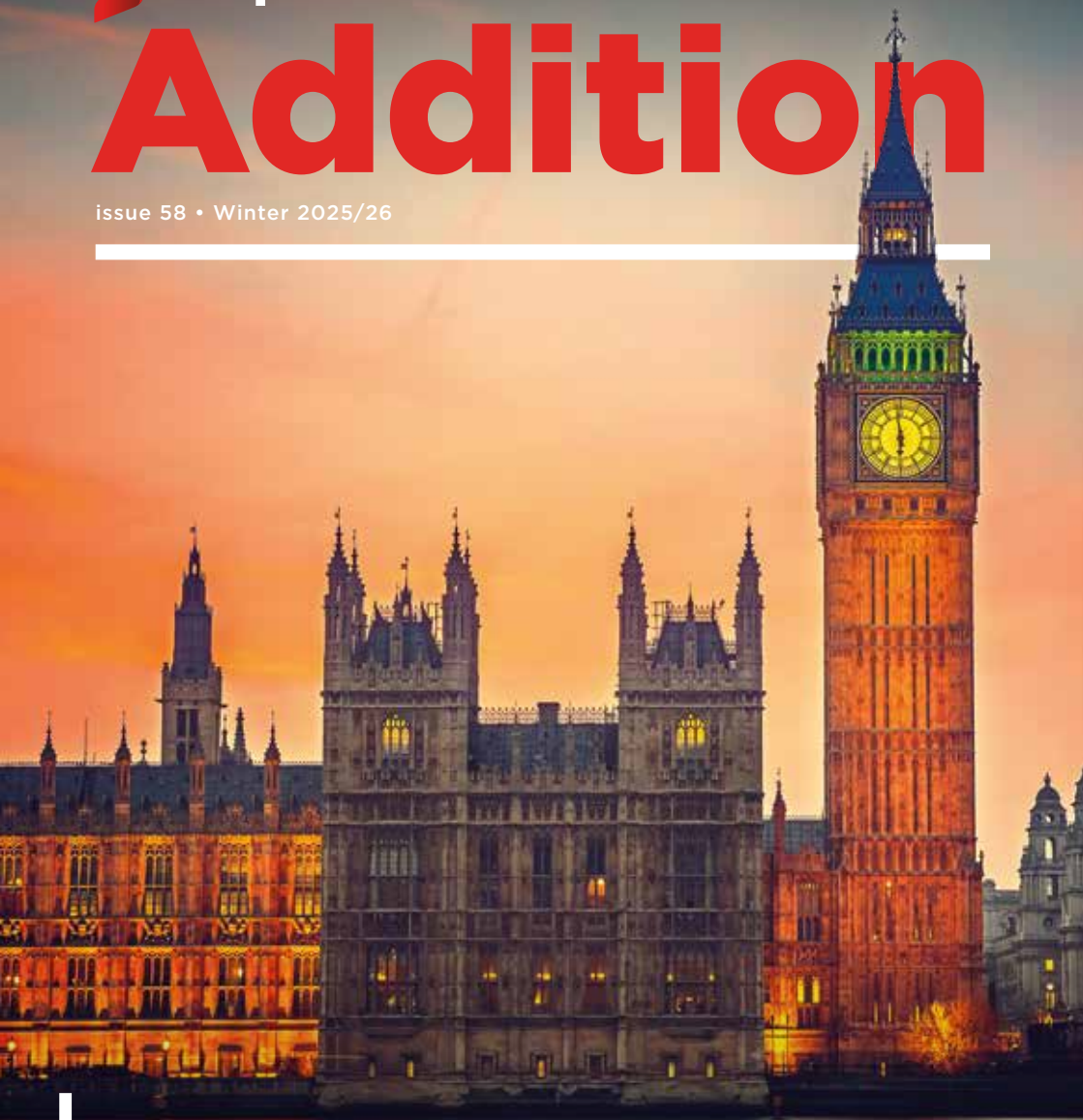


Addition

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FROM THE TOP

I'm pleased to introduce our Winter 2025 edition of Addition.

