



Changes to Tax from April 2025

Spring
Statement
2025

The Chancellors Spring Statement did not give us much to chew over; instead, it puts the spotlight firmly back on the tax changes announced in the Autumn Budget.

The Chancellor committed to only holding one fiscal event a year with tax changes. At the time, the government thought such a move would bring stability for businesses and individuals. However, with even the Chancellor acknowledging that the world has changed, and the fiscal headroom being blown in the months since the Autumn Budget, more tax upheaval may be coming.

*Read the full article
on page 2.*

TAX



Changes to Tax from April 2025 continued

When the Chancellor announces her Autumn Budget later this year, could we see the government break the manifesto pledges on tax rises? Perhaps extending the freezing of thresholds and allowances for another couple of years... On the other hand, will they introduce a new tax as the previous government did with the health and social care levy, such as a Wealth Tax, currently finding its way into the press?

On the back of the Spring Statement, HMRC released their own Spring Statement document together with a number of consultations and policy papers.

The most notable of these being:

- Modernising the tax system through Making Tax Digital
- Closing in on promoters of marketed tax avoidance
- Research and Development tax relief advance clearances
- Enhancing HMRC's ability to tackle tax advisers facilitating non-compliance

Tax Changes Taking effect from 1/6 April 2025

The start of the new financial year for companies and the new tax year for individuals will see some significant changes to taxation. Some of the changes were announced at the Autumn Budget in 2024 – including the changes to National Insurance Contribution (NIC) rates, thresholds and allowances for employers, which continue to attract headlines – While others first saw life under the previous government and have since been tweaked, such as the abolition of the special tax rules for Furnished Holiday Lets (FHLs).

Businesses:

- **Employers' NIC** - changes announced in the Autumn Budget 2024 will increase liabilities to secondary NIC for many employers for 2025/26. The rate of secondary NIC paid by employers on an employee's earnings above the secondary threshold will increase from 13.8% to 15%; and the secondary threshold will reduce from £9,100

to £5,000 per annum.

- **NIC Employment Allowance** - To compensate smaller employers for the changes to secondary NIC, the maximum amount of the NIC employment allowance is increasing from £5,000 to £10,500 with effect from 6 April 2025. Further, a key restriction is removed: from 6 April 2025, the employment allowance is no longer restricted to employers with a prior tax year secondary NIC liability of £100,000 or less. The employment allowance is offset against the employer's secondary NIC liabilities. A number of important restrictions remain; including that single director, limited companies (e.g. some personal service companies) with no other employees paid above the secondary threshold cannot claim the employment allowance.

- **Double cab pick-ups** - Traditionally, HMRC has treated double cab pick-ups (DCPUs) with a payload of one tonne or more as goods vehicles. From 1/6 April 2025, HMRC will consider a vehicle's primary suitability at the time it was made, with reference to the vehicle as a whole, for the purposes of:
 - capital allowances;
 - the BIK rules; and
 - some deductions from business profits.

This is likely to mean that most DCPUs will be treated as cars for direct tax purposes. Transitional rules apply to preserve the previous, more beneficial, treatment in some circumstances.

Note however, no changes have been made to the VAT treatment.

It is also worth noting that all Benefit in Kind percentages for cars will increase by 1 percentage point for 2025/26. Also, significant increases to the BIK percentages for hybrid cars which were announced in the Autumn Budget 2024 will take effect from April 2028

Individuals:

- **Non-UK domiciled individuals** - From 6 April 2025, the long-standing tax rules for non-UK domiciled individuals (non-doms) are being abolished and replaced with a residence-based

regime. The new regime provides 100% relief on foreign income and gains for new arrivals to the UK in their first four years of tax residence, provided they have not been UK tax resident in any of the 10 consecutive years prior to their arrival.

- **Tax Return information requirements** - From 6 April 2025 (2025/26 and later tax years), new mandatory tax return requirements apply to:
 - taxpayers who start or cease to trade. Where a person starts or ceases to trade during a tax year, they must report the date of commencement/cessation in the tax return for that year. This requirement was voluntary but is now mandatory;
 - directors of close companies. The voluntary requirement to indicate if the person is a director of a close company is made mandatory. In addition, the person must provide the following information:
 - the name and registered number of the close company;
 - the value of dividends received from the close company for the year; and
 - their percentage shareholding in the company during the year.
- **Rates of CGT** -
 - The rate of Capital Gains Tax (CGT) on gains attracting Business Asset Disposal Relief (BADR) or investors' relief is increased from 10% to 14% with effect from 6 April 2025. The rate will increase to 18% from 6 April 2026.
 - the lower and higher rates of CGT for carried interest gains (18% and 28%) are replaced with a flat rate of CGT of 32%. From 6 April 2026, carried interest will be brought within the income tax framework, with a 72.5% multiplier applied to the amount of interest subject to tax.
- **National Minimum Wage** - will rise from £11.44 an hour to £12.21 an hour in April 2025 for those aged 21 and over. The rate for 18 to 20 year-olds will rise from £8.60 to £10 per hour.

