



# Hazel Cooch FCCA

## Accounting and Tax Services

### Newsletter - December 2023

Hello and welcome to another issue of my mini newsletter.

#### Autumn statement

The Chancellor, Jeremy Hunt, delivered his Autumn statement on 22 November. Some of the key announcements were as follows:

- a Personal income tax allowances and thresholds frozen until 2028.
- b From 6/1/24 a reduction in employees National Insurance rate from 12% to 10%. This applies to monthly earnings between £1,048 and £4,190. For someone on the UK average salary of £35k that's worth £37pcm.
- c For the self employed there is also a cut to Class 4 NIC but not until 6/4/24 when it will reduce from 9% to 8%. Additionally those earning over £6,725 a year will no longer have to pay Class 2 NIC (currently £179.40pa).
- d For businesses the 100% relief for most fixed assets purchases has been made permanent (this was due to expire in 2026).
- e Business rates for retail, hospitality and leisure sectors have had a further year's extension to the 75% relief, and the small business multiplier has been frozen for a further year.
- f The state pension triple lock has been protected and new state pension will rise by 8.5% to £221.20pw (just over £900pa) - this is for those retired after 6/4/16 - different rates apply for those in the previous scheme.



#### Companies House Reforms

The Economic Crime and Corporate Transparency Act (ECCTA) received Royal Assent last month and become law, although further legislation will be needed to implement some of the measures. One of the main aims is to make the data at Companies House more reliable and give Companies House more powers to control Company Formation and verify information filed to help prevent money laundering and other economic crime.



Economic Crime and  
Corporate  
Transparency Act  
2023

A few measures will come into affect early next year such as greater powers to query filings. All companies will need to provide a registered email address. They will no longer be able to use a PO Box as their Registered Office.

In due course there will be identity verification of all new and existing company directors, persons with significant control and persons filing data.

Also at some point (not yet known) there will no longer be the option for smaller companies to file abridged accounts and so all companies will have to file their Profit and Loss account. There is a provision in ECCTA for the Registrar to make the P&L unavailable for public inspection if there is commercial sensitivity but it is too early to say how this will be determined.

It is also very likely that all the increased resources required will lead to an increase in the fees that Companies House charge.

**HAVE YOU FILED YOUR SELF-ASSESSMENT TAX RETURN? Do you need to? Check here:**

<https://www.gov.uk/check-if-you-need-tax-return>



**Reminders and action points** - there are, as always, things to think about and plan for as the new tax year starting in April 2024 approaches. Here are a few of the most relevant:

**a National Minimum Wage (NMW)** - you must ensure you update any staff pay rates for the new levels from 1st April 2024. For those over 23 NMW will rise by £1.02 to £11.44 per hour. For 21-22 year olds their rate is being increased to the same level of £11.44 (a rise of £1.26). The NMW for 18-20 year olds will rise £1.11 to £8.60. There are other minimum rates for those under aged 18 and for apprentices.

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

**b Annual Tax on Enveloped Dwellings (ATED)** - For any Companies holding residential property worth over £500,000 the ATED return needs to be filed by the end of April. **Note that this year is a revaluation year and so the valuation bands relate to the value on 1/4/22** (or date of purchase if later). There are various reliefs such as for let properties but the return still needs to be filed to claim these.

**c Reminders from earlier budgets** - from 6th April 2024 further reductions in the tax free bands will take effect - most notably:

Dividends nil rate band - £500 pa.

Capital Gains Tax annual exemption - £3,000 pa.

**d Pre-tax year end actions** - as the year end nears on 5/4/24 there is a final chance to consider if there is an opportunity to:

(i) utilise your annual CGT allowance if you have assets you plan to sell,

(ii) contribute to your pension and/or ISA if you have unused allowances.

**e Pension Allowance** - remember that the amount you can put into your pension and claim tax relief for is restricted, but the limits have risen in 2023/24 so now the maximum (depending on earnings and income) is £60,000 and the tapered minimum up from £4,000 to £10,000.

**f VAT** - the threshold for registration remains at £85,000 of turnover (on a rolling 12 months basis) and with rising costs and prices more businesses are reaching this threshold. If you are near this sort of level do check monthly as you have 30 days to register.

**g Basis period reform** For unincorporated traders including partnerships that do not have a business year end between 31st March to 5th April then the change to a tax year basis will take effect and profits for 2023/24 will be based on the period from the year ending in 2022/23 up to the 5th April 2024 (potentially up to 23 months) less a deduction for unrelieved overlap profits.

In some cases this may give rise to significant extra tax and so it is possible to spread the extra taxable profits over 5 years (including 2023/24). This can be accelerated in whole or part at your option (so if you have a bad year you could bring more forwards) but if you cease then all remaining profits are taxed in the year of cessation. Careful planning may be required.

**And finally** please remember all the above information is believed to be accurate at this time, but there will be a general election no later than 28/1/25 and so, depending on the result, there may be significant changes to taxes in the near future.

A HAPPY  
NEW YEAR

As always I welcome any comments and please do get in touch if I can help with anything mentioned

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