I would like to take a moment to reflect on the life of our former partner, friend, and colleague Jon House, whose passing this year was felt across our firm. Jon's contribution to Simpkins Edwards and the wider community was vast, and his legacy continues to inspire us.

This issue also digests the Autumn Budget – after months of uncertainty and speculation, the Chancellor finally delivered the statement, albeit late in the year and slightly after the Office for Budget Responsibility (OBR)'s accidental release. Despite earlier assurances, the OBR confirmed this was a £26 billion tax-raising budget, with measures many believe challenge Labour's manifesto commitments. Our team has broken down the key points and what they mean for businesses and individuals, so you can plan with clarity.

Alongside these changes, 2025 has been a year of achievement and impact for us. We were proud to receive national recognition at the Accounting Excellence Awards as Employer of the Year, a reflection of the culture we've built together. Our commitment to community also shone through, with a successful year of volunteering and fundraising. Through our Really Big Quiz, we supported two incredible charities – Man Down and Barum Boxing. Our internal Christmas raffle will also be raising funds for local cancer charities in memory of our two greatly missed partners, Jon House and Lynn Woodward.

Best wishes for the festive season,
Jo Tope



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JON HOUSE 1960-2025



We are sad to share that Jon House passed away after a bravely fought battle with cancer on Wednesday 1 October. He passed away at home, surrounded by family, having fulfilled his wish of holding his two new grandchildren just the weekend before.

Jon was a very big part of the lives of so many at Simpkins Edwards, and the lives of our clients, throughout and after his 43-year career with the firm. He brought his positive outlook and caring nature to every encounter.

Jon's journey with Simpkins Edwards began in July 1978 with an interview with John Simpkins and a role at the Exeter office. His first desk was next to Rob Bedford, with both going on to become partners in the firm and lifelong friends.

In early 1985, the opportunity arose to take a manager role at the Holsworthy office. At that time, Holsworthy had just four members of staff and a partner, Les Phillips, who visited every Wednesday when the livestock and pannier markets were held. Jon, as a 24 year old manager, grew the office, adding more people to the team and plenty more clients. Jon was offered partnership with effect from 1 January 1989. He still holds the accolade for the youngest partner in the firm's history.

Jon and his wife, Tracy, worked together for many years at our Holsworthy office, with many referring to them as 'work mum and dad'. Jon was incredibly supportive and took genuine joy from developing employees and clients' businesses. He was instrumental in building the Holsworthy location over the years, as well as taking a lead role in managing the wider firm through his time on the management

board. Jon's was always a considered opinion, seeing the best in people.

Even when he fell ill, he was resilient and inspired many of us to try and view life through the same, positive, lens. His parting words upon his retirement were:

"I have spent the last thirty-seven years looking after the staff and clients at the Holsworthy office to the best of my ability and wouldn't change a thing. I've got things wrong in that time but believe that if you learn from the mistakes, it's all good experience."

If I've learned one thing over the years, accountancy is not about the money or the numbers, it's about the people. If you have empathy with client businesses and their lives, you will have loyalty and build long standing relationships that make you look forward to going to the office every day."

We take those words to heart and focus on the people we're interacting with; in the hope we can take half as much joy and empathy out of our days as Jon did.

KEY TAKEAWAYS FROM THE BUDGET

After months of uncertainty and speculation, the Chancellor has delivered the Autumn Budget. It was preceded by numerous leaks and briefings by the Government, laying the groundwork for another tax-raising budget. Just twelve months ago, Reeves assured us she 'wouldn't be back for more' having increased taxes by £40 Billion.

The Office for Budget Responsibility confirmed (early!) this was a £26 billion tax-raising budget and many will consider it to contain policies that break Labour's manifesto commitments.