Property owners:

- **Furnished Holiday Lets** - The FHL tax rules are abolished with effect from 1 April 2025 for companies from 6 April 2025 for individuals. From that date, the UK or overseas property business rules apply as appropriate. Transitional rules apply in some circumstances, for

example, to allow capital allowances to be claimed in respect of expenditure in a capital allowances pool at 1/5 April 2025.

- **Residential rates of SDLT** - The temporary residential rates of Stamp Duty Land Tax (SDLT) introduced by the previous government in 2022 were withdrawn on 31 March 2025. For transactions with an effective date on or after 1 April 2025, the residential nil rate band will revert to £125,000 (from £250,000), the first-time buyers' relief nil rate band will revert to £300,000 (from £425,000); and the maximum transaction value for first-time buyers' relief will revert to £500,000 (from £625,000).
- **The Annual Tax on Enveloped Dwellings (ATED)** is a tax on non-natural persons (e.g. companies) with interests in UK dwellings valued at more than £500,000. It is calculated and paid on an annual basis. The amount charged is determined by the band the property falls into and whether or not a relief applies. The ATED charges increase automatically each year in line with inflation. For companies caught at 1 April 2025, the return must be submitted and the tax paid for the year ending 31 March 2026 by 30 April 2025.

As always, the information outlined above is for general guidance purposes only. We appreciate that every individual and business has different circumstances and you should always seek appropriate professional advice before you act on any of the information provided.

If you would like more information, advice or require wider business planning or financial guidance, please do get in touch with your GWA Partner. Alternatively, if you are not a GWA client please do contact us to arrange a free initial meeting.





Tax Investigation Protection Service

Tax Investigations can happen to anyone, individuals or businesses. It doesn't matter how good your records are!

HMRC are on a mission to close the tax gap and are making random enquires to police the system.

You won't be surprised to hear that HMRC enquires are stressful, time consuming and costly. With an average investigation taking 18 months to conclude, the cost of defending an enquiry can potentially be huge.

GWA can't prevent an HMRC investigation, however we do have a solution which allows us to deal with an enquiry on your behalf and take away the costs.

What is Tax Investigation Protection?

It is a service that protects clients who may face a tax enquiry. If you use the service and are selected by HMRC for an investigation, we will defend your case and you won't have to worry about the investigation costs.

We will:

- liaise with HMRC on your behalf, making sure your case is handled fairly
- check that the tax inspector is only requesting

relevant information and documents

- challenge HMRC's arguments to establish the basis of any request is correct
- handle all related correspondence, telephone calls and notices with HMRC
- prepare for and attend face-to-face meetings with HMRC.

What does it cover?

The protection service covers our professional fees, should HMRC decide to investigate you or your business.

What is not covered?

The service does not cover routine compliance work such as filing your tax return etc.

It will not cover criminal prosecutions and fraud, or any tax interest or penalties that may be payable as a result of an investigation.

What are the benefits?

Peace of mind.

We can't take away the anxiety of an investigation, however we can provide the best possible advice without you having to worry about the cost.

You will also have free 24/7 telephone access to a team of qualified solicitors for guidance on employment law, health and safety and commercial issues.

How much will it cost me?

Please get in touch so that we can give you a tailored quote.

We hope you never have to face an investigation, however when previous enquiries have occurred, our clients have been relieved that they chose protection cover.

You can find more details and examples of individuals and businesses that have faced an HMRC investigation in our information leaflet on our website.

Dealing with day to day financial demands is complicated enough. However having to manage an HMRC investigation as well, can simply be impossible.

If you decide to use our protection service, you already know that you will be dealing with a familiar face who you can trust, someone who knows you and your affairs and always has your best interests in mind.

We believe that we know your finances better than anyone, and we want to be there for you when you need us most.

To find out more please contact Venita Da Silva Nolte on **01289 306688** or email **v.dasilvanolte@gwayre.co.uk**.

Accounts and Tax Returns

WE NEED YOUR ACCOUNTS RECORDS AND PERSONAL TAX INFORMATION NOW

We are currently in the process of contacting clients to obtain the information we require to process your accounting records and personal tax information for your 2024/25 tax return.

