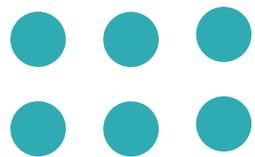




Budget 2025

- **Presented by Jo Tomlinson**
- Owner and MD of Business Works UK
- Certified Quickbooks Trainer
- Certified Profit Improvement Coach



Jo Tomlinson BA(hons) ACMA

MD Business Works UK LTD

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After 20 years in Industry analysing company data to support commercial business decisions, I founded Business Works with a vision to offer real-world solutions to businesses.

We have grown into a trusted partner for companies seeking a better understanding of their numbers, great customer service, and business growth.

With a team of 12, we are large enough to provide all the finance support SME business owners need, plus the value-added services that help them to flourish and grow.

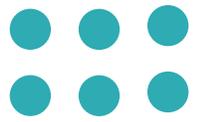


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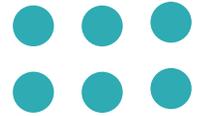
Capital Allowances

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Looking forward



Threshold Freeze

- The personal allowance £12,570
- The Primary Threshold for employee NICs £12,570
- The basic-rate income-tax band threshold £37,700
- The Upper Earnings Limit £50,270
- The employers Secondary Threshold £5,000



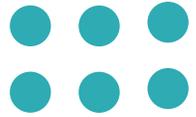
Tax Rate Increases

Dividend Income

A 2% increase with effect from **April 2026**

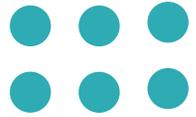
	From	To
Basic Rate	8.75%	10.75%
Higher Rate	33.75%	35.75%
Additional Rate	39.35%	39.35%

The **dividend allowance** will remain unchanged at £500



Dividend tax rate

Does the increase in rate of dividend tax change how small business owners will pay themselves?



Dividend tax rate

Do you qualify for an employment allowance?

Is it fully utilised by your team?

Its all about employers NI!!



Tax Rate Increases

Savings Income

A 2% increase with effect from **April 2027**

	From	To
Basic Rate	20%	22%
Higher Rate	40%	42%
Additional Rate	45%	47%

The **personal savings allowance** remains unchanged



Tax Rate Increases



Savings Income

From 6 April 2027 the **annual ISA cash limit** will be set at £12,000, within the overall annual ISA limit of £20,000. Savers over 65 will continue to be able to save up to £20,000 in a cash ISA each year.



Tax Rate Increases

Property Income

A 2% increase with effect from **April 2027**

	From	To
Basic Rate	20%	22%
Higher Rate	40%	42%
Additional Rate	45%	47%

For property income over £1,000

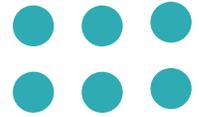
Note: Relief for residential fiancé costs will be calculated at the property basic rate of 22%



Minimum Wage Increases

The new rates will come in from **April 2026**

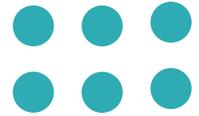
	From	To	An increase of
16 10 17 year olds and apprentices	£7.55	£8.00	6%
18 to 20 year olds	£10.00	£10.85	8.5%
Those aged 21 and above	£12.21	£12.71	4.1%



Salary Sacrific on Pension contributions

Capped at £2k from April 2029

Anything above £2k will have employee and employer NI just like salary



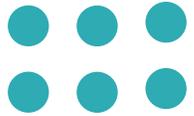
Salary Sacrific on Pension contributions

Currently

Salary Sacrifice for pension	£5,000
Employee saves	£300
Employer saves	£750

After 2029

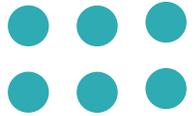
Salary Sacrifice for pension	£5,000
Employee saves	£180
Employer saves	£450



Business Rates

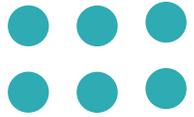
- Small business RHL multiplier 38.2p
- Standard RHL multiplier 43.0p

- Small business non-RHL multiplier 43.2p
- Standard non-RHL multiplier 48.0p
- High-value (RV > £500k) 50.8p



Business Rates

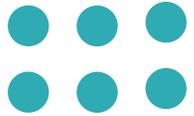
- Revaluation of non domestic properties 2026
- End of the 40% RHL relief



Business Rates

Transitional Relief from 2026

- Cap the revaluation increases
- The grace period under the Small Business Rates Relief (SBRR) scheme is being extended, so that businesses will keep the SBRR on their first property for three years after they take on a second property (previously one year)



Business Rates

Transitional Relief from 2026

Rateable Value	Maximum bill-increase		
	26-27	27-28	28-29
Up to £20k	5%	10% + Inflation	25% + Inflation
£20k-£100k	15%	25% + Inflation	40% + Inflation
Over £100k	30%	25% + Inflation	25% + Inflation



Capital Allowances

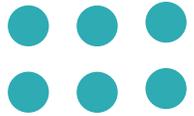
New 40% First Year Allowance from Jan 2026

Annual Investment Allowance remains unchanged



Capital Allowances

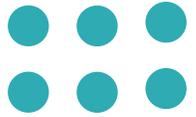
Main pool rate to reduce from 18% to 14% from April 2026



Business Asset Disposal Relief (BADR)

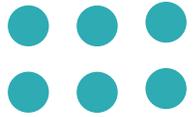
Allowance remains unchanged £1m lifetime allowance

Rate to increase from April 2026 from current 14% to 18%



Corporation Tax Filing Penalties

	From	To
Late return	£100	£200
More than 3 months late	£200	£400
Three successive failures	£500	£1,000



Strategies

- 1) Assess the impact of the cost increases
- 2) Consider
 - I. Increasing prices
 - II. Reducing costs
 - III. Understanding profit better
 - IV. Changing premises
 - V. Outsourcing

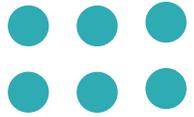


Forecasting

Take your current cost base and overlay any

- Increases in salaries
- Increases in business rates

What does this do to your margin??

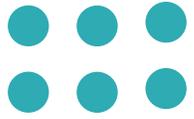


Increase Prices

As long as you don't sell less, this drops directly to margin

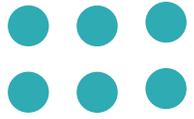
If you do sell less, you can still make more margin for less work

When did you last put up your prices?



Increase Prices

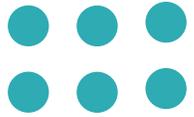
If your clients/customers believe you are worth more, they will pay more!



Profitability

Analyse Profit by line or group

Push the profitable products/services



Reduce Costs

Ensure you do not impact quality!

Ensure you do not take away sales – eg Marketing budget cuts

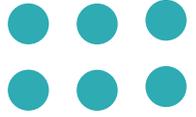


Reduce Costs



Outsourcing

Make v buy



Reduce Costs

Check you are not paying for things you no longer need



Reduce Costs

Can you change premises?

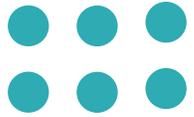
Do you need premises?



Reduce Costs

Do you need all of your current staffing?

Can you automate or outsource?



Resources

- Pricing for Profit
- Forecasting
- Profitability
- Company structure – LTD Co v ST

Thank

You



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