INCOME TAX THRESHOLDS AND RATES

The 'big' measure was an extension of the freeze on income tax bands and the personal allowance. This is set to raise £8 billion by 2029/30 as the effects of fiscal drag means more people will start paying income tax at a higher rate.

Above-target inflation over recent years has boosted the effectiveness of this approach from a tax raising perspective, but one does have to wonder if it was ever envisaged that 24% of income taxpayers would be paying the higher rate of tax. In 1991/92 just 3.5% of UK adults paid higher rate tax and it was

15% as recently as 2021/22. The Institute for Fiscal Studies described the outlook for family disposable income as 'truly dismal', with forecasts showing it would grow by only 0.5% annually over the next five years compared to the more than 2% per year on average across every parliament from the mid-1980s to mid-2000s.

Reports had suggested Reeves was set to increase the rates of income tax, and whilst the declaration has been that this didn't take place, we have in fact seen the creation of a new income tax rate for property income from April 2027, and an increase in the savings rate, each at 2% points higher than the current rates. These are both elements of income tax.

Many of our clients operating through limited companies will consider themselves 'working people' and will be disappointed to learn the basic and higher rate income tax on dividends is also increasing by 2% points, this time taking effect from April 2026. The result will be a higher-rate taxpayer now facing an effective marginal tax rate of 52% (after corporation tax at 25%).

FURTHER BURDEN FOR EMPLOYERS AND THE EMPLOYMENT MARKET

Employers will feel they suffered the most 12 months ago with the additional National Insurance Contributions (NICs) burden coupled with the inflation-busting National Living Wage (NLW) and National Minimum Wage (NMW) increases. The NLW and NMW are increasing again from April 2026, by 4.1% and 8.5% respectively. This will inevitably have a knock-on effect on salary expectations, particularly for those earning just above those levels. Although the increase of the NLW is not as dramatic as previously the cumulative impact over the last few years is striking. Businesses unable to pass on these costs by way of price increases, or improving their productivity, will face reduced profitability, which in many cases threatens financial sustainability. There is also increasing concern that young people are being priced out of employment, especially in rural communities with more limited job opportunities and areas with historically lower wages.

Although not scheduled to take effect until 2029, it was also announced that salary sacrifice for pensions will be capped at £2,000 per year. How salary sacrifice is defined is key, but the direction of travel is an increased NIC cost for employees and employers currently using a salary sacrifice approach. This is expected to raise £4.7 billion.

NO DELAY ON MAKING TAX DIGITAL

There was no delay for the introduction of Making Tax Digital for Income Tax and Self-Assessment (MTD for ITSA), although there will be a 'soft landing' on penalties. MTD for ITSA will apply to individuals with sole trade turnover and/or rental income over £50,000.

It is not currently a concern for those trading through a limited company or partnership, but qualifying sole traders and landlords will need to make quarterly submissions to HMRC from April 2026.

A WELCOME CHANGE TO £1 MILLION IHT ALLOWANCE

On a positive note, there was an important relaxation of the new Inheritance Tax (IHT) rules which will be welcomed by farmers and business owners in particular. The £1 million IHT "allowance" (or cap) announced last year for 100% agricultural and business property reliefs (APR and BPR) on transfers from 6 April 2026 is now to be transferable between spouses.

For many families, this will lessen the need to share property ownerships more equally between spouses. It will also allow property to continue being left entirely to the surviving spouse on first death, instead of the first £1 million needing to be left to children or a discretionary trust to capture the allowance.

Despite this relaxation, more equal property ownership, and the transfer of some property to children or a discretionary trust on first death may well still provide an advantage in terms of the residence nil rate band.

CONCLUSION

Overall, it is a shame the pre-budget leaking and associated speculation led to such damage to economic sentiment. It would have been encouraging to see pro-growth strategies and positive steps to reform unhelpful features of the UK tax system, such as the high effective marginal tax rates caused by the abatement of the personal allowance, or the withdrawal of child benefit or childcare funding at higher earning levels.



