OF PUTTING PROPERTY IN A LIMITED COMPANY:

- **Lower tax rates on profits** – corporation tax is charged at 19-25% whereas income tax would be charged at 20-45%.
- **Potential lower tax rates when you sell a property** – if you are a higher or additional rate tax payer then you will pay capital gains tax on the profit at 24% however the corporation tax the company is charged may only be 19%.
- **Claiming mortgage interest relief** – a company is still able to claim full relief on mortgage interest, whereas for an individual this is restricted at 20% relief. This means higher and additional rate taxpayers generally benefit more through a company structure.
- **Easier to split the income between multiple people** – as the company rather than individuals own the property, shares can be issued or changed more easily than altering the legal ownership of the property itself. Therefore shareholders and employees can receive income without needing to transfer legal title.
- **Inheritance tax planning** – by having a limited company holding the properties it provides opportunities for the property wealth to be passed to future generations in a more tax-efficient way, without triggering significant inheritance tax liabilities.

DISADVANTAGES OF PUTTING PROPERTY INTO A LIMITED COMPANY:

- **Mortgages** – generally fewer lenders offer mortgages to companies, and those that do are likely to charge higher interest rates.
- **Extra admin and running costs** – each year you will need to file accounts and confirmation statements to Companies House as well as a corporation tax return to HMRC. If you are taking income from the company you are also likely to need to prepare a personal tax return. By contrast, if properties are held personally, you simply declare rental income on your tax return.
- **Loss of allowances** – Limited companies don't have a personal allowance or capital gains tax allowance so all income and gains are taxable.
- **Potential higher tax rates** – If you take all the income generated out the company you are likely to be taxed more than if it was direct to you as you will pay corporation tax and income tax on the profit rather than just income tax. For example, an additional-rate taxpayer could face an effective tax rate of up to 64.35% via a company, compared to 45% if held personally.
- **Costs to put property you already own into the company** – There may be stamp duty and capital gains tax chargeable even if there is no money actually involved.

TAKE HOME:

- If you are only ever planning to own a couple of properties and you are a basic rate tax payer then setting up a limited company is probably not the best option, the tax savings are likely to be minimal if anything and the additional costs associated with running a limited company will likely outweigh any savings.
- If you are planning on creating a large property portfolio then yes, a limited company would be a good option with likely tax savings, particularly if profits are retained in the company to fund future property purchases rather than withdrawn.

Our Annual Drinks *at* GlouGlou in Shrewsbury

On 18th September 2025 we held our annual drinks event. This year we were back at GlouGlou: a business set up by Robin Nugent in 2018. It has expanded from being a small market stall on the main floor of the market hall, to a much bigger bar on the top corner, and the bar on Castle Street – the latter being where we held our event.

Louise Glover, Jenny Beaumont and Simon Atkins

Pete White, Jenny Beaumont and Julian Liddiatt

Dave Poyner, Graeme Morgan, Louise Poyner and Margaret Hughes

Richard Harris, Andrew Dulson, Helen Dulson and Peter Dulson

Sue Marsh, Lindsay Pearson, Fiona McLoughlin, Paul McLoughlin and Mike Williams

Alison Kidson, Charles Kidson and Jon Ralph

Adrian Ryan and Sandra Ryan

Rachel Davenport, Luke Taylor, James Wilkie, Elizabeth Wilkinson and Louise Osselton

Adrian Barker and Jeremy Jagger

Companies House *is undergoing its biggest transformation in decades*

This is driven by the Economic Crime and Corporate Transparency Act 2023. These changes are rolling out through 2025 and into 2026, and they're all about tightening security, boosting transparency, and cracking down on fraud. Here is a summary of what's coming:

Identity Verification (Compulsory from November 2025)

- Mandatory ID checks for all new company directors, Persons with Significant Control (PSCs), and anyone filing on behalf of a company.
- Existing directors and PSCs will have 12 months to comply based on their Confirmation Statement date.
- Verification will be done via GOV.UK One Login or through an Authorised Corporate Service Provider (ACSP).

What does this mean? Every company director will need to have their ID verified. It is a simple process to follow online – involving creating a Gov.uk One account and then submiting ID (driving licence or passport) through an App on your mobile. You need to take a photo to verify it is you on the App. Or Alternatively as an ACSP we can do this on your behalf.

Once you are verified you will receive an 11 character personal code by email. This is unique to you and will be used for all future interactions with Companies House. **Keep this secure**. After 18th November 2025 you will not be able to file an Annual Confirmation Statement or incorporate a company without this personal code.

Filing Accuracy & Enforcement

Companies House now has the power to query, reject, or remove inaccurate or suspicious filings.

- They can expedite strike-offs for companies registered on false grounds from 25th February 2025.
- Fines range from £250 to £2,000 for non-compliance, and even criminal prosecution for serious breaches.

Privacy Protection

From Spring/Summer 2025, individuals can apply to suppress personal info (such as residential addresses) from historical filings.

Digital Filing & Financial Transparency

All companies must file accounts digitally, from 1st April 2027 and small and micro-entities will need to submit their profit and loss accounts, not abridged versions. This is a huge change as people (such as customer and suppliers) will be able to see much more information on a company's size and performance.

These reforms are a seismic shift in UK company law. If you need help as to how this might affect you and your businesses, please let us know.

Updates and Reminders

Autumn Budget – 26th November

Corporation Tax for 31st March year ends is due by 1st January 2026.

www.cbslgroup.com

01743 249 992

enquiries@cbslgroup.com

View our website by scanning this QR code with the camera on your smartphone.

cbsl. accountants

Look out for our latest **updates for business** on our regular emails and blog posts. If you haven't already signed up for them please let us know and we'll make sure you get them.