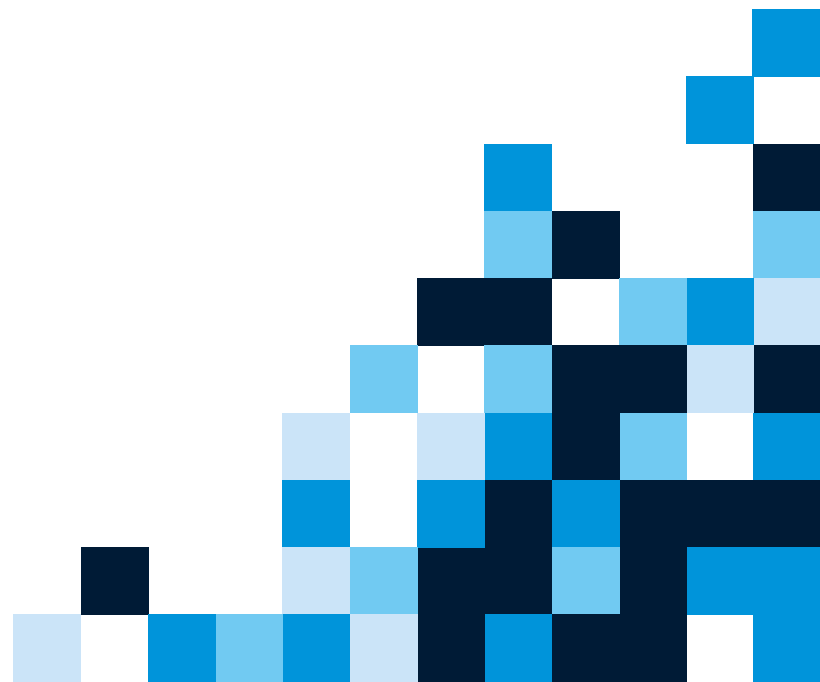
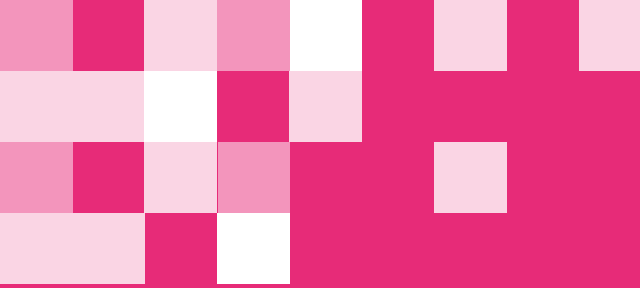




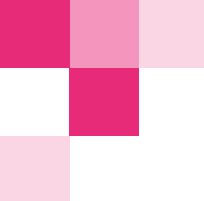
Autumn Budget Seminar 2025.



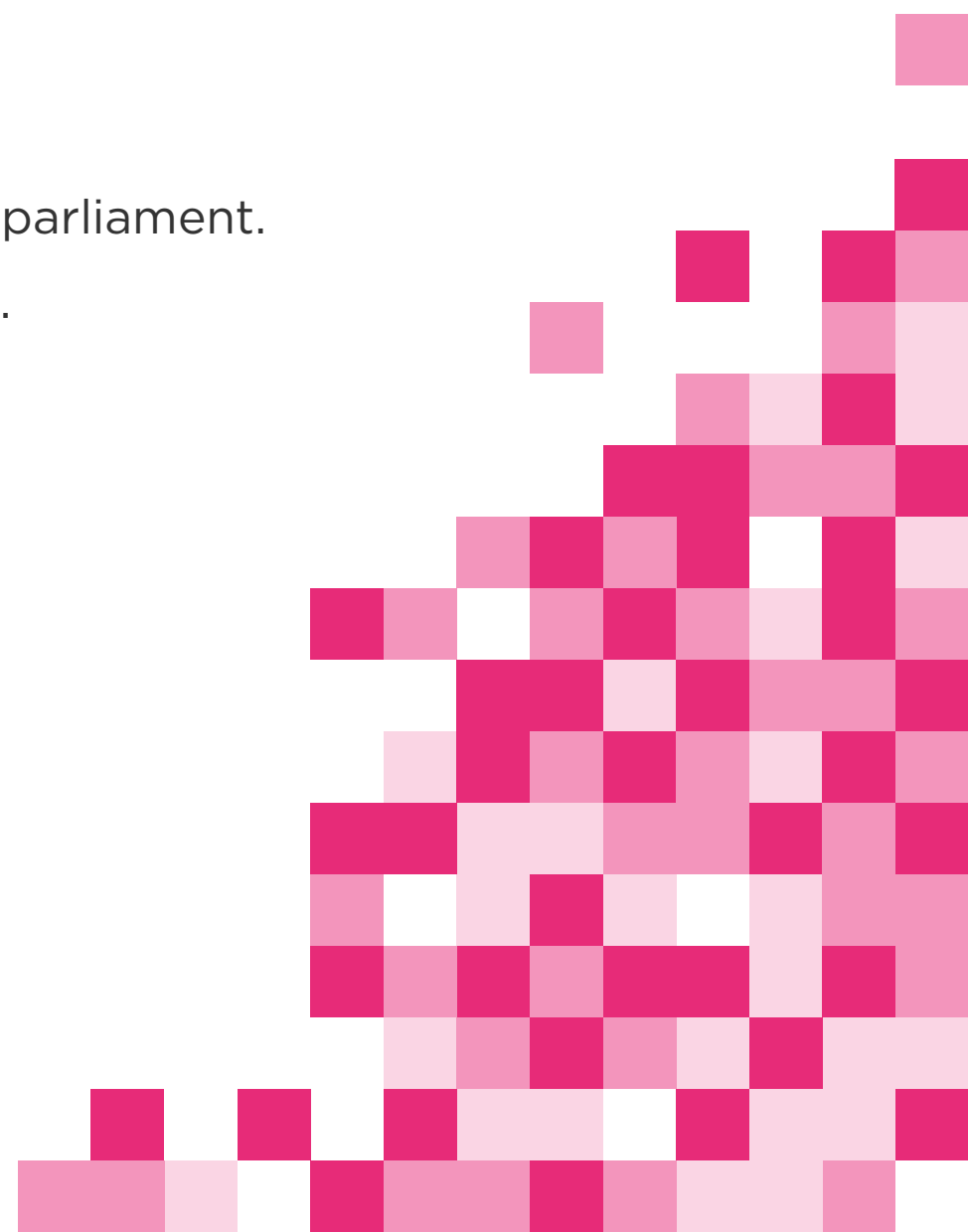


Stealth, stability and the stick?

Corporation Tax.

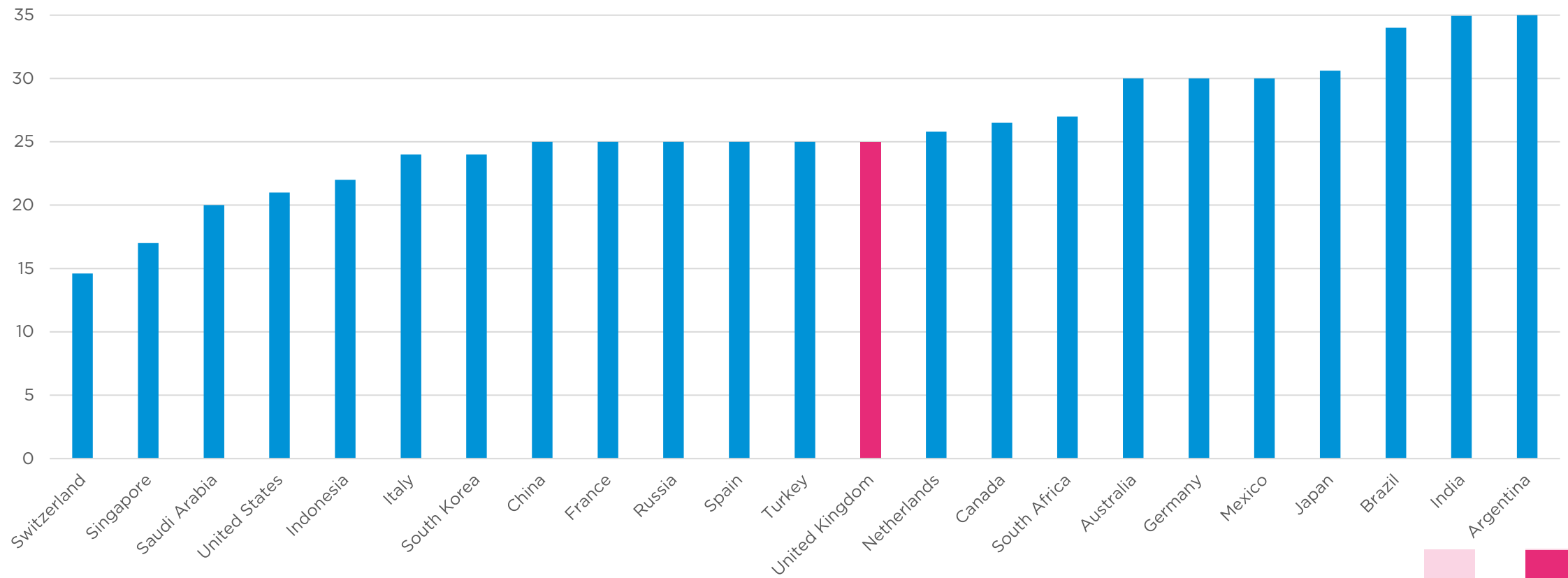


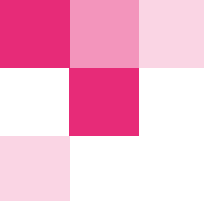
Corporation Tax.

- Headline rate will be capped at 25% for the duration of this parliament.
 - Small profits rate 19% and marginal relief will be maintained.
 - Late filing penalties will be doubled from 1 April 2026.
- 

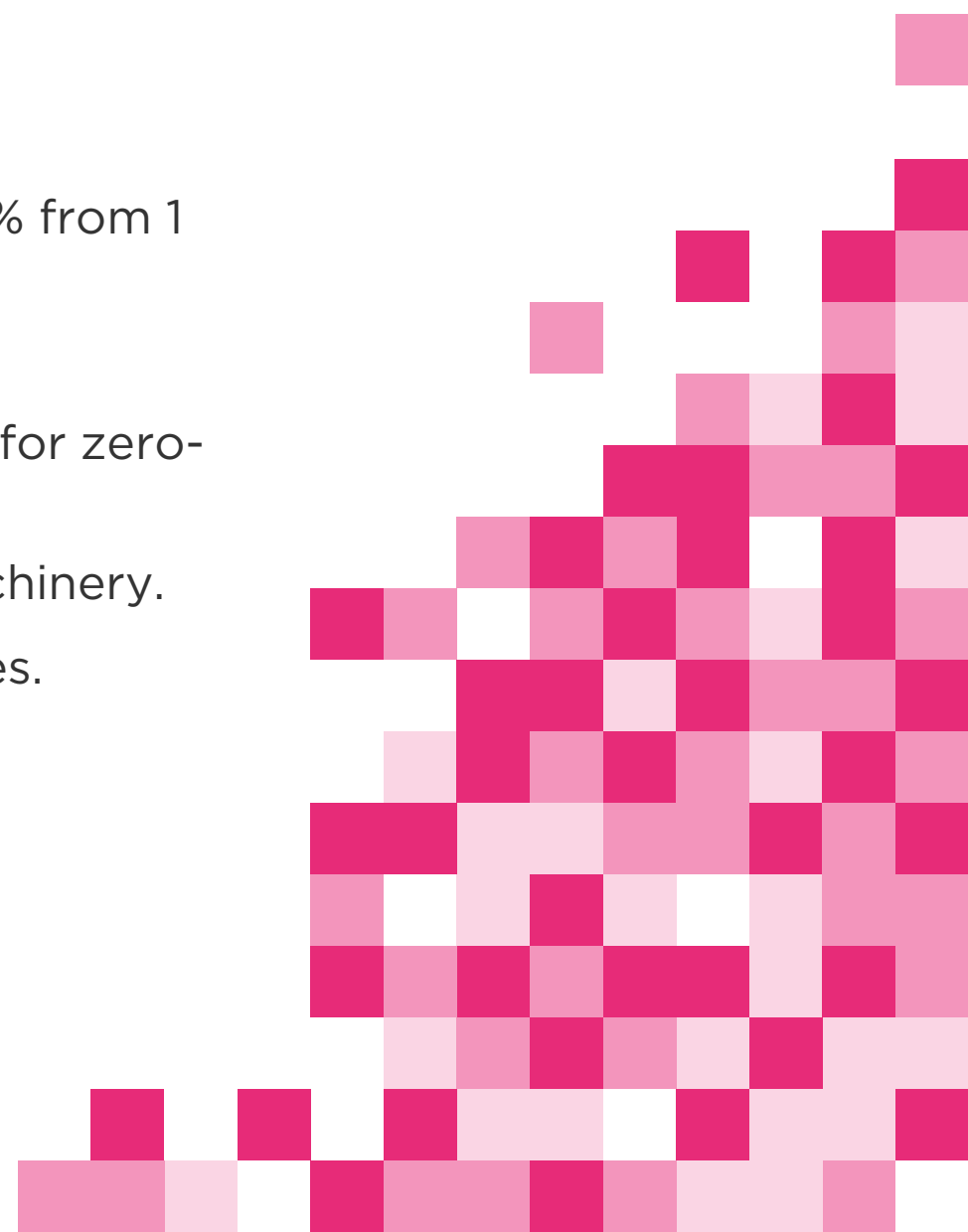
Corporation Tax.

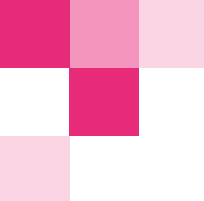
Still competitive





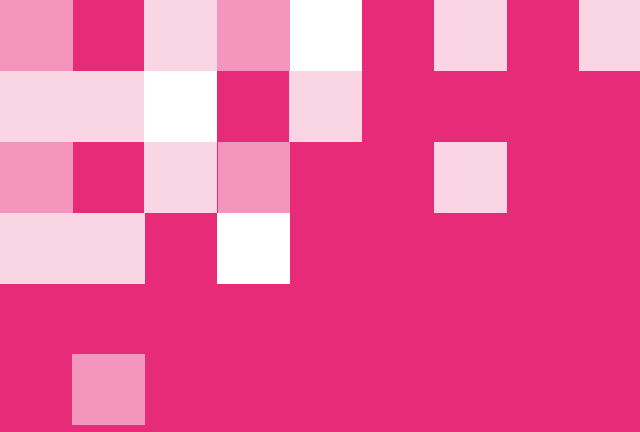
Capital allowances.