AUTUMN BUDGET 2025: WELCOME CHANGE TO £1M INHERITANCE TAX ALLOWANCE

The Autumn Budget fortunately avoided making further major changes to inheritance tax (IHT) or capital gains tax (CGT). However, farmers should be aware of one crucially important relaxation:

The £1m IHT “allowance” (or cap) announced last year for 100% agricultural and business property reliefs (APR and BPR) on transfers from 6 April 2026 will now be transferable between spouses and civil partners. For many farming families, this will lessen the need to share property ownerships more equally between spouses. It will also allow farm property to continue being left entirely to the surviving spouse on first death, instead of the first £1m needing to be left to children or a discretionary trust in order to capture the allowance.

Despite this relaxation, more equal property ownership and the transfer of some property to children or a discretionary trust on first death will often still provide an advantage in terms of the residence nil rate band.

If you would like to discuss succession planning or how these changes may affect your estate, please contact your usual Simpkins Edwards adviser.



AUTUMN BUDGET 2025: WHAT EMPLOYERS NEED TO KNOW

The Autumn Budget sets the tone for the next few years – and for employers, it’s a mix of planning and pressure. While the changes aren’t all immediate, they will shape pay, benefits, and compliance in ways that businesses need to start thinking about now.

TAX THRESHOLDS STAY FROZEN

Income tax and National Insurance thresholds will remain unchanged until 2031. On the surface, nothing changes, but as wages rise, more employees will slip into higher tax bands. That means take-home pay feels tighter, and employers may face growing expectations for salary increases or enhanced benefits.

MINIMUM WAGE ON THE RISE

From April 2026, the National Living Wage for those aged 21+ jumps to £12.71 per hour, with proportionally bigger increases for younger workers. For sectors like retail and hospitality, this could mean a significant uplift in payroll costs. Even if you already pay above the minimum, expect pressure to maintain pay gaps.



SALARY SACRIFICE PENSIONS

From April 2029, only the first £2,000 of salary-sacrificed pension contributions will stay free of National Insurance Contributions (NICs). Anything above that will attract both employer and employee NICs. This change could make current pension arrangements less attractive and more expensive, although these changes are a long way off yet.

CAR OWNERSHIP SCHEMES

The move to bring Employee Car Ownership schemes into Benefit-in-Kind taxation has been pushed back to 2030, giving employers breathing space to plan.

WHAT THIS MEANS FOR EMPLOYERS

These changes add up to even higher employment costs and more complexity over time, on top of the changes to NIC and National Minimum Wage (NMW) announced in 2024’s budget. The best approach is to start modelling the impact, review pay and benefits, and keep employees informed. Early planning will help you stay competitive – and compliant.

Need help making sense of these changes? Our expert team are here to guide you through the details and help you plan with confidence.

NEW COMPANIES HOUSE IDENTITY VERIFICATION REQUIREMENTS: WHAT YOU NEED TO KNOW

The UK government has been implementing significant changes to company registration and governance through the Economic Crime and Corporate Transparency Act 2023. The most recent change that went live from 18th November 2025 was the identity verification requirement for new and existing company directors and persons with significant control (PSCs), resulting in the provision of a Personal Code for these individuals.

WHAT'S CHANGED?

Companies House has introduced mandatory identity verification for all directors and PSCs as part of broader efforts to combat economic crime and improve corporate transparency. If you're a company director or PSC, you may have already received correspondence from Companies House about this new requirement.

All existing directors will need to verify their identities and report their Personal Codes through the next cycle of annual Confirmation Statements, whilst existing PSCs must verify their identities and report their Personal Codes through the PSC Verification Statement service.

For all new director or PSC appointments, including company incorporations, the Personal Code must be included as part of the filing with Companies House.

WHAT IS THE ID VERIFICATION PROCESS?

