A quarterly newsletter
from CBSL Accountants | **Winter 2026**

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Inside this edition

Happy New Year and welcome to the Winter 2026 edition of our newsletter.

As we return to the office to be hampered by the impact of Storm Goretti, we look to the year ahead. Stuck at home without electric and with the country lanes covered in snow and ice the first week of 2026 felt like we had gone back in time.

In this newsletter we briefly review the changes on the horizon as a result of the Autumn Budget – if you would like a more detailed analysis based on your personal circumstances, please do get in touch.

We also consider the importance of having a Business Plan and reflecting on it regularly to make sure you and your business are meeting your goals and objectives.

We also include the usual key updates and reminders.

Best wishes for 2026,
Louise Osselton, Director

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Key points from the 2025 Autumn Budget

On 26 November, the Chancellor, Rachel Reeves, delivered the 2025 Autumn Budget. The announcements will affect both individuals and businesses over the coming tax years. Below is a summary of the key points to be aware of:

Personal taxes

- Income tax and national insurance thresholds frozen until 2031
  - *This will push more people into the higher and additional rate tax brackets*

- Increases to dividend, savings and rental income tax rates from April 2026:
  - *Basic and higher dividend tax rates will rise by 2% to 10.75% and 35.75%. The additional rate remains unchanged at 39.35%.*
  - *Tax rates on savings and rental income will increase by 2%, giving new rates of 22%, 42% and 47%.*

- Cap on salary sacrifice pension relief from April 2029:
  - *Only the first £2,000 of salary sacrificed will be exempt from National Insurance. Amounts above this will attract employer and employee NI at the usual rates.*

- New EV road use charge from April 2028:
  - *Fully electric vehicles: 3p per mile*
  - *Plug-in hybrids: 1.5p per mile*

- High value council tax surcharge:
  - *Properties valued over £2m will attract a surcharge of £2,500–£7,500 per year, depending on value.*

Pension, savings and investments

- ISA allowance changes from April 2027:
  - *The overall ISA limit remains at £20,000*
  - *Only £12,000 of this limit can be saved in a cash ISA*
  - *The remaining £8,000 can be put into stocks and shares ISAs*
  - *The restriction does not apply to individuals aged 65 and over.*

- State pension will not be taxable if it is the only source of income:
  - *From April 2027 it is expected that the full state pension will exceed the personal allowance*
  - *For individuals whose only source of income is the basic or new state pension, there will be no tax liability on anything above the personal allowance.*

Capital taxes

- £2.5M APR/BPR limit (updated on 23 Dec 25) made transferable between spouses:
  - *Agricultural and Business Relief limits will be transferrable on death, potentially doubling relief available to couples.*

- IHT thresholds frozen until 2031:
  - *The nil rate band and residential nil rate band will remain at £325,000 and £175,000*

- Employee ownership trusts CGT relief changes:
  - *The CGT relief available on qualifying disposals to EOTs reduced from 100% to 50% on 26th November 2025*

Business taxes

- Capital allowance changes:
  - *The writing down allowance of the main pool is reducing from 18% to 14% from April 2026.*
  - *A new 40% first year allowance, which will mainly impact leased assets, has been introduced.*

- Venture capital schemes available to more companies:
  - *The current limits on VCTs and EIS are being increased to allow more companies to benefit from the schemes*

Business Planning

Beginning the New Year with writing a new business plan for the year ahead (& beyond) or refreshing an existing one is top of our 'to-do' lists. Not all businesses have one, but be reminded of the adage 'Failing to Plan is Planning to Fail'. A business plan provides a road map to help you make informed decisions rather than just based on 'fire-fighting' day-to-day.

The business plan is an excellent tool for reassessing your company's financial needs, defining your business assets and liabilities, reviewing the competitive conditions in your market, considering current / potential ways to promote your products and services, and assessing the skill sets your team needs to be most productive.

A business plan will include assessments of all parts of your business. It should cover your business profile, the nature of your products and services, an analysis of the market you are operating in, the mechanics of your day-to-day operations, your management structure, the qualities of your workforce, your financial history, and any possible threats or legal issues facing your business.