- Reduction of main rate pool writing down allowances to 14% from 1 April 2026.
 - £1m Annual Investment Allowance and Full Expensing.
 - Another one-year extension of 100% First Year Allowances for zero-emission cars and charging points until 31 March 2027.
 - New 40% First Year Allowance for main pool plant and machinery.
 - Available for leased assets and unincorporated businesses.
- 



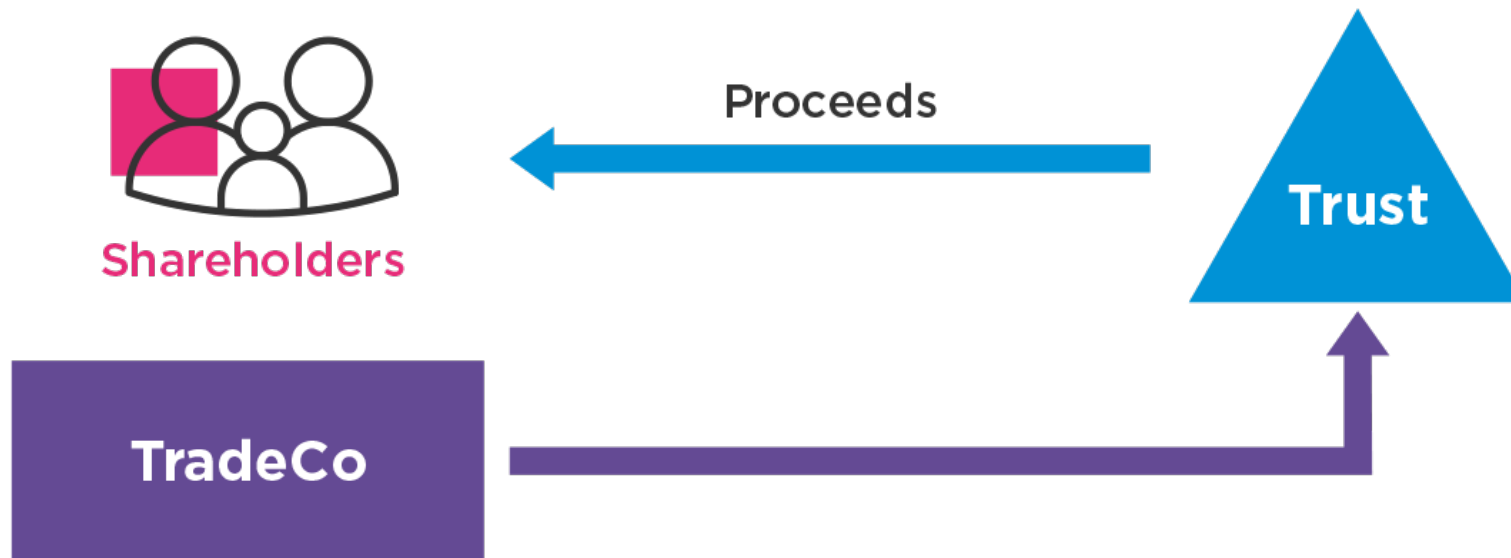
Other announcements.

- Increase in National Living Wage FTE: + £975 per year.
 - Increase in National Minimum Wage for 18-20-year-olds FTE: + £1,657.50 per year.
 - Transactions with shareholders – Further consultation in respect of reporting of transactions between close companies and its shareholders.
 - Confirmation that relief from Annual Tax on Enveloped Dwellings can be claimed in late filed returns. Beware of significant penalties which can apply to late filing.
- 

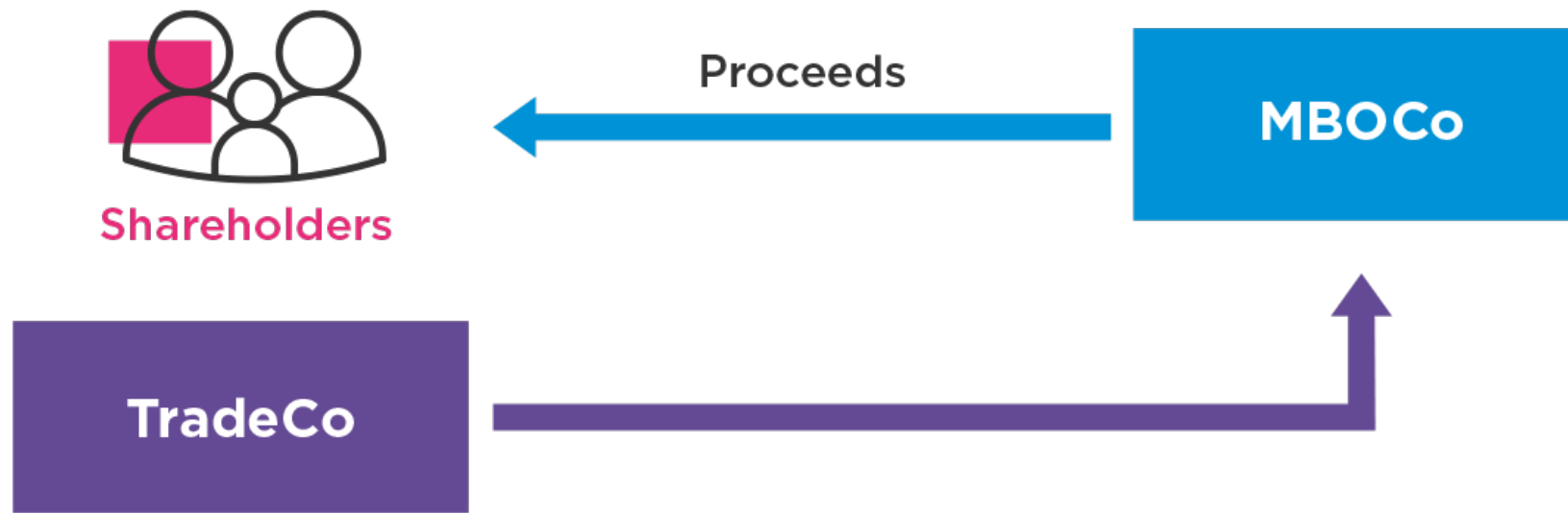


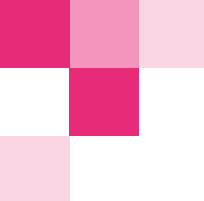
Business exits.

Employee Ownership Trusts.



Management Buy Out.

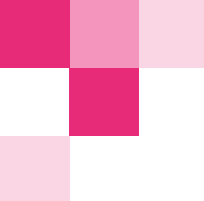




Share-for-share exchanges.

On that note...

- Introduction of additional condition in respect of share-for-share exchanges.
 - Reminder that the rate of CGT applicable to disposals qualifying for Business Asset Disposal Relief is increasing from 14% to 18% from 6 April 2026.
- 

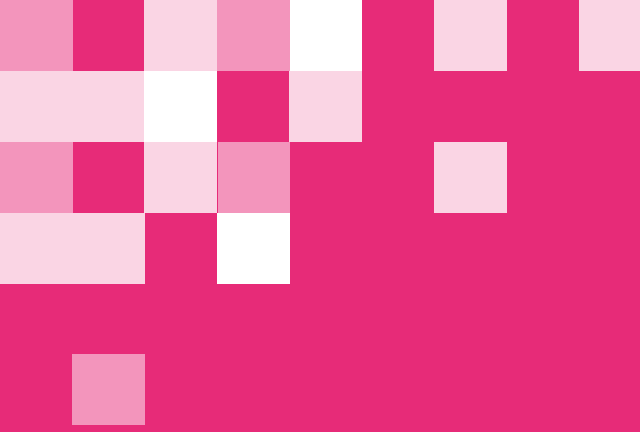


Employee Share Options.

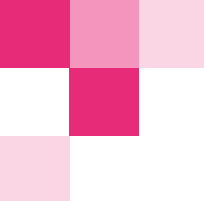
Enhancements to Enterprise Management Incentives from 6 April 2026

	Current	Proposed
Company limit (total £UMV of subsisting EMI Options)	£3 million	£6 million
Maximum Gross Assets at the date of grant	£30 million	£120 million
Maximum FTE employees at the date of grant	< 250	< 500
Maximum life of option	10 years	15 years





Venture Capital Schemes.



SEIS, EIS & VCT.

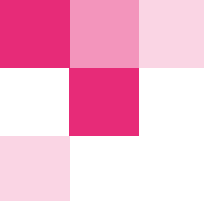
**Seed Enterprise
Investment
Scheme (SEIS)**

**Enterprise
Investment
Scheme
(EIS)**

**Venture Capital
Trust
(VCT)**

Tax incentives to encourage investment in unquoted start-up trading companies by providing generous reliefs





Investor benefits.

	SEIS	EIS	VCT
Income tax reduction	50%	30%	20%
Annual limit – investor	£200,000	£1m (£2m KIC)	£200,000
Capital Gains Tax – Exemption	After 3 years	After 3 years	Immediate
Capital Gains Tax – Deferral	Yes (50% exemption)	Yes	No
Loss relief	CGT/IT	CGT/IT	No
IHT – Business Property Relief	After 2 years	After 2 years	No

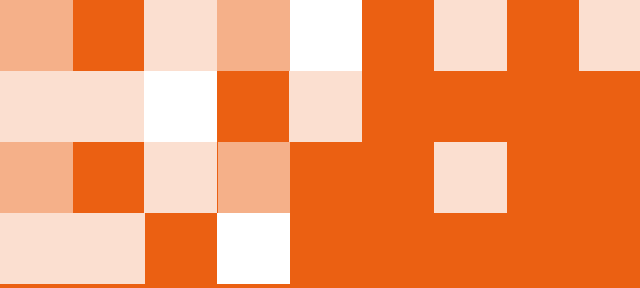


Example IT calculation.

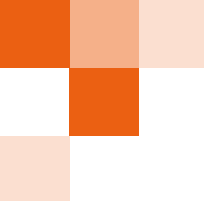
Net income		100,000			
Less personal allowance		-12,570			
Taxable income		87,430			
Income tax					
BR (£37,700) @ 20%		7,540			
HR (balance) @ 40%		24,920			
		32,460			
EIS relief		SEIS relief		VCT relief	
Less EIS relief (50,000 @ 30%)	-15,000	Less SEIS relief (50,000 @ 50%)	-25,000	Less VCT relief (50,000 @ 20%)	-10,000
Tax liability	17,460	Tax liability	7,460	Tax liability	22,460

Conditions.

	SEIS	EIS	VCT
Maximum age of company	< 3 years	< 7 years (<10 years KIC)	< 7 years (<10 years KIC)
Maximum investment	£250,000	£10m (£20m KIC) in 12-month period £24m (£40m KIC) total	£10m (£20m KIC) in 12-month period £24m (£40m KIC) total
Maximum number of employees	< 25 employees	≤ 250 (<500 KIC) employees	≤ 250 (<500 KIC) employees
Balance sheet gross assets limit	£350,000 before investment	£30m before and £35m after	£30m before and £35m after
Use of money	< 3 years	< 2 years	< 2 years

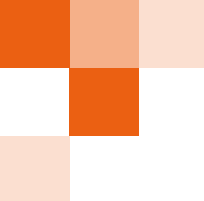


Speculation, speculation...



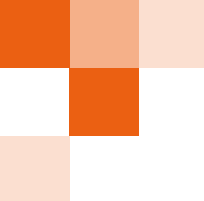
All hype, no bite?

- Lots of speculation before the Budget.
 - Impending tax rises.
 - Reliefs being abolished.
 - New taxes being introduced.
 - Tax Increases of £26bn - What actually happened?
- 



Main income tax rates.

- **Rumour:** A rise in income tax rates (e.g. 2p on basic and higher rates).
 - **Reality:** A freeze on all thresholds extended to 2030/31.
- 



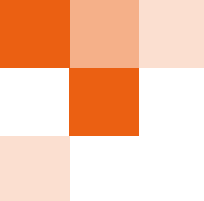
Hidden tax raid.

Income Tax

Income tax	2015-16	'Adjusted'	2026-27	Difference	Real Cost
Personal allowance	£10,600	£15,158	£12,570	£2,588	
Higher rate threshold	£31,786	£45,454	£37,700	£7,754	£1,551
Personal allowance withdrawal	£100,000	£143,000	£100,000	£43,000	£8,600
Additional rate threshold	£150,000	£214,500	£125,140	£89,360	£4,468

2026-27 figures using Oct 2025 RPI





Hidden tax raid.