The good news is the verification process is free and designed to be straightforward. Once completed you will be issued with a Personal Code to report to Companies House. Here's what you need to know:

ONLINE VERIFICATION

All methods of verification require you to set up a personal GOV.UK One Login. The online verification methods require:

- A current UK passport or UK photo driving licence (biometric permits are also accepted)
- A smartphone
- The ability to complete facial recognition matching against your photo ID

The process involves allowing the software to match your likeness to your official photo identification, creating a secure digital verification of your identity.

ALTERNATIVE OPTIONS

If you don't have the required photographic identification, you may still be able to verify online using bank or building society details. To check if this option is available to you, visit the official guidance at: <https://www.gov.uk/guidance/verify-your-identity-for-companies-house>

For those who cannot complete the online verification, in-person verification at participating Post Offices may be possible. You must progress through the One Login process to obtain a verification letter to utilise this service. Again, refer to the official guidance to confirm this route is available for your circumstances.

WHAT HAPPENS AFTER VERIFICATION?

Once you've successfully completed the verification process, Companies House will provide you with a Personal Verification Code. This code is important for several reasons:

- It confirms your verified status with Companies House
- It may be required for future company filings and registrations
- You should keep it secure, treating it like any other personal identification code

If you work with accountants, solicitors, or other professional advisers who handle company filings on your behalf, they will need a copy of your verification code for their records. If you're a client of ours, please do share your code with your account manager. Once we've received your personal code, we can submit your Confirmation Statement with all director identifiers on.

WHEN DO YOU NEED TO REPORT YOUR PERSONAL CODE?

For directors, the personal codes are reported through the next annual Confirmation Statement. All active director codes must be included for the filing to be accepted.

For PSCs, the personal codes are reported by way of a PSC Verification Statement. The reporting deadline will be either the 14th day of your birth month, or inline with your company's Confirmation Statement. You should refer to your company overview at Companies House to confirm your deadline.

To complete the PSC verification statement you will require:

- A One Login account
- The company registration number
- Your personal code

WHY IS THIS IMPORTANT?

This new requirement is part of the government's broader strategy to:

- Reduce corporate fraud and economic crime
- Improve transparency in company ownership and control
- Strengthen the integrity of the UK's corporate register

- Align with international best practices for corporate governance

The verification process is mandatory for all relevant individuals after 18th November.

GETTING HELP

As this is a new process, some users may encounter technical difficulties or have questions about the requirements. If you experience issues:

- First, consult the official guidance at GOV.UK
- Contact Companies House directly for technical support
- Seek advice from your professional advisers if you're unsure about the requirements. Our team are happy to support on this process

KEY TAKEAWAYS

- Identity verification is mandatory for all company directors and PSCs as of 18th November 2025
- Directors report their ID verification through their company's annual Confirmation Statement.
- PSCs report their ID verification through a PSC Verification Statement.
- The process is free and primarily conducted online
- You'll receive a Personal Verification Code that should be kept secure
- This is part of important anti-fraud and transparency measures

The UK government's commitment to tackling economic crime through improved corporate transparency represents a significant step forward in business regulation. While the new verification requirements may seem like an additional administrative burden, they play a crucial role in maintaining the integrity and trustworthiness of the UK's business environment.

For the most up-to-date information and detailed guidance, always refer to the official Companies House resources and GOV.UK guidance pages, or contact our expert team for support.

A YEAR OF AWARDS

This year has been a remarkable year of recognition and achievement for our team. These milestones are not only a reflection of our commitment to excellence but also inspire us to continue setting higher standards in everything we do. Awards this year include:

- **Accounting Excellence:** Winner of Mid-Tier Employer of the Year – a fantastic national recognition
- **Devon Business Awards:** Finalists in the People & Work category
- **Devon Business Awards:** Jon Evans listed in the 30 Under 30
- **The Nottys:** Finalists for Perfect Professionals
- