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CHARTERED ACCOUNTANTS

NEWS UPDATE - 8 December 2025

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Companies House tightens fees

While the latest update from Companies House means companies no longer need to maintain certain registers, the downside is a substantial increase to the fees charged. The doubling cost of incorporating a business is a particular sting in the tail.

Changes to registers

There is no longer a requirement for companies to hold registers of directors, directors' usual residential addresses, secretaries and persons with significant control (PSCs). However, this information must still be provided to Companies House and kept up to date. The latest changes are, to be clear:

- Companies are still required to maintain a register of members, both past and present, including the date when each person became a member, and, where relevant, the date when membership ceased.
- Normally, the register will contain information on shareholders but will show guarantors if a company is limited by guarantee.
- Companies can no longer elect to use the central register at Companies House and must now keep their own register of members.

Changes to fees

Many of the fees charged by Companies House will increase from 1 February 2026:

- Company formation: Currently, the cost of digitally registering a company or a Limited Liability Partnership with Companies House costs £50, but this will double to £100. The cost of same-day registration will also double to £156.
- Confirmation statements: Every company, including dormant ones, must file a confirmation statement at least once a year. The cost is currently £34, and this is going up to £50.

Despite the general fee increases, the cost of voluntarily striking off a company will be reduced by 60% to just £13.

Many people setting up a new company will do so via a company formation agent. Their most basic offerings only add a small margin to the Companies House charge, so the fees charged by agents are going to see similar increases.

A full list of the new fees charged by Companies House can be found from the link below:

https://changestoukcompanylaw.campaign.gov.uk/changes-to-companies-house-fees/

The Autumn 2025 Budget – a balancing act?

This year's Budget risked becoming the winter budget, arriving as late as possible on 26 November after a long, rumour-filled run in.

The Chancellor's first Budget last autumn, on 30 October 2024, came following the early announcements of a raft of revenue-saving measures to fill her infamous "£22 billion blackhole". Rachel Reeves's second Budget moved four weeks nearer to Christmas and was preceded by two significant summer U-turns – on the winter fuel payment and disability benefit reform – that implied about £6 billion of revenue-raising would be required.

The long lead time to the Budget this year meant almost three months of speculation after summer's end. Thankfully, the Treasury's constant drip of leaked policy ideas and subsequently generated media rumours finally ended, leaving the Budget as something of a 70-minute anti-climax.

The main measures of the Autumn Budget 2025 included:

- A three-year extension to the freeze on income tax bands and the personal allowances. The Institute for Fiscal Studies (IFS) had earlier calculated that a two-year freeze would mean that by 2029/30, nearly one-in-four taxpayers would face a marginal tax rate of 40% or more.
- A £2,000 cap from 2029/30 on the amount of salary that can be tax-efficiently sacrificed for pension contributions. Any excess will be liable to national insurance contributions for both employer (at 15%) and employee (at up to 8%).
- A reduction to £12,000 in the maximum subscription to a cash Individual Savings Account (ISA) from 6 April 2027 for anyone aged under 65. The overall subscription limits for an adult ISA (£20,000) and a Junior ISA (£9,000) are unchanged. The Lifetime ISA stays at £4,000, while the government consults on a new first-time buyer's ISA as its replacement.
- The abolition of the two-child limit for universal credit and child tax credit, set to reduce child poverty by around 450,000 children in 2029/30.
- A two percentage point increase in the rate of tax on dividends for basic rate and higher rate taxpayers to 10.75% and to 35.75%, respectively, effective from 6 April 2026. The dividend tax rate is unchanged at 39.35% for additional rate taxpayers.
- A two percentage point increase across all tax bands from 2027/28 for property and savings income.
- The introduction of a three-pence per mile road charge for electric vehicles from April 2028.

The outcome was a Budget that did not deliver a headline punch but opted to tread a path between spending requirements and funding those requirements through additional borrowing and increased tax pressures.

For more information on any of these changes and how they could affect you, please contact us. The Autumn Budget 2025 can be found from the link below:

https://www.gov.uk/government/publications/budget-2025-document/budget-2025-html

National Living and Minimum Wages go up again

Minimum wage rates are set to increase from 1 April 2026, with younger workers and apprentices benefiting the most. Employees will welcome the uplift, but many employers may struggle with the additional cost, especially those in the hospitality sector.

Wage increases

Following high increases in April 2024 and April 2025, the minimum wage rate for employees aged 21 and over has increased 22% since 2024. Current and future rates from 1 April 2026 are:

AGE	CURRENT RATE	FROM 1 APRIL 2026	PERCENTAGE INCREASE
National Living Wage (NLW) 21 & over	£12.21	£12.71	4.1%
National Minimum Wage (NMW) 18 to 20	£10.00	£10.85	8.5%
NMW Apprentices & those under 18	£7.55	£8.00	6.0%

Apprentices over 19 who have completed the first year of their apprenticeship are entitled to the rate for their age.