To assist us in managing increased workflow, and help us process your tax return as quickly and efficiently as possible, there are a number of **key dates to be aware of -**

Business clients with March & April year-ends

- Submit your accounting records **A.S.A.P.**

If it helps, we can arrange collection at a mutually convenient time if there are any challenges in bringing them into either the Berwick or Haddington offices.

Personal Tax Return

- You will receive a letter or email around mid-April detailing what information we require to enable completion of your personal tax return.

Tax Only clients (no business accounts) -

- Submit your tax return information by **31 May 2025**. Even if you do not have all of the information, e.g. tax reports from your broker, please send us as much as you can.

Tax Clients with Business Accounts -

- Submit your personal tax return information by **30 June 2025**.

As well as assisting us with our workflow, there are benefits to you too if we can complete your accounts and tax returns sooner:

- You will get an early warning of your tax position well in advance of the tax payment deadline.
- It will allow any tax repayment to be released to you earlier.

Should there be any issues with providing the records or tax return information, please contact us as soon as possible so that we can work with you and assist you in providing us with the information we require.

GWA Apprenticeships

Each year we support National Apprenticeship Week #NAW2025 that takes place in February. As part of this, we caught up with Richard Ayre and Roseanne Bennett, both Partners and training leads at Greaves West & Ayre.

Currently we have five of our Apprentices working on the AAT [Association of Accounting Technicians] qualification, two Apprentices working on ATT [Association of Tax Technicians] qualification, and five Apprentices working on ICAEW ACA [Association of Chartered Accountants] qualification. This is approximately 10% of our workforce, which lets you see that training within Apprenticeships builds our future.

Richard and Roseanne explained, "At Greaves West & Ayre we regularly search for talented individuals to join our Apprenticeship training programme. This could be internally for colleagues who wish to continue their professional development within their role or through external recruitment and expansion of the firm.

Our training includes spending time at college or live online learning and working within small teams within our Accounts and Tax Departments, where our Apprentices work hands and are supported by their colleagues. We work within teams of mixed ability colleagues, which allows them to gain coaching and support, whilst being supervised to a high standard. This collective and ongoing mentoring develops both the practical tools and softer skills through knowledge, skills, and behavioural training, which supports growth and provides them with confidence. Thus, allowing them to develop the professional technical and soft skills required to deliver quality client service.

By equipping our Apprentices with a wide range of skills and experiences from across our workplace provides us with well-rounded individuals ready to progress in their career and work towards achieving Chartered status. Investing in our Apprenticeship training programme is fundamental to Greaves West & Ayre's future."

Apprentices commented, "The courses provided compliment the training we receive from our mentors here at Greaves West & Ayre. In house we are taught how to prepare accounts and tax computations to the GWA standard; this allows us to provide our clients with the highest quality work that they are used to receiving from us. Training off site gives a different experience and a greater in depth understanding of Tax and Accounting. Our knowledge is evaluated in every session through different scenarios and knowledge tests. Most of the training is provided in Newcastle, which gives us the opportunity to meet and interact with other apprentices. We can complete this training live online or attend the sessions in person which ever style suits your learning best.

You can read more about our apprenticeship opportunities on our website or get in touch with us to find out more.



Two new Associates welcomed at Greaves West & Ayre



We are delighted to announce two new Associates within Greaves West & Ayre. Carron McEwen and Neil Robertson took up their positions within the Practice on 16 December 2024.

Carron McEwen joined us on the 16 December from another Chartered Accountants firm in the Scottish Borders where she has been fulfilling a similar role. Carron is an experienced member of the accountancy profession qualifying as a Chartered Certified Accountant in 2009.

Carron works in general practice and has experience in working with owner managed business clients across various sectors. In her spare time Carron enjoys spending time with her family.

Commenting on her appointment Carron said, "I am thrilled to continue my professional career with Greaves West & Ayre. The firm has an excellent reputation among both clients and employees, and I am excited to contribute to its ongoing growth and success".

Neil Robertson in our Wealth Management Department also becomes an Associate. Neil joined us in 2012 from Stirling University as a graduate trainee Financial Advisor.

During his time with us, he has obtained his Wealth Management Diploma, and after further

study qualified as a Chartered Financial Planner in 2019.

A glutton for punishment Neil has also gained qualifications with the Chartered Institute for Securities & Investment, which enable him to be Deputy Fund Manager of our Qualis Funds. He is studying for his Chartered Tax qualification too!

Neil commented, "I am pleased to become an Associate within GWA and look forward to maintaining and developing relationships with the firm's many clients and contributing to the continued success of the business."