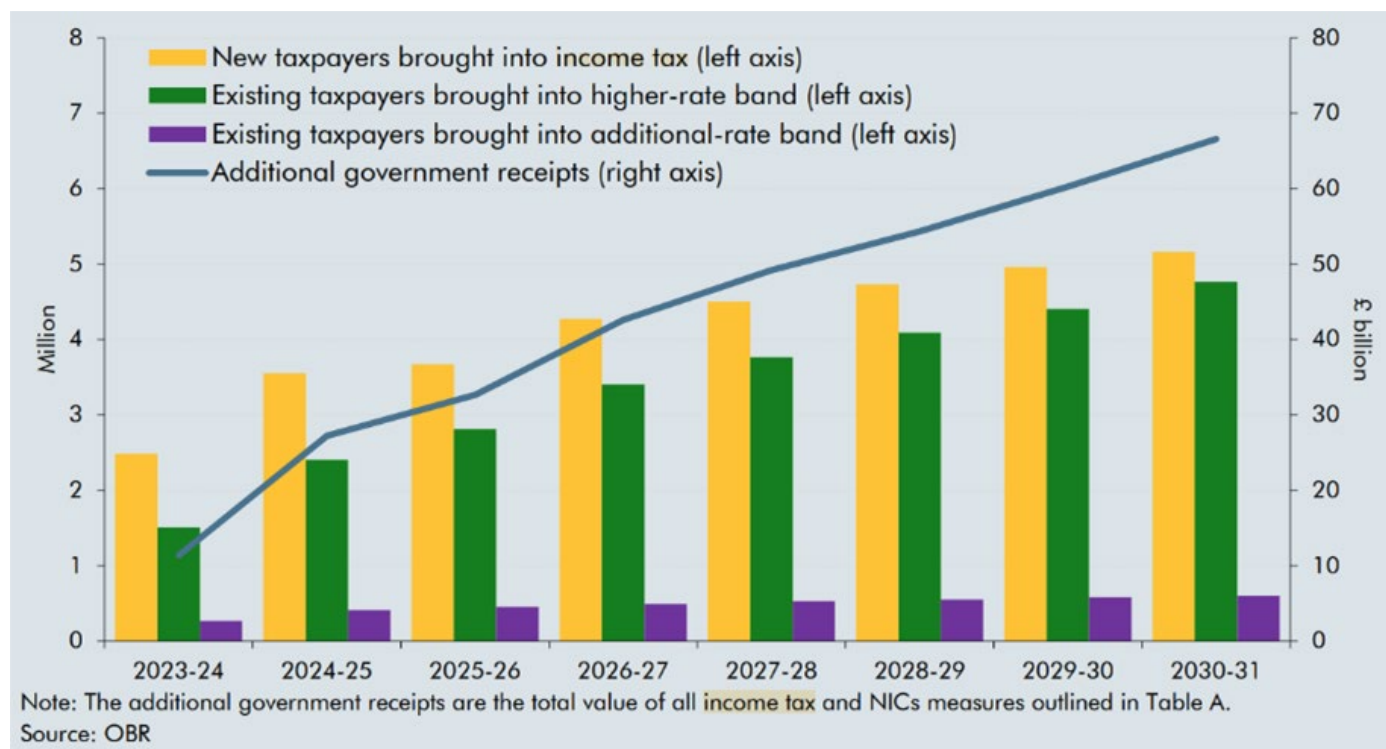
CGT & IHT

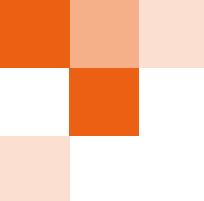
Other	2015-16	Adjusted	2026-27	Difference	Real Cost
CGT exemption	£11,100	£15,873	£3,000	£12,873	£3,089
ER/BADR lifetime limit	£10,000,000	£14,300,000	£1,000,000	£13,300,000	£798,000
IHT Nil rate band	£325,000	£464,750	£325,000	£139,750	£55,900

2026-27 figures using Oct 2025 RPI



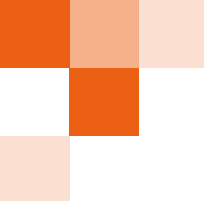
Impact.





Pensions.

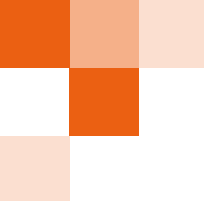
- **Rumour:** Complete removal of salary sacrifice benefits or cap.
 - **Reality:** Reduced relief for pension contributions by salary sacrifice (from April 2029).
- 



Pension salary sacrifice arrangements.

From April 2029

- Salary sacrifice of up to £2,000 for employer pension contributions is exempt from NIC.
 - Amounts > £2,000 subject to both Employees' and Employers' NIC.
 - If employer has historically shared NIC saving, employer pension contribution will also be reduced.
- 

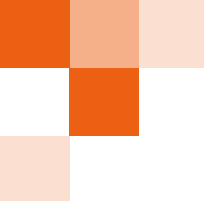


Pension salary sacrifice arrangements.

Example

	Current	From April 2029	Difference
Gross pay	£50,000	£50,000	
Salary sacrifice (10%)	£5,000	£5,000	
Net pay	£35,920	£35,680	(£240)
Total pension contribution (50% NI saving shared)	£5,375	£5,150	(£225)
Cost to employer	£56,375	£56,600	£225



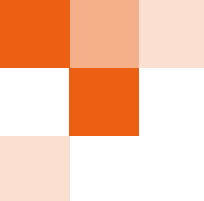


Salary sacrifice.

Employee

	Now	After date?
Salary	£50,000	£50,000
Less: Salary sacrifice	(£5,000)	(£5,000)
Chargeable income	£45,000	£45,000
National Insurance deduction	£5,000	£2,000
National Insurance increase		£240



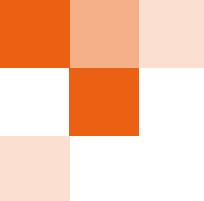


Salary sacrifice.

Higher earner

	Now	After date?
Salary	£110,000	£110,000
Less: Salary sacrifice	(£30,000)	(£30,000)
Chargeable income	£80,000	£80,000
National Insurance deduction	£30,000	£2,000
National Insurance increase		£560

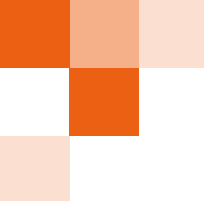




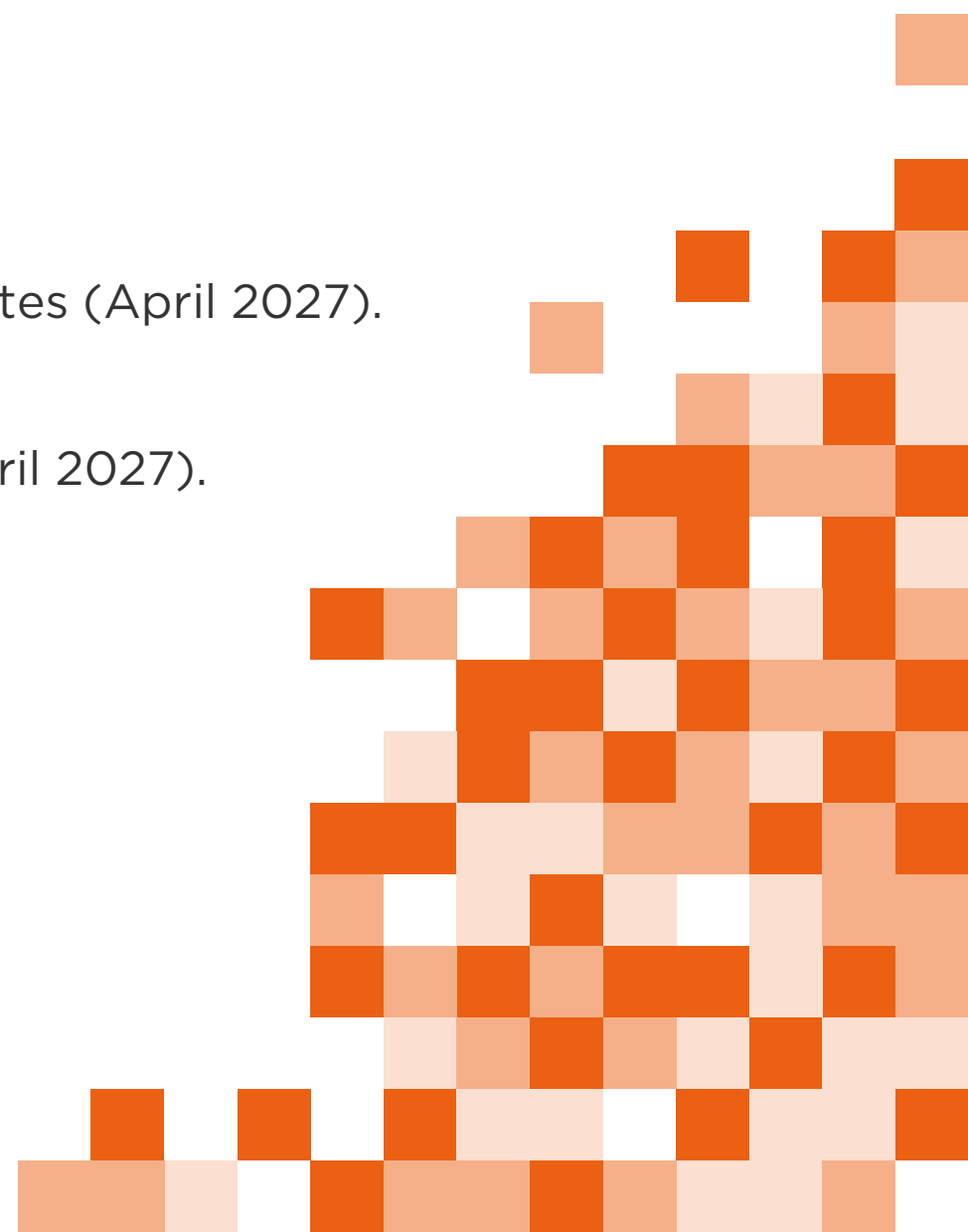
Dividends.

- **Rumour:** tax increases closer to main rates?
 - **Reality:** A 2% rise on basic and higher rate dividends (from April 2026).
-
- | | | |
|--------------------------------------|--------|---------------|
| ▪ Basic dividend rate increases to | 10.75% | (From 8.75%) |
| ▪ Higher dividend rate increases to | 35.75% | (From 33.75%) |
| ▪ Additional dividend rate unchanged | 39.35% | |



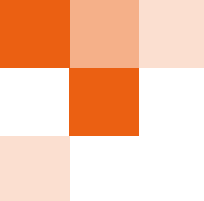


Savings.

- **Rumour:** Reduction to savings in ISAs?
 - **Reality:** A 2% rise on basic, higher and additional savings rates (April 2027).
 - Rates of 22%, 42% and 47% will apply.
 - ISA cash annual limit reduced to £12,000 if under 65 (April 2027).
- 

Property.

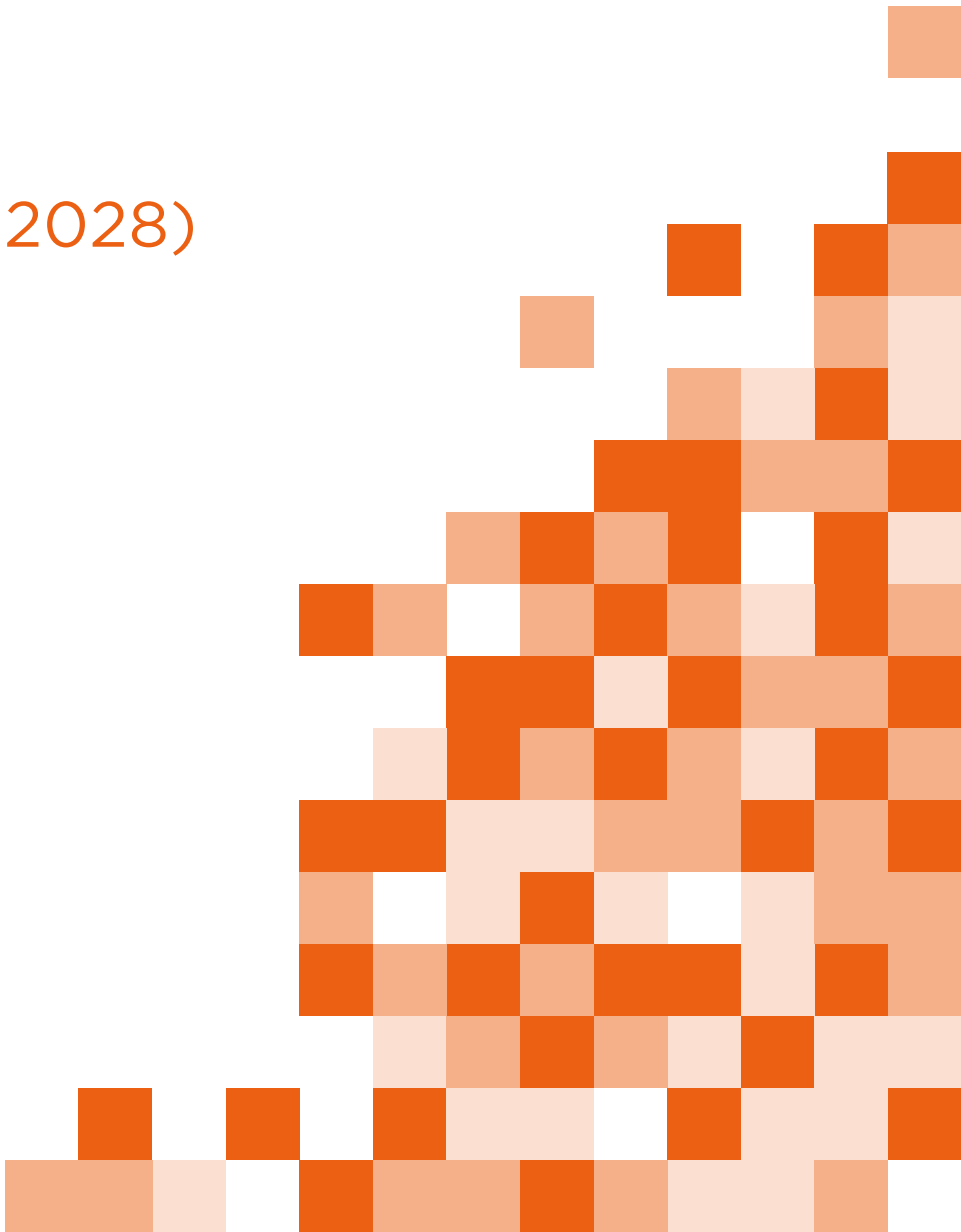
- **Rumour:** A 'Mansion tax' (some feared at 1% of property value).
- **Reality:** Separate property tax rates will be created (from April 2027).
 - Basic rate 22%
 - Higher rate 42%
 - Additional rate 47%
- Looks to only apply in England & Northern Ireland (for now!)

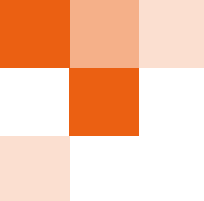


Property.

High Value Council Tax Surcharge (from April 2028)

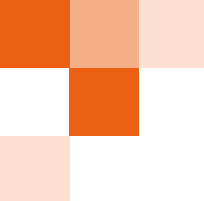
- Aimed at properties over £2m.
- Four bands
 - £2m to £2.5m £2,500
 - £2.5m to £3.5m £3,500
 - £3.5m to £5m £5,000
 - Over £5m £7,500



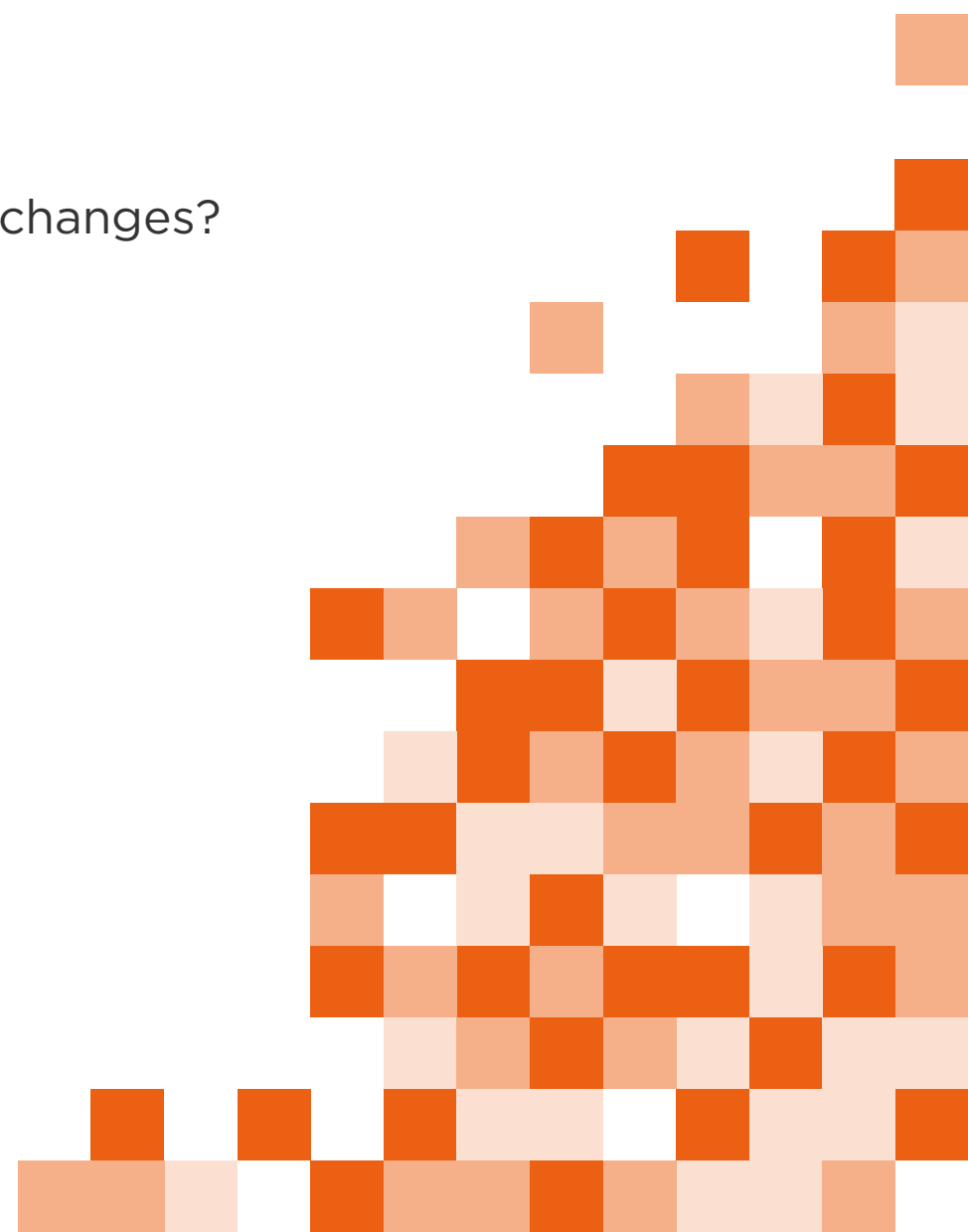


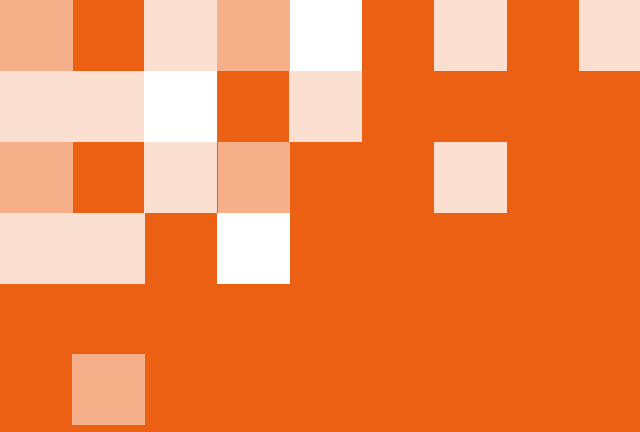
Capital Gains Tax.

- **Rumour:** Increase in rates, restriction on main residence relief, and 'exit' tax.
 - **Reality:**
 - No changes to the rates.
 - No changes to main residence relief.
 - No exit tax.
 - Reduction to relief on qualifying sales to an EOT (effective tax rate of 12%).
- 

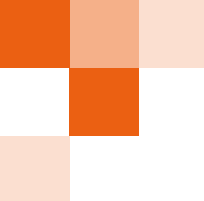


Inheritance Tax.

- **Rumour:** Tightening reliefs (gifts) & relaxation to APR/BPR changes?
 - **Reality:**
 - Frozen thresholds until 2031 (includes APR/BPR cap).
 - £1m APR/BPR cap remains.
 - Unused APR/BPR allowance can transfer on death (spouse/civil partner).
 - Non-resident company 'look through' for agricultural land & property.
- 

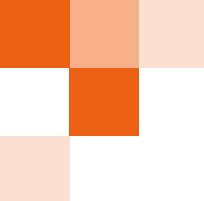


Don't overlook.



Making Tax Digital.

- Requirement for digital record keeping and regular on-line reporting.
 - Starts **April 2026** for individuals who have sole-trade or property turnover that's over £50,000.
 - Threshold based on information reported on 2024/25 tax return.
 - From **April 2027**, applies to those with income over **£30,000**.
- 



Making Tax Digital.

What is needed?

- Must keep digital records of income and expenses.
 - Use HMRC-approved software to:
 - Submit quarterly updates to HMRC.
 - File an End of Period Statement (EOPS) and Final Declaration annually.
 - Some limited exceptions for those who are “digitally excluded”.
- 

Recap: What and when?

Timeline.

April 2026

BADR and Investors Relief increase to 18%.

April 2026

BPR/APR £1million cap and transferable to spouses/civil partners.

April 2027

MTD for self-employment/rental income above profits of £30,000.

April 2027

Property and savings income tax rate increase by 2% for basic, higher and additional rate.

April 2028

MTD for self-employment/rental income above profits of £20,000.

April 2029

Pension salary sacrifice NIC cap.

April 2026

MTD for self-employment/rental income above profits of £50,000.

April 2026

Dividend income tax rate increase by 2% for basic and higher rate.

April 2027

Pension included in taxable estate.

April 2027

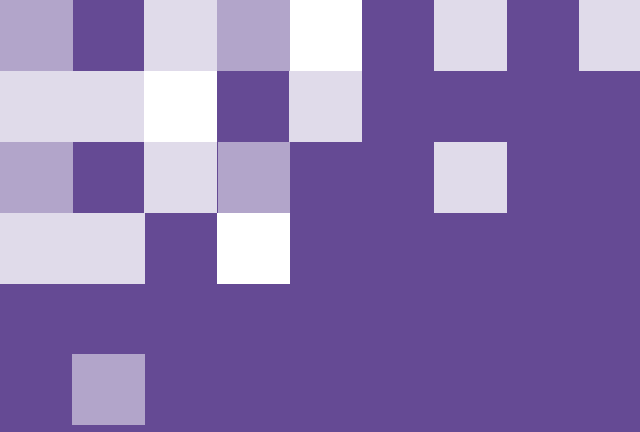
ISA changes.

April 2028

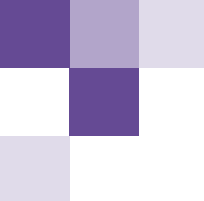
Introduction of High Value Council Tax Surcharge.

April 2031

Personal allowance, higher rate threshold, additional rate threshold, Nil Rate Band, APR/BPR IHT allowance and National Insurance thresholds frozen until this date.

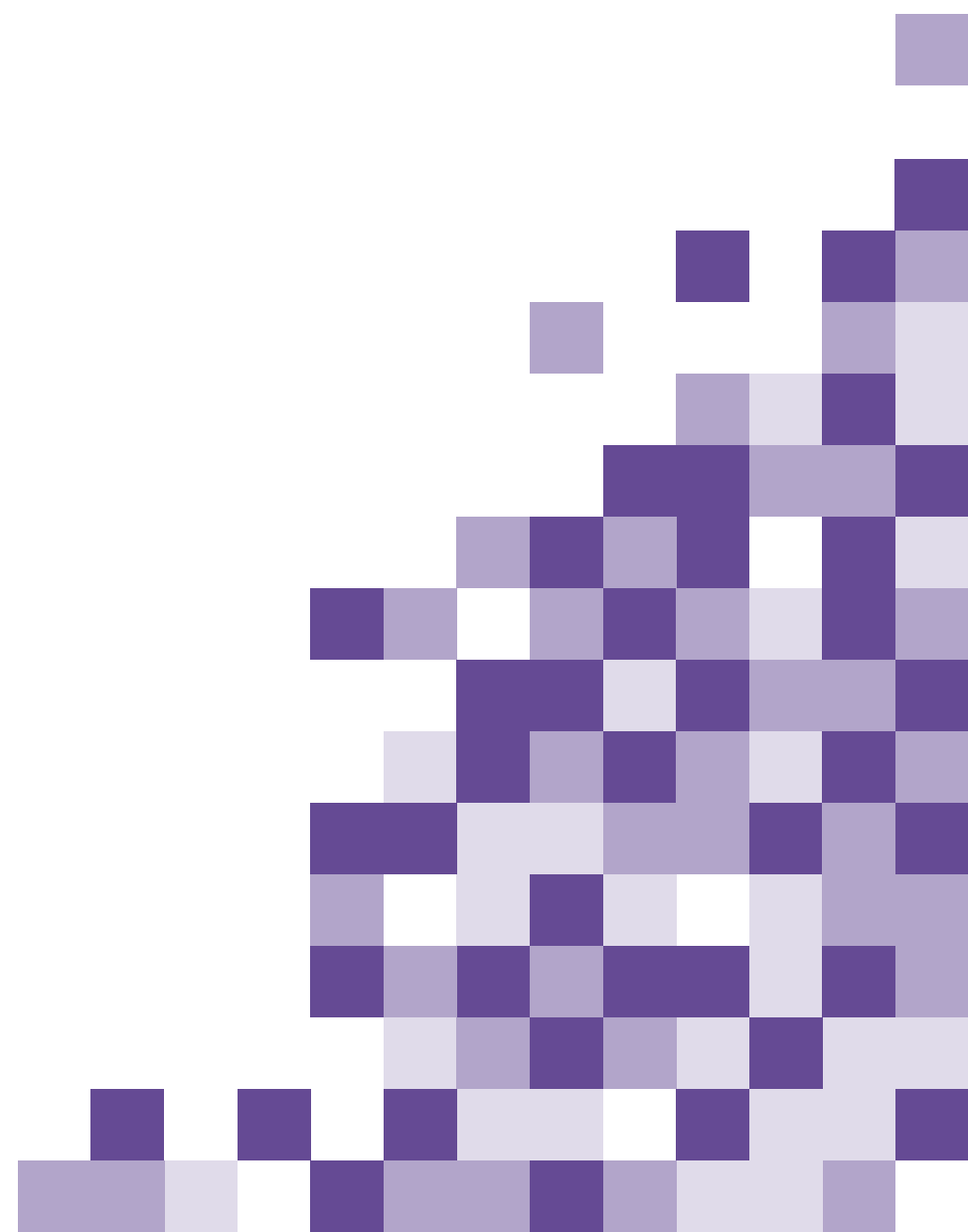


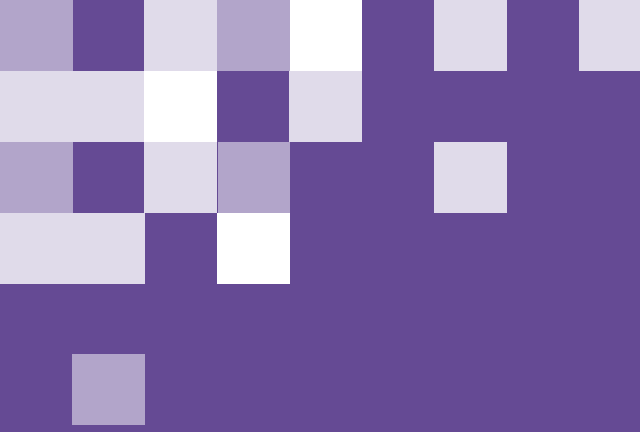
Your personal position.



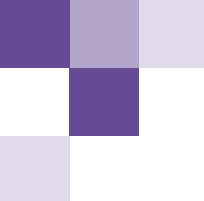
Your personal position.

Let's talk about how you are impacted:

- Personal Assets.
 - Business Assets.
 - Planning opportunities.
- 

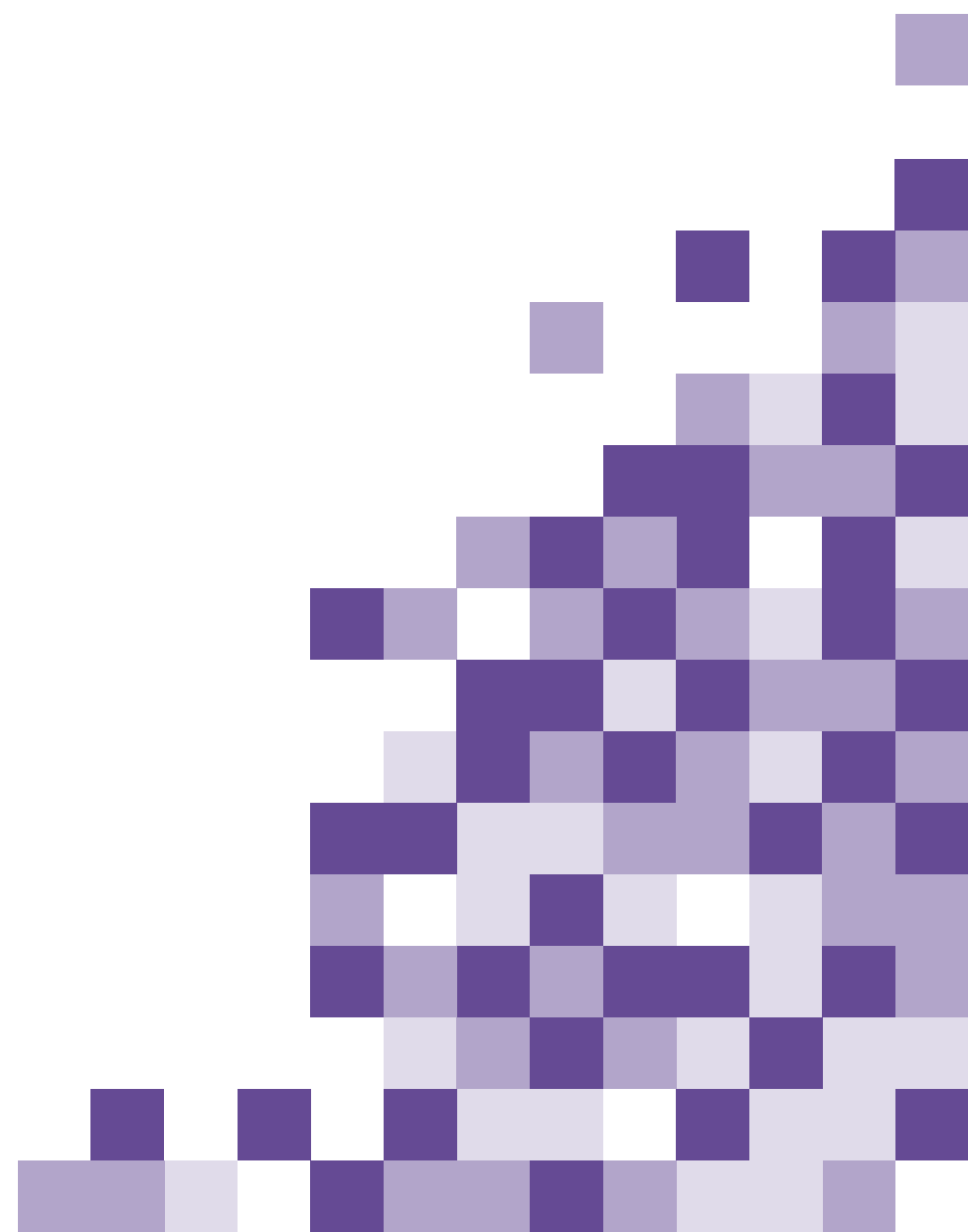


Personal assets.