The new rates will have a significant effect on take-home pay. From April 2026, a full-time worker aged 21 and over will see their annual gross pay increase by around £1,000. The annual increase is more than £1,600 for someone aged 18 to 20.

When making their recommendations, the Low Pay Commission took into account stronger-than-expected wage growth, which was 4.6% annually up to September 2025.

Mitigating the effects

Forward planning is key to managing the minimum wage rate increases. For example:

- Review staffing and working patterns, while introducing more flexible working arrangements.
- Consider automating tasks. Where this is not possible, then investment in staff training will hopefully improve productivity and efficiency. With training, staff should be able to cover a wider range of roles, making the workforce more adaptable during busy periods.
- Even small changes, such as updating the way in which stock is controlled, can soon add up to a meaningful time saving.

If price increases are become necessary, these should be clearly communicated as early as possible to customers. The rates of National Minimum/Living Wage can be found from the link below:

https://www.gov.uk/national-minimum-wage-rates

Renters' Rights Act to go ahead with reforms

The Renters Rights Act only recently received Royal Assent. While detailed guidance is yet to be published, the first phase of reforms will be introduced from 1 May 2026.

Tenancies

All existing assured shorthold tenancies in England will automatically convert to periodic tenancies, and only the new type of tenancy will be permitted for any new tenancies signed on or after 1 May 2026. To summarise:

- Landlords will not need to change or re-issue existing written tenancy agreements but will instead only have to provide tenants with a copy of the government's information sheet.
- Landlords will no longer be able to remove tenants on a no-fault basis, although an eviction notice served before 1 May 2026 will remain valid.

Under a periodic tenancy, tenants can stay in the rented property for as long as they want and will be able to end the tenancy by giving two months' notice.

In future, landlords may want to take out rent guarantee insurance to cover the risk of a tenant defaulting. The average rent lost when a tenant is evicted is estimated at more than £12,000 outside of London, rising to over £19,000 for a London property.

Rent

Only one rent increase will be permitted a year, with tenants notified at least two months in advance:

- Tenants will be able to challenge rent increases where they consider the rent to be higher than the open market rate.
- A term in a tenancy agreement that automatically raises the rent will no longer be effective from 1 May 2026.

Given the changes, landlords may prefer to increase rent annually, rather than trying to catch up after several years with no increase.

Discrimination

Landlords and letting agents will not be allowed to discourage a potential tenant who has children or receives benefits from renting a property.

For example, landlords will have to consider requests to keep a pet:

- A valid reason must be provided if the tenant's request is refused, such as the property is too small for a large pet or several pets.
- Landlords will not be allowed to ask for pet insurance to cover property damage, so landlords might want to pay for this themselves and uplift rent accordingly.

The government's roadmap for reforming the private rented sector can be found from the link below:

https://www.gov.uk/individual-savings-accounts/how-isas-work

Venture Capital Trust changes

The rate of income tax relief for individuals investing in venture capital trusts (VCTs) is to be cut. However, gross asset and investment limits for the scheme will become more beneficial.

VCTs invest in relatively young, unquoted companies. As such, the underlying investments carry considerably higher risk compared to listed companies, but VCT shareholders willing to take a risk are rewarded with generous tax breaks.

Tax relief

Individuals can currently obtain income tax relief of 30% by subscribing up to £200,000 for newly issued shares in VCTs. However, this rate of relief is to be cut to 20% from 6 April 2026:

- The change is likely to see investors rushing to put money into VCTs by 5 April 2026 to benefit from 30% relief for 2025/26, so popular VCTs will fill up even faster than usual.
- Anyone planning to invest this year should therefore do so as soon as possible.

An investment of £50,000 in VCTs by 5 April 2026 will mean a taxpayer can reduce their tax liability for 2025/26 by £15,000. However, a similar investment after this date will only provide tax relief of £10,000.

Although a VCT investment must be retained for five years to avoid losing the tax relief, any dividends received are tax-free. This means that they don't need to be declared on the investor's self assessment tax return. There is also no capital gains tax payable when the VCT shares are sold.

VCT limits

In partial mitigation, investing in a VCT should, in future, be a slightly less risky proposition because VCTs will be permitted to invest in more mature businesses. The companies invested in VCTs will be permitted gross assets up to £30 million, rather than the current £15 million.

The annual amount that a VCT can raise will also be increased from £5 million to £10 million.

HMRC's guide to tax relief for investors using VCTs can be found from the link below:

https://www.gov.uk/guidance/venture-capital-schemes-tax-relief-for-investors

Should you wish to discuss this News Update in further detail please contact BGM at: communications@bgm.co.uk