GWA Partner, Colin Frame added, "The Partners are delighted to announce these two appointments and we look forward to watching them both continue to flourish in their careers with GWA. We have many more opportunities for those who join us as graduates/school leavers as well as those who start their careers elsewhere.

GWA works hard to collaborate as one firm to help look after our thousands of clients across the UK. 2024 ended on a high note with these two promotions and 2025 will be as equally exciting."

ARRIVEDERCI

The meaning of the Italian word Arrivederci is 'goodbye, until we meet again'. Since Greaves West & Ayre opened our doors in 1918 we have said goodbye to some long standing members of the team. We started 2025 by saying a fond farewell to two key members of GWA -

Brian Tait and Derek Simpson clocked up an impressive 75 years service between them. Derek joined GWA in 1981 and Brian joined in 1993 and they have both played a large part in shaping GWA into the firm it is today.

Derek Simpson

Derek was one of the key members in our tax department, he was based at our Walkergate office in Berwick, however prior to this he worked in both the Hide Hill and Sandgate offices and began his working life at Greaves West & Ayre in the attic rooms in Foul Ford.

Derek retired at the end of February 2025 after a total of more than 43 years' employment with GWA. He joined the firm in September 1981 following three years at university, and apart from holiday jobs during his time as a student, GWA has been his only full-time occupation.

Asked what he would miss most about GWA, Derek said that without doubt it would be the friendships which have developed over many years, not only with colleagues and Partners but also with clients – some of whom he has looked after throughout his time with the firm.

Now he has retired Derek will spend more time travelling with his wife Wendy, starting with a rail trip around Europe, taking in 10 capital cities along the way. The annual wine pilgrimage to France may also become a bi-annual event!

Derek is also heavily involved, in a variety of roles, at Duns Rugby Club, where he is currently Club President – a post he has held intermittently since 1991. His retirement from GWA will allow him to devote more time and energy, if that were possible, to the management of the Club.



Brian Tait

Brian Tait retired from GWA at the end of January after nearly 32 years of service. He joined the GWA team in 1993 when GWA bought the practice of G S Fleming & Wood and has been a key member of the accounts department. Brian started work with G S Fleming & Wood in 1976. Brian has spent over 48 years in the accountancy profession.

Brian very nearly took a different path in life, when aged 15 he applied for a job as an apprentice bricklayer with Stanley Miller and anyone who knows Brian will find this hilarious. Brian's parents knew Brian better than he knew himself and deterred him from taking the role and after completing his exams at 17 he looked for a job in accountancy. His form teacher, Winnie Ewart was a next-door neighbour of George Wood and recommended Brian, and the rest is history.

He has very much enjoyed his career at GWA and is really going to miss the office rapport he has with everyone. The Partners and staff at GWA have had a big influence on his life and career. Friendships which have lasted a lifetime, and he counts himself very lucky and grateful.

Over his career Brian has seen GWA move from the analog world to the digital world in a smooth forward-thinking transition. This undoubtedly is the biggest change he has witnessed. The basic principles of how to prepare accounts has not changed however the tools available to do the job are not comparable with 1976.

When asked about his retirement he said his immediate plans were to relax at home and arrange more trips in the UK and abroad following his first love, Newcastle United.

Everyone at GWA sends their best wishes to both Brian and Derek for a long, happy and healthy retirement. They will both be greatly missed; however, we hope to keep in touch, and meet again in the future.

Spring Holidays and Office Closures

APRIL

Good Friday, Friday 18 April:

All offices - CLOSED

Easter Monday, Monday 21 April:

All offices - CLOSED

Back to business: Tuesday 22 April

MAY

May Day Holiday, Monday 5 May:

All offices - CLOSED

Spring Bank Holiday, Monday 26 May:

All offices - CLOSED

At all other times you can call or email us using our usual contact details - See page 12.



Changes to Employee Protection under the Worker Protection Act 2023

As of October 26, 2024, the UK has implemented a new legal duty requiring employers to take "reasonable steps" to prevent sexual harassment in the workplace. This change, introduced under the Worker Protection (Amendment of Equality Act 2010) Act 2023, shifts the focus from reactive measures to a proactive obligation for employers to create a safe working environment.