Talk to us about:

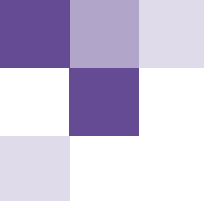
Your investments

- ISAs.
 - **Understand the new higher income tax rates.**
 - Opportunities for restructuring portfolios?
 - Personal or Corporate investment structure.
- 

Additional complexity for savers.

Additional 2% income tax

	Today	April 2027
Employment income	£200,000	£200,000
Property income	£50,000	£50,000
Savings interest	£50,000	£50,000
Taxable income	£300,000	£300,000
Employment income tax	£76,203	£76,203
Property income tax	£22,500	£23,500
Savings income tax	£22,500	£23,500
Income tax due	£121,203	£123,203
April 2027 - increased liability [100,000 x 2%]:		£2,000

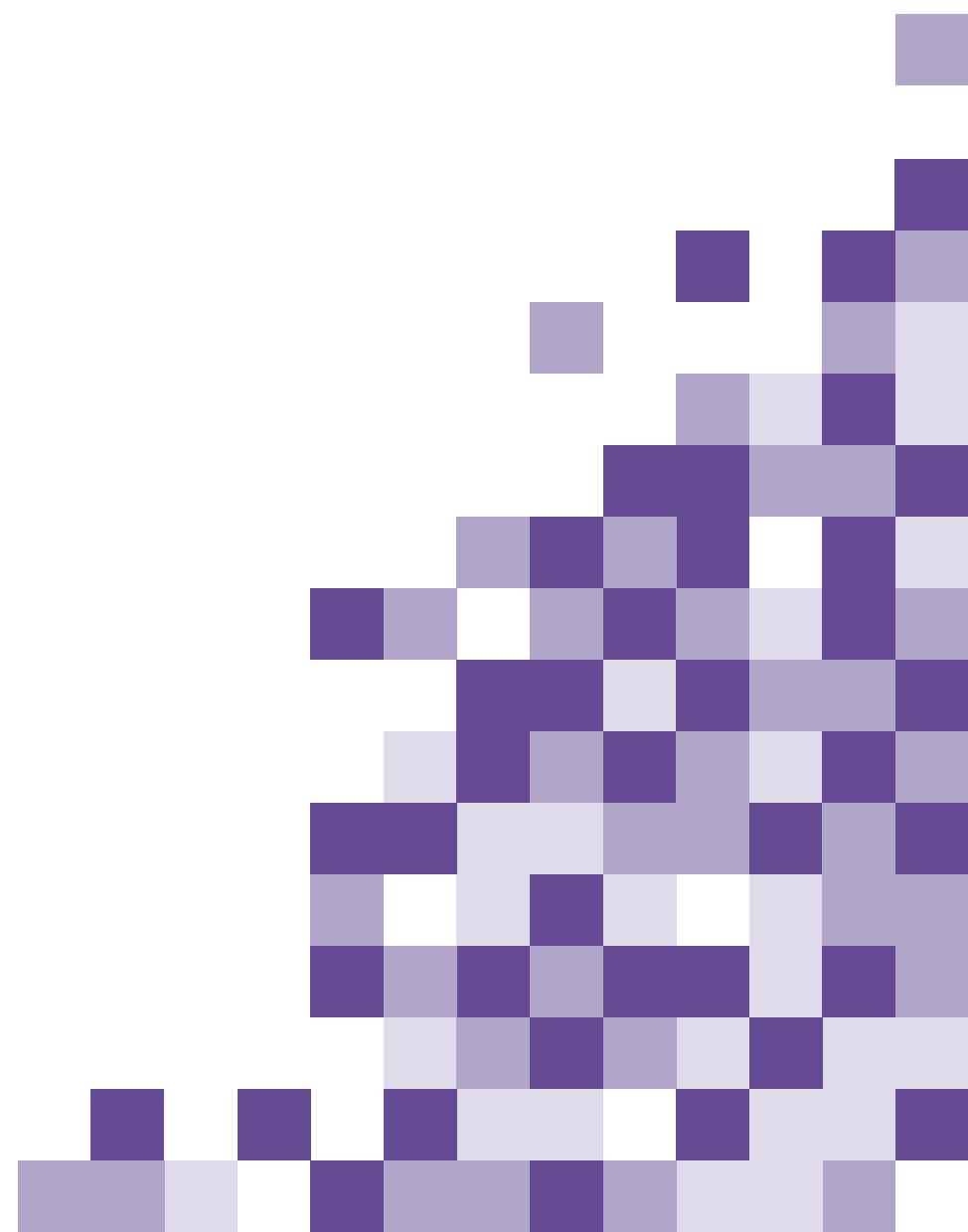


Talk to us about:

Your investments

- Understand the new higher income tax rates.
- ISAs.
- **Opportunities for restructuring portfolios?**

Capital growth v income



Capital growth or income.

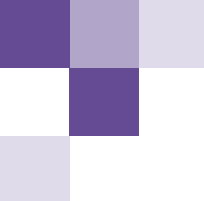
	Dividend Income	Capital*
Cash receipt	£20,000	£20,000
Less allowance/exemption	(£500)	(£3,000)
Taxable	£19,500	£17,000
IT/CGT at higher rate @35.75% / @24%	£6,971	£4,080
Net cash	£13,029	£15,290
Difference		£2,891

*Assume a sale to illustrate the point where no base cost

Capital growth or income.

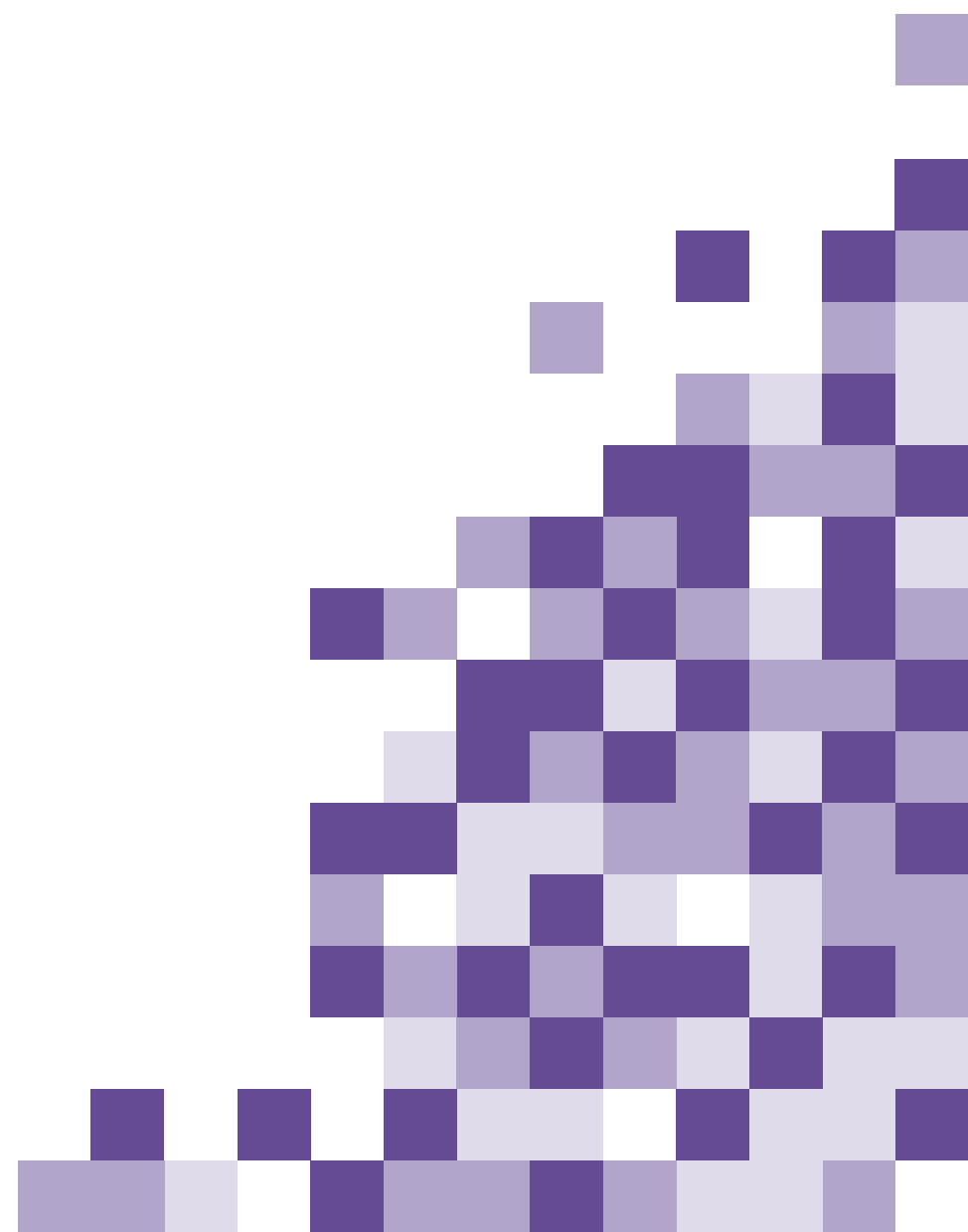
	Dividend Income	Capital*
Cash receipt	£200,000	£200,000
Less allowance/exemption	(£500)	(£3,000)
Taxable	£199,500	£197,000
IT/CGT @39.35% / @24%	£78,503	£47,280
Net cash	£121,497	£152,720
Difference		£31,223

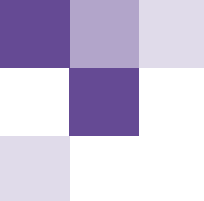
*Assume a sale to illustrate the point where no base cost



Talk to us about:

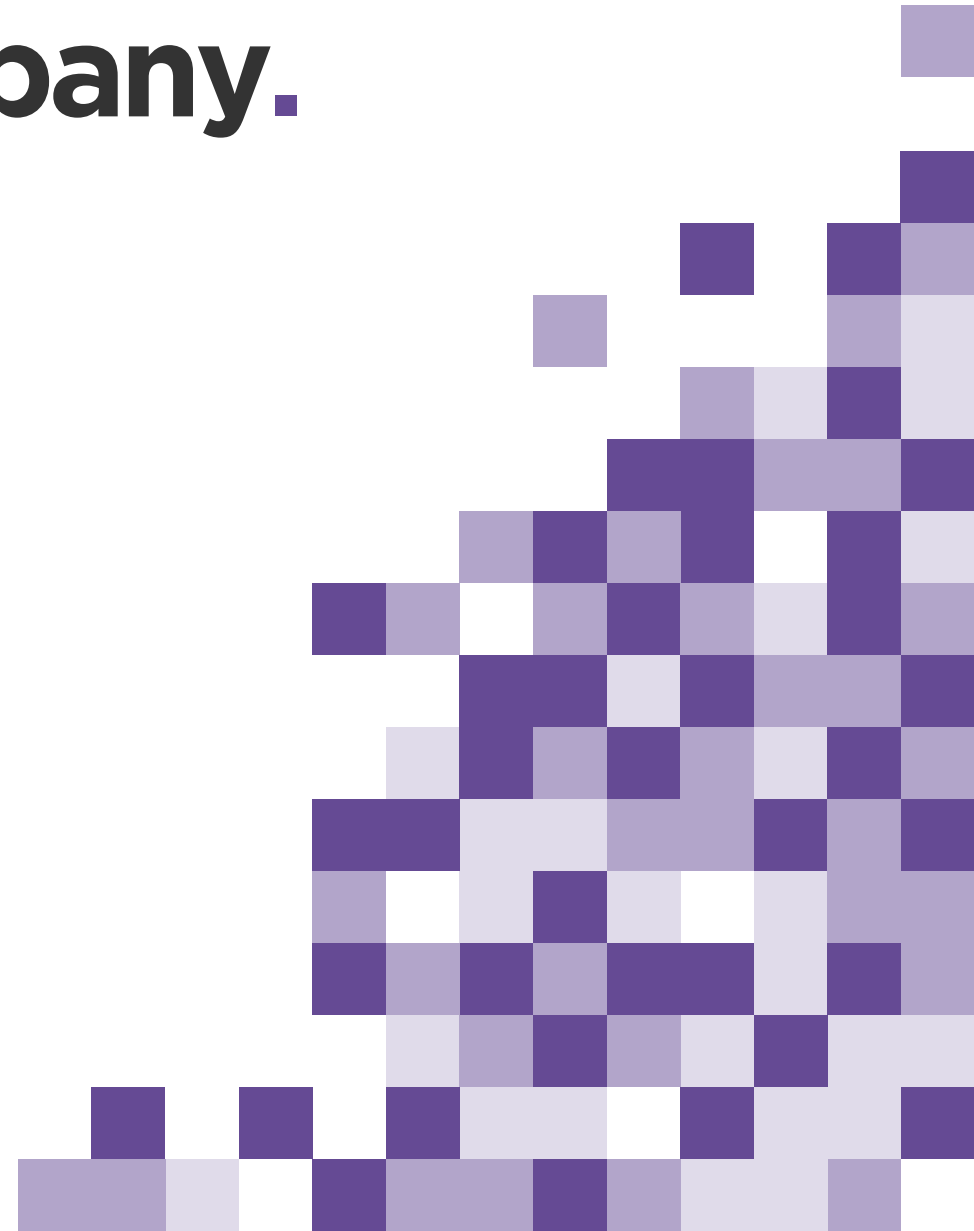
Your investments

- Understand the new higher income tax rates.
 - ISAs.
 - Opportunities for restructuring portfolios?
 - **Personal or Corporate investment structure.**
- 



Family Investment Company.