It will also contain your advertising and promotion plans and the timing of any key or special events. A key thing about a business plan is keeping it as a live document – it doesn't need to be complex or a long document – it does need to be realistic with clear actions. You should revisit it periodically and at least every year, and as well as if something significant happens in either your business or industry.

If I were to ask you why you set up your company, you might say one or some of the following:

- **Independence – being your own boss;**
- **Higher income prospects;**
- **A better lifestyle with more free time;**
- **The personal satisfaction of taking on a challenge, and leaving a lasting business legacy;**
- **Building a future for the family.**

Business planning can involve looking back at these, and reflecting on how well you are doing, checking whether you are on track, and then putting a plan together to get you there. In short, where am I now, where do I want to get to, and how am I going to get there.

So, if you haven't already, maybe it would be a good idea to revisit your plans and think about whether your business is doing what you want it to do for you. If it isn't, and you don't know where to start then let us know and we will be happy to help you.

National Minimum Wage Rates

Year	21 and over	18 to 20	Under 18	Apprentice (under 18 or in first year of apprenticeship)
1st April 2026	**£12.71**	**£10.85**	**£8.00**	**£8.00**
1st April 2025	£12.71	£10.00	£7.55	£7.55
% change	4.1%	8.5%	6%	6%

Locking the door on 2025 and letting in 2026 *by Adrian Barker*

For those that can, I hope you have had a wonderful festive period away from work. I know that for those working in hospitality or care, for example, many will need to have continued to work.

I find that for me it is an opportunity to step back and relax. As I type, this evening my fire is lit, and this room at least, is toasty: it's only the rest of the house that is freezing cold. The Aga is doing its usual festive treat of losing heat.

Scrolling through and looking for something to watch, I noticed Slow Horses, which many of us will have seen but reminded me about some of the other books that Mick Herron has written: in particular the opening lines of Chapter 7 of London Rules:

'During the winter, the day tires early and is out of the door by five [o'clock]. Coat on heading west. "See you tomorrow". The night then takes the long shift and though it sleeps through most of it and pays scant attention to what's occurring in its quieter corners, one way or the other it muddles through until morning.But while summer is here the day hangs around to enjoy the sunshine and, allowing for a post lunch lull and the odd faltering step, when it's 5 o'clock shadows appear generally powers on as long as it's able.And in those unexpectedly stretched out hours there's more opportunity for things to come to light or failing that, for light to fall on things.' Mick Herron: London Rules.

I love the style of writing, and how he uses personification: Herron often takes abstract forces — time, bureaucracy, weather, political machinery — and gives them human moods, intentions, or behaviours. When he makes night or day feel like characters with agency.

But he also reminds me of how time off, is a time to reflect, to think more widely and get a fuller perspective: indeed, to allow the "light to fall on things".

One of things that I value most, is time. Whether that is time with family, or friends, or as the years continue to keep piling on with annoying rapidity, the fact that I actually still have some left!

I used some of that time today to read the last 2025 edition of the Sunday Times, and as always Matthew Syed's article, in which he quotes EO Wilson's phrase in his book Consilience. Towards the end he wrote: 'We are drowning in information, while starving for wisdom.'

As I move through the latter allocation of my répartition du temps, this is something that resonates with me more and more. Syed, applies his thinking to politics and decision making, but for me what resonates more is how we engage with others and how we make choices in our business lives: for many of us they are intertwined.

In our lives we are often drowned by competing responsibilities. As regards our business, I would argue that we are drowning more in data and information, rather than support in what to do with it.

You can read the full version of Adrian's article on our blog **www.cbslgroup.com/blog**

Updates and Reminders

- **VAT** return submission for quarter / month ending 31st December is due by Saturday 7th February and if you pay by direct debit this will be collected around 10th February.
- **Corporation Tax** 1st February 2026 – deadline for payment if you have a 30 April year end. If your year end is 31st December and you are required to pay corporation tax by instalments, your third instalment for the year ended 31st December 2025 is due on or before 14th January 2026.
- **Personal Tax** 31st January 2026 – deadline for filing your 2024/25 self-assessment tax return & paying your self assessment tax (balancing payment re 24/25 & first instalment for 25/26).
- **PAYE** for your December Payroll is due by Thursday 22nd January.

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.

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