Key Responsibilities for Employers:

- 1. Develop Comprehensive Policies:** Employers should establish clear anti-harassment policies that define unacceptable behaviour, outline reporting procedures, and specify consequences for violations.
- 2. Conduct Regular Training:** Providing training sessions helps employees understand what constitutes harassment and how to report it. Regular training reinforces the organisation's commitment to a respectful workplace.
- 3. Implement Effective Reporting Mechanisms:** Establish confidential and accessible channels for employees to report incidents without fear of retaliation.
- 4. Assess Workplace Risks:** Regularly evaluate the work environment to identify and mitigate factors that could contribute to harassment.
- 5. Address Third-Party Harassment:** Employers are also responsible for preventing harassment by third parties, such as clients or customers, and should take steps to protect their employees from such behaviour.

Enforcement and Penalties:

While employees cannot bring standalone claims solely based on a breach of this preventative duty.

An individual must first bring a claim against their employer for sexual harassment. If the claimant is successful, a breach of the employment duty will automatically be examined.

If an employment tribunal has found an employer liable for sexual harassment, it can also

consider whether the employer has failed in its duty to prevent it, and if so, the tribunal can order an uplift in compensation paid to the employee. A breach of the duty may lead to an uplift in compensation by up to 25%. The amount awarded should reflect the gravity of the breach. Additionally, the Equality and Human Rights Commission (EHRC) can enforce compliance through investigations and require employers to implement corrective actions.

Implications for Employers:

Employers must proactively foster a workplace culture that prioritises respect and safety. Failure to comply with these duties not only increases the risk of legal and financial repercussions and can also damage an organisation's reputation and employee morale. Implementing robust policies, regular training, and effective reporting mechanisms are essential steps in meeting these legal obligations and ensuring a safe workplace for all employees.

Upcoming Legislative Changes:

The Employment Rights Bill, introduced in October 2024, proposes further strengthening of these obligations. The bill suggests that employers must take "all reasonable steps" to prevent sexual harassment, extending responsibilities to include third-party harassment more explicitly. These proposed changes are under consultation and are expected to come into force in Autumn 2026.

If you would like to discuss how GWA HR Services could assist you or your business, then please get in touch.

Dates for your diary

Summer Shows

The summer agricultural shows are a key fixture in our busy calendar. These shows are a great opportunity to catch up with clients, colleagues and friends in a relaxed environment.



Haddington Show - Saturday 28th June 2025

Once again, we are joint Show sponsors alongside our colleagues from Turcan Connell. We look forward to welcoming many of you on the day for an informal catch up with our ever-popular hog roast and refreshments.



Border Union Agricultural Show - Friday 25 and Saturday 26 July 2025

The BUAS is a key fixture in our diary, and we look forward to welcoming many of you to our stand over the two days for refreshments and traditional lunchtime hog roast.

Bank of England Webinar

We look forward to catching up with the Bank of England's Agents for the North East, in August 2025

Agent, Mauricio Armellini will be joining us on a webinar to take us through up to date information from the August Monetary Policy Report.

Further details on this webinar will follow in due course.



Staff News



Two new Associates, **Carron McEwen** and **Neil Robertson** were appointed to the Practice on 16 December 2024; read more on page 7.

As always, we are delighted to welcome new members of staff to our growing team. In December, **Ross McLaren** joined our Wealth Team as an Experienced Administrator.

Gemma Warner joined us in January as a Chartered Accountant.

In February, **Alex Wang-Evans** joined as Trainee Chartered Accountant and **Tina Moffat**, joined our busy Farm Accounts Team.

In March, we welcomed **David Williams** to the Practice taking up the role of Chief Operating Officer.

Brian Tait and **Derek Simpson** both recently retired – see the article on page 8. We wish them both a long and happy retirement and all the very best for the future!

Community News



We are always delighted to get involved with a wide variety of community events around the local and surrounding areas and this Autumn is no exception.

In January 2025, we welcomed Kate Barker from the **Great North Air Ambulance Service (GNAAS)** to our Berwick upon Tweed Office. Kate was presented with a cheque from the funds raised by our annual **Christmas Jumper Day** held across our Berwick and Three Counties Offices on 20 December 2024, which raised £442.64.

This takes our ongoing funds raised to nearly £4,000.

Our Haddington Office donated their funds to Social Bite a charity that provides housing, food and jobs for the homeless.

Point to Point - we supported both the **Berwickshire Races** at Friarshaugh, Kelso and the

College Valley point to points in February.

February also saw us sponsor the Friday evening performance of, **CATS** by the newly formed, youth theatre group, **Pop up Productions**. In April we are sponsoring the Saturday evening performance of **Berwick Musical and Theatre Society's** (formerly Berwick Operatic Society) performance of, **Anything Goes** in The Malting's Theatre. Their last performance before the theatre closes for refurbishment.

We continue our support of **The Glen Golf Club**, North Berwick and **Minto Golf Club**, Hawick for the year ahead.



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