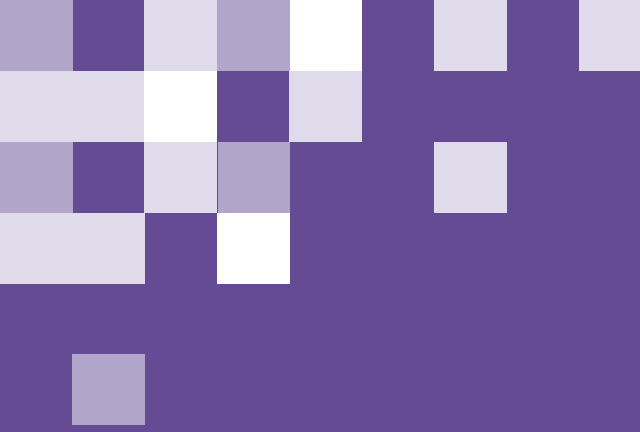
- A personal company for your family investments.
 - An alternative structure.
 - Provides control.
 - Can hold and transfer family assets/wealth.
 - Tax efficient - CT rates not IT.
-
- Alphabet shares enable flexible income distribution.
 - Freezer and Growth shares to ringfence asset growth.



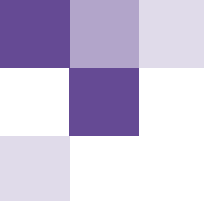
Property Business - Freezer and Growth shares.

	Mum and Dad 2025	Mum and Dad 2035	Mum and Dad 2035	Trust owning growth shares 2035
		No planning	Planning implemented 2025	
Current/ Frozen value *	£4,000,000	£8,000,000	£4,000,000	
Growth value				£4,000,000
IHT liability	£1,600,000	£3,200,000	£1,600,000	£240,000

*Assume the frozen value includes an appropriate hurdle

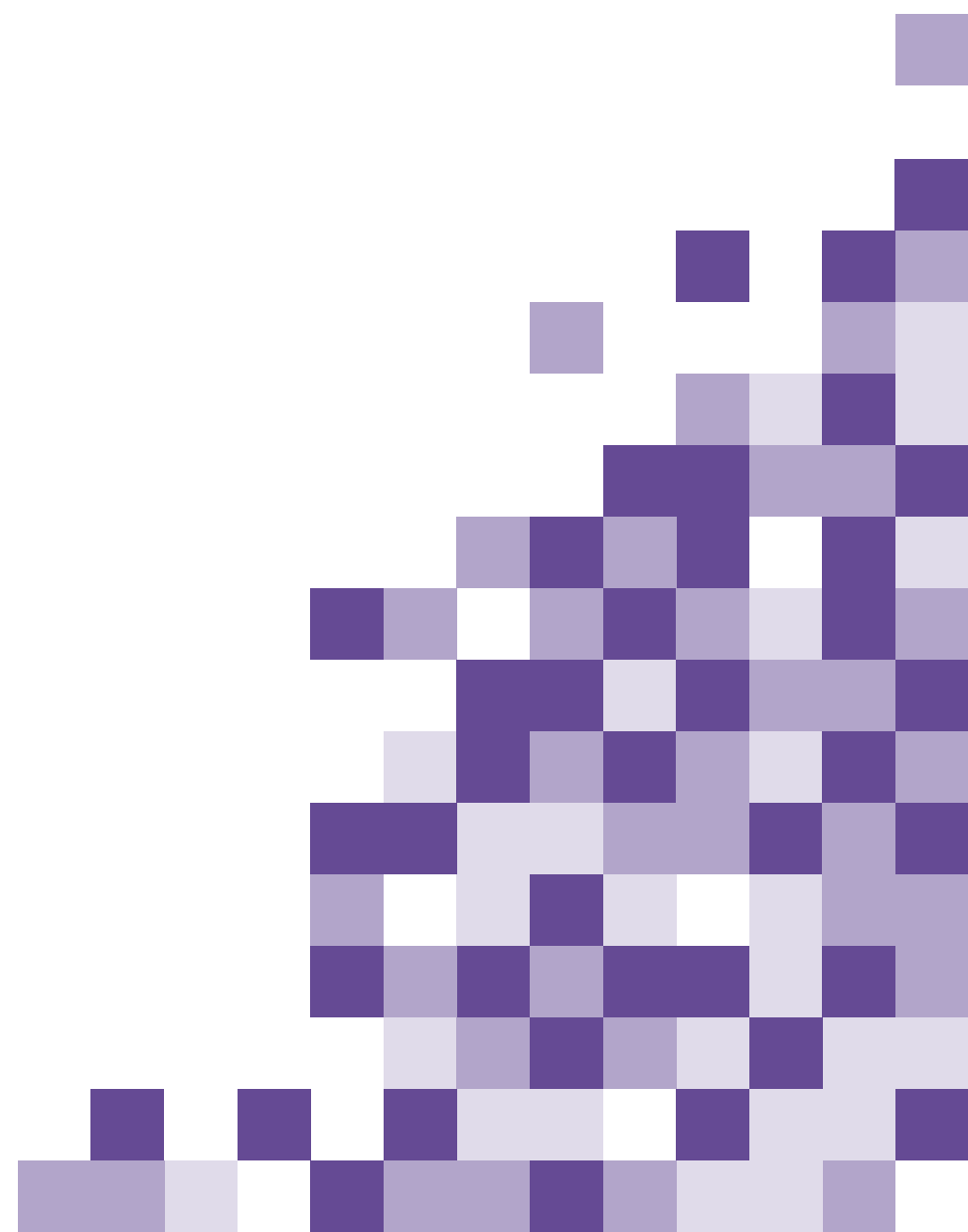


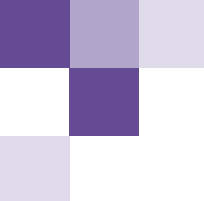
Business assets.



Talk to us about:

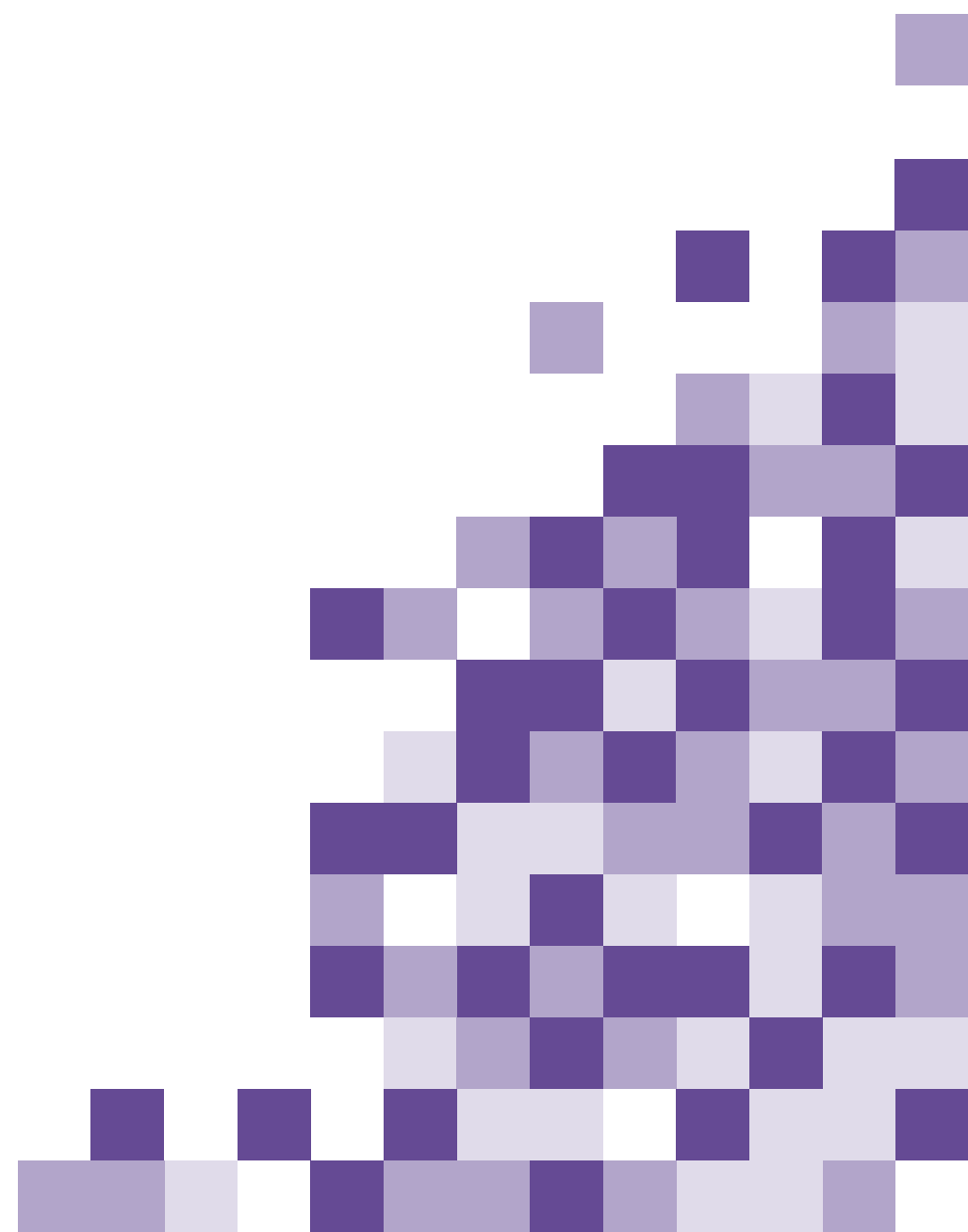
Your trading business - where is it going

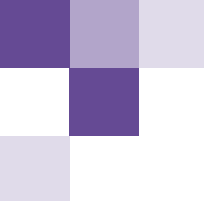
- Profit extraction Div v Bonus.
 - Exit or succession journey?
 - Structure of asset ownership outset.
 - Missed the boat? - Opportunities for scale-ups!
 - Capital Growth - valuations!
 - Planning.
- 



Profit extraction.

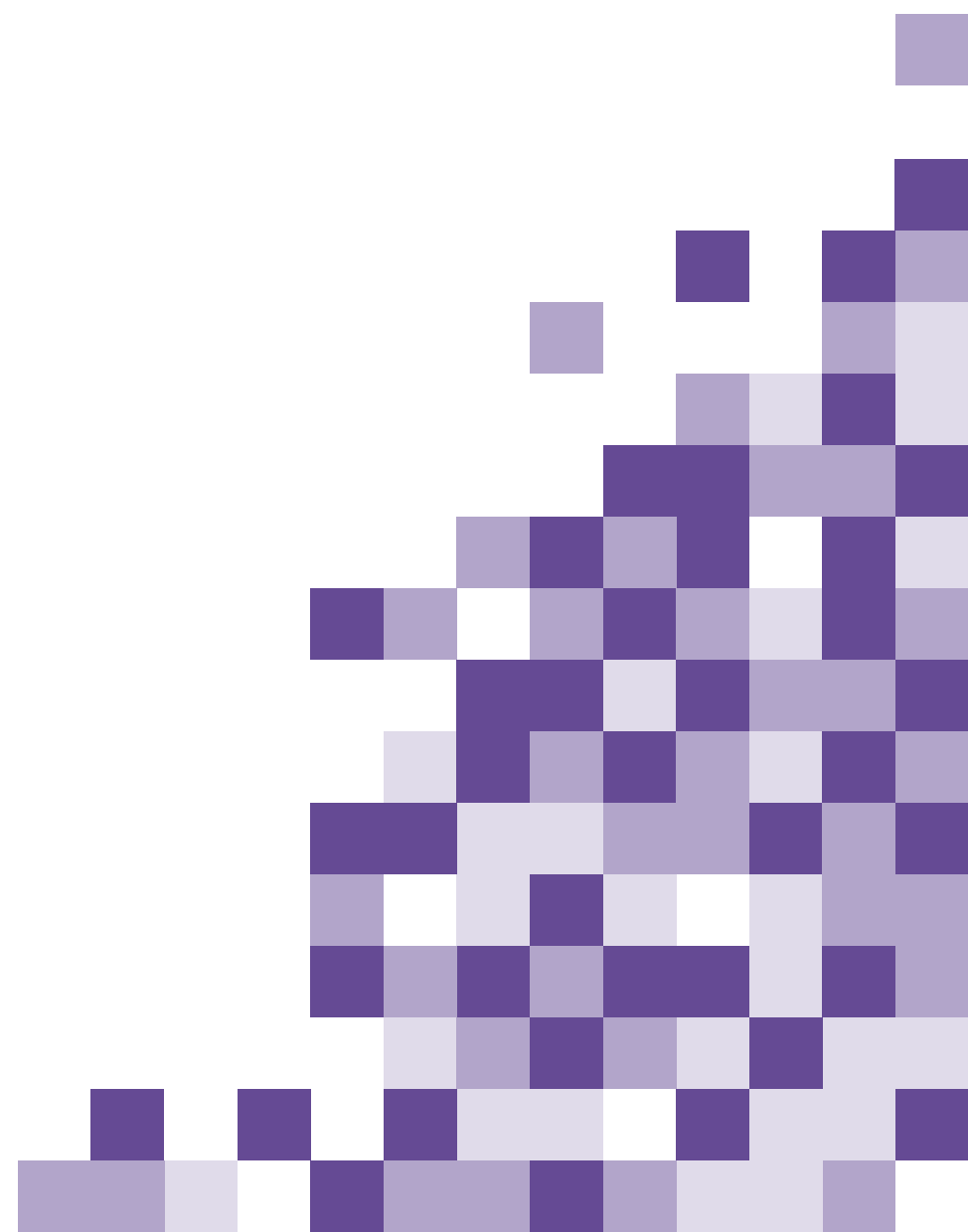
Bonus or Dividend

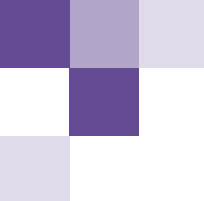
- It depends on your circumstances.
 - Profitability.
 - Pension.
 - Cash requirements individual.
 - Cash flow.
 - Tax + NI
 - R&D Tax credits – refund on salaries.
- 



Talk to us about:

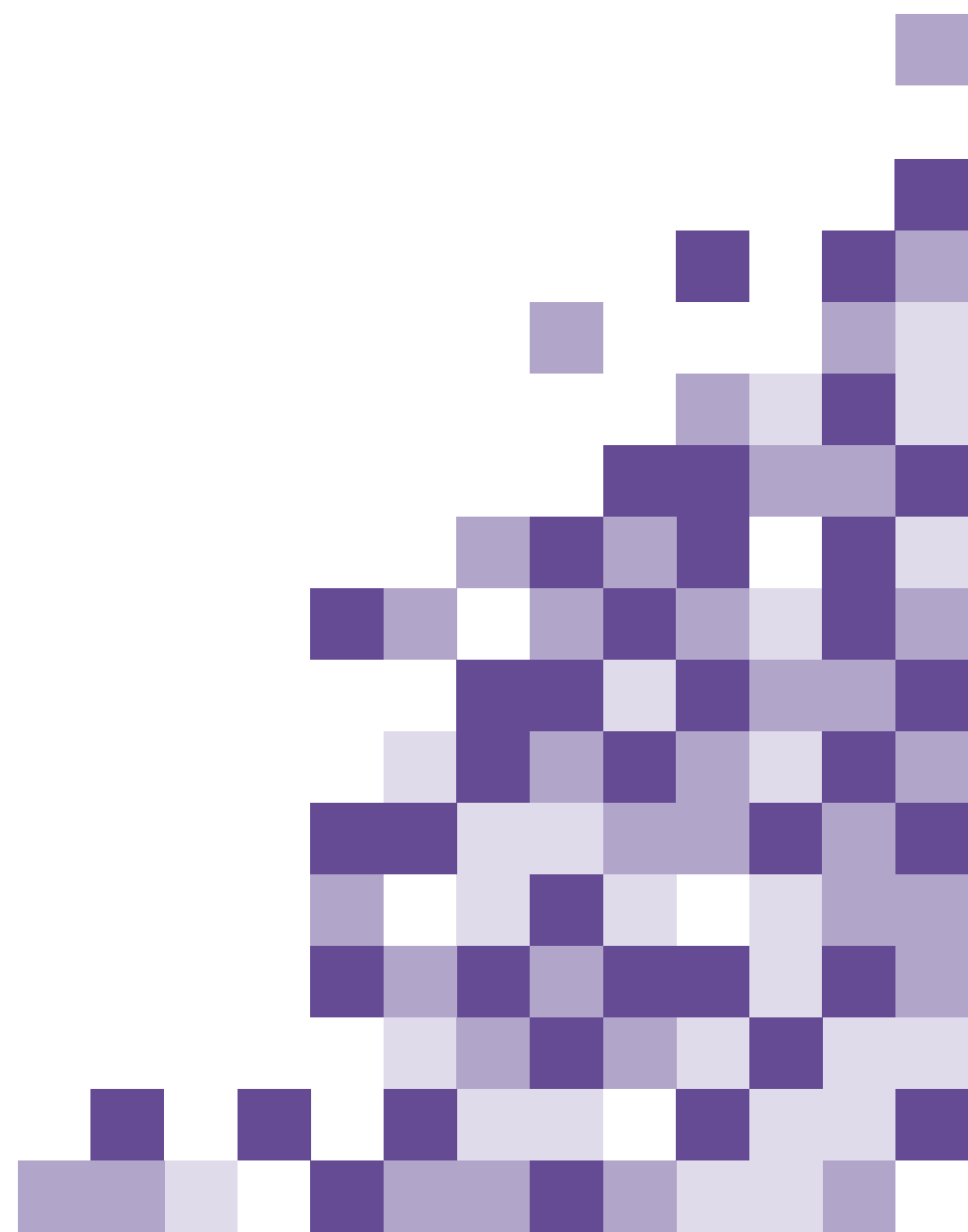
Your trading business - where is it going

- Profit extraction Div v Bonus.
 - **Exit or succession journey?**
 - **Structure of asset ownership outset.**
 - **Missed the boat? - Opportunities for scale ups too!**
 - **Capital Growth.**
- 



Capital Growth.

Valuations

- What is your business worth today?
 - What will it be worth at your exit/ succession?
 - Freezer and growth opportunities.
 - Valuation certainty!
- 

Meet our Corporate Finance team.



Philip Olagunju
Partner



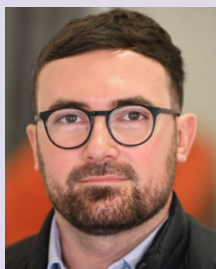
Asaad Khan
Assistant Manager



Joshua Adu
Executive



Ellie Rochira
Analyst



Darren Hagan
Assistant Director

e. Darren@pemcf.com
t. 01223 949 716



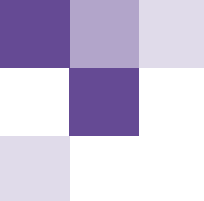
James Taylor
Assistant Manager



Jan Ansari
Senior Analyst

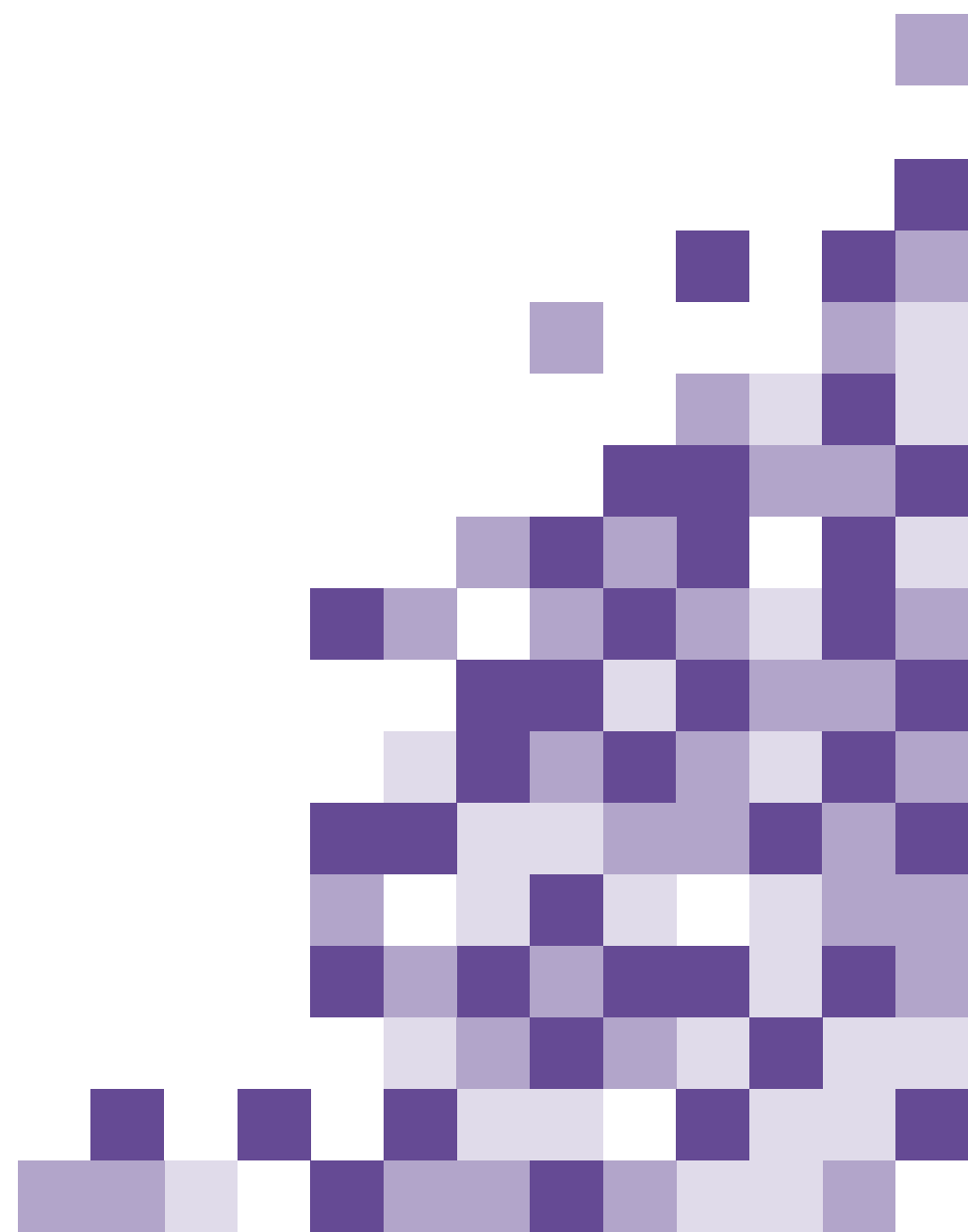


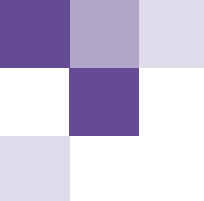
Marvel Okosun
Analyst



Talk to us about:

Your trading business - where is it going

- Profit extraction Div v Bonus.
 - Exit or succession journey?
 - Structure of asset ownership outset.
 - Missed the boat? - Opportunities for existing structures!
 - Capital Growth - valuations!
 - **Planning.**
- 



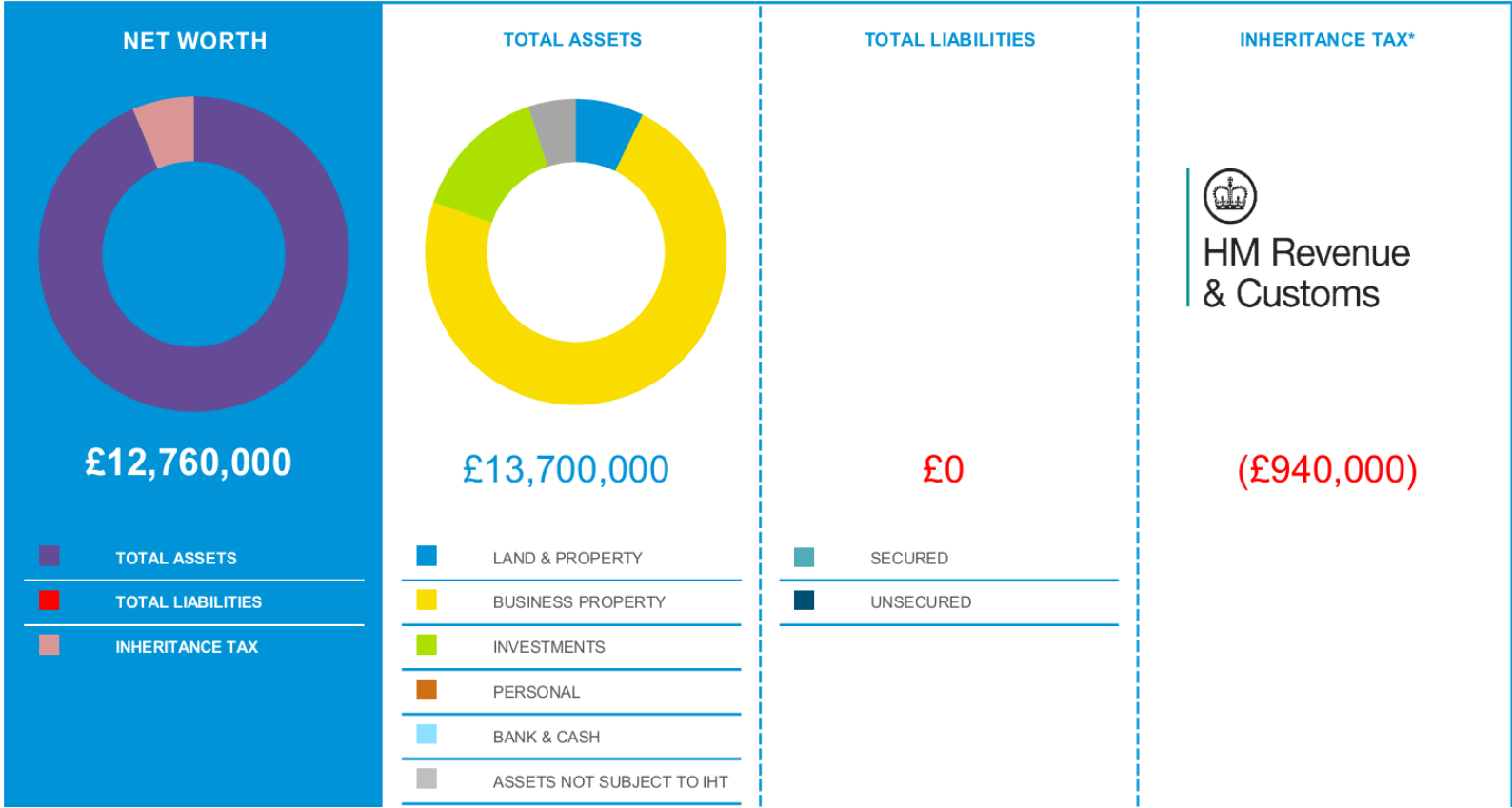
IHT planning pre-April 2026.

RECAP : Trading business changes to APR and BPR

- New £1m cap to these reliefs.
 - Applies to lifetime gifts and death transfers and trusts.
 - Combined relief up to cap of £1m - 100%.
 - 50% relief thereafter!
- 

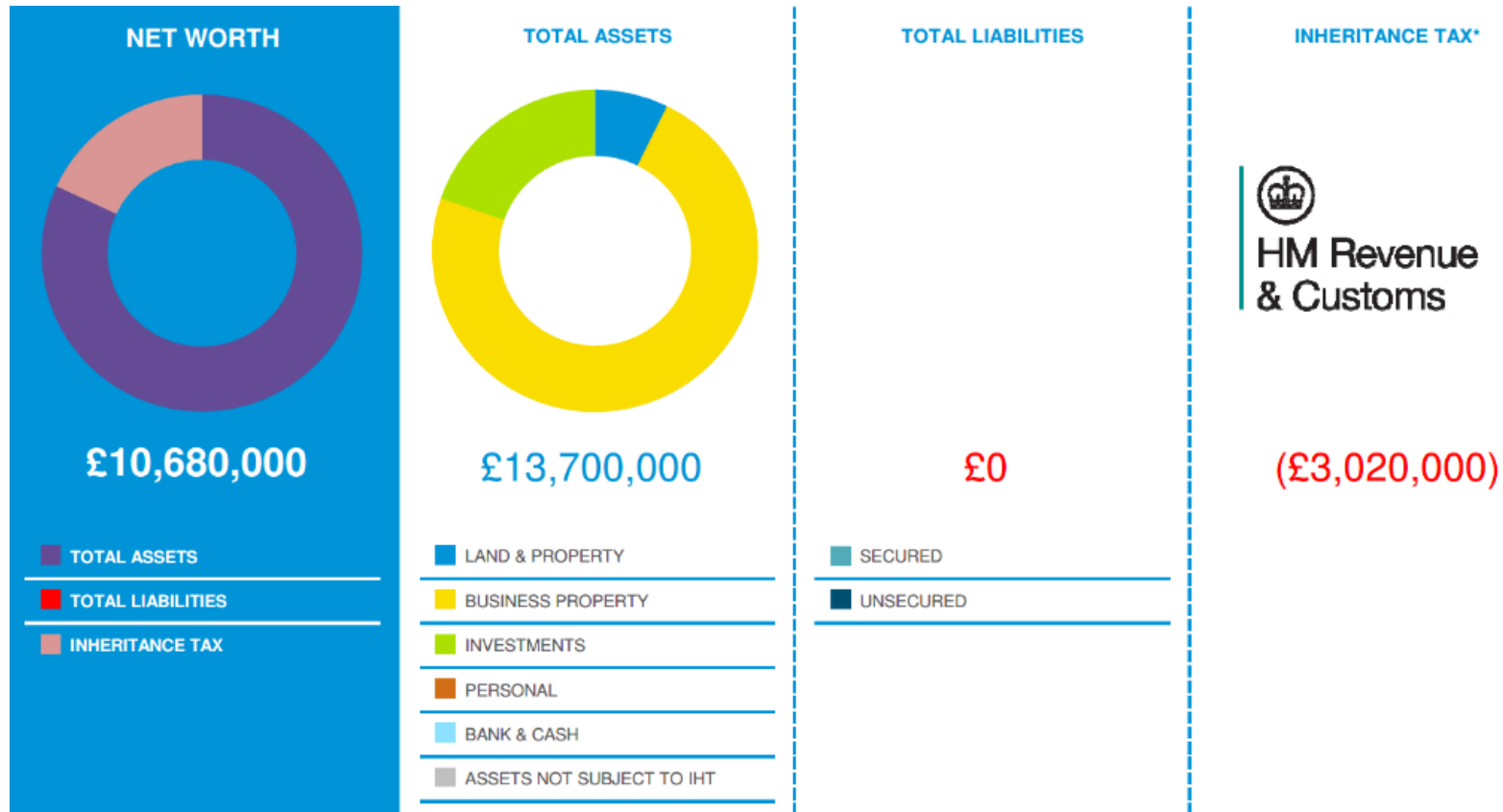
Inheritance Tax.

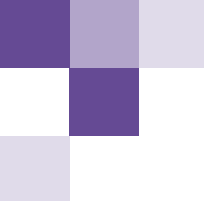
Personal balance sheet for Rachel - 1 December 2025



Inheritance Tax.

Personal balance sheet for Rachel - 6 April 2027

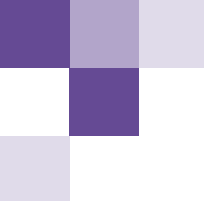




IHT planning pre-April 2026.

RECAP : Trading business changes to APR and BPR

- New £1m cap to these reliefs.
 - Applies to lifetime gifts and death transfers and trusts.
 - Combined relief up to cap of £1m - 100%.
 - 50% relief thereafter!
 - Renews every 10 years.
-
- Unused relief can be transferred between spouses on death.
 - Even if spouse had no business assets.
- 



APR and BPR for Trusts.

These rules are (very) complex

- £1m cap for 100% relief:
 - 'Old' DT can qualify for £1m if qualified at 30 October 2024.
 - 'Old' QIIP shares the cap with life tenant.
 - New trusts restricted:
 - To actual relieved value transferred in by settlor.
 - £5m general cap for excluded property trusts
- 

Meet our Trusts team.



Nicola Anderson
Partner



Sanchia Norris
Partner



Simon Harmsworth
Director

e. sharmsworth@pem.co.uk
t. 01223 949 651



Jacqui Denney
Manager



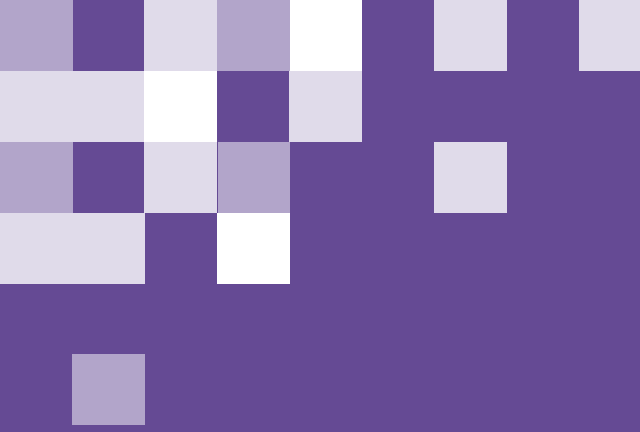
Melissa Agricole
Manager



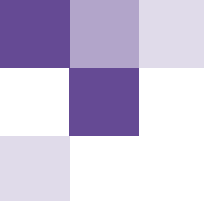
Hannah Fox
Tax Adviser



Lewis Perks
Trainee Tax Adviser

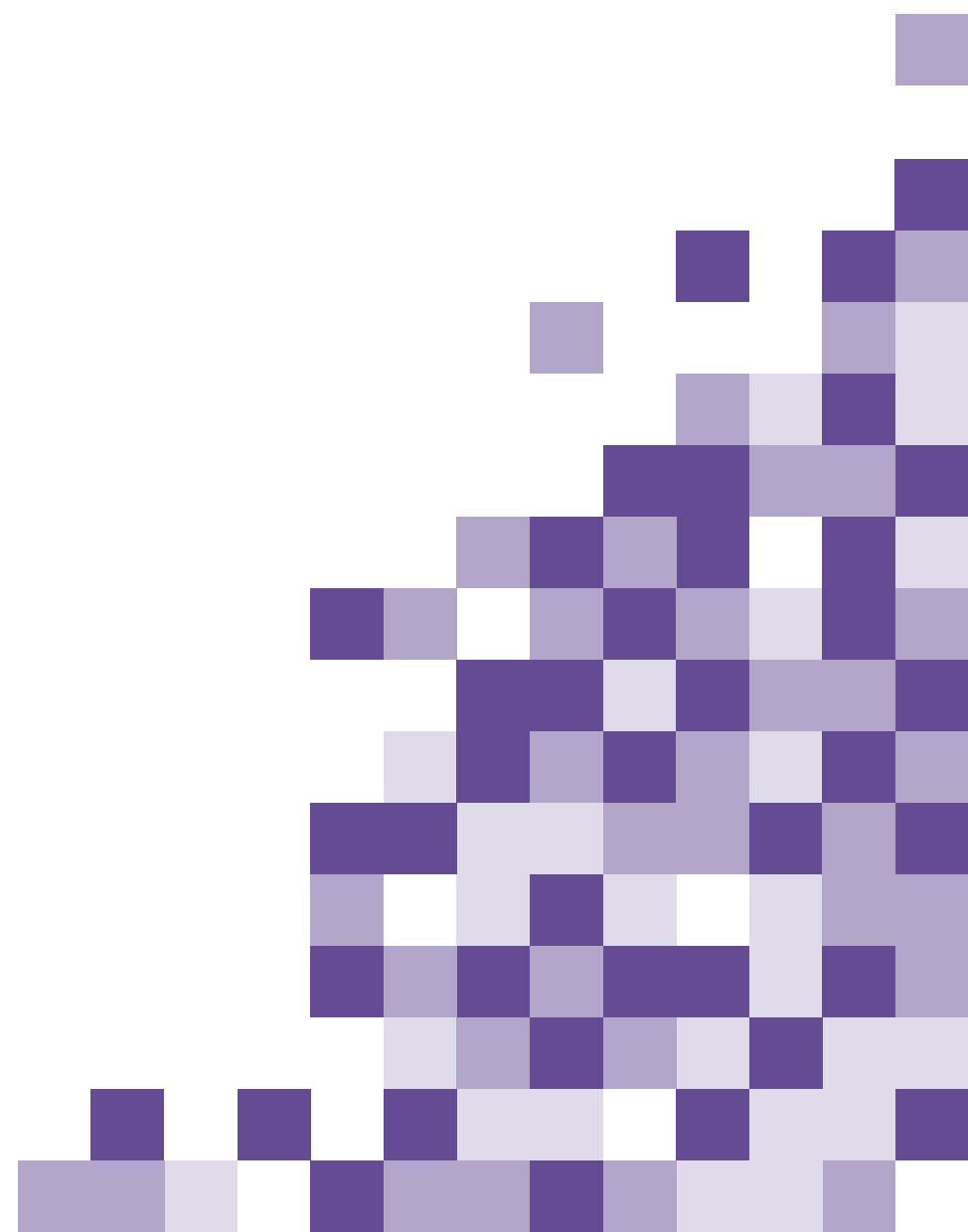


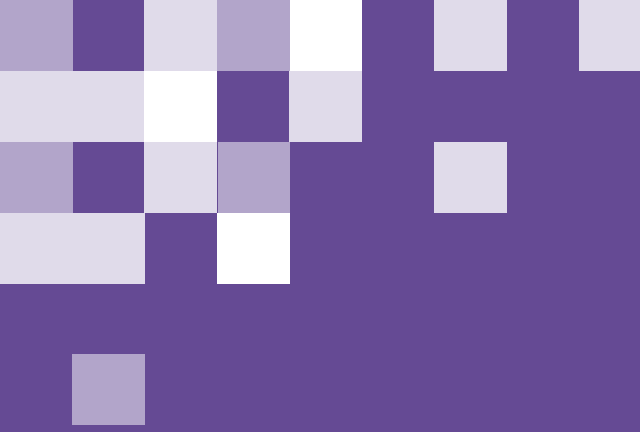
What should you do now?



General planning.

Personal Assets Reviews

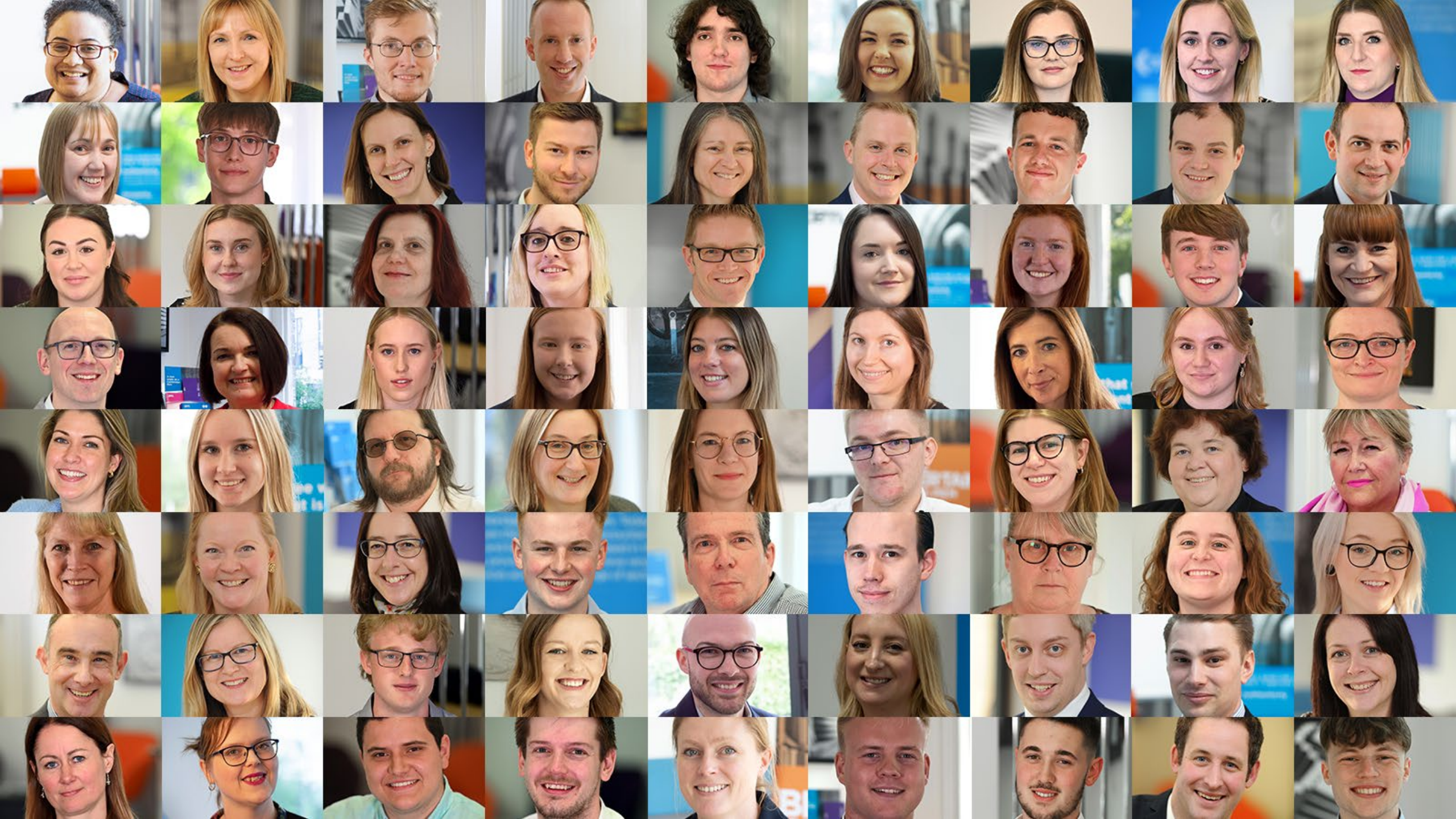
- Personal asset balance sheet.
 - Financial health check.
 - Strategies to maximise your cashflow, Pensions, Gifts, Allowances, Will and LPA reviews.
 - Annually!
- 



Joined-up advice.



Talk to us for your
bespoke solution.





If you have any
**further questions for
our speakers,** please
scan the QR code
to get in touch.



pem. 
150 YEARS

Your future, our focus.

FOR GENERAL INFORMATION ONLY

Please note that this presentation is not intended to give specific technical advice. It is designed to highlight some of the key issues rather than provide an exhaustive explanation of the topics. Professional advice should always be sought before action is either taken or refrained from as a result of information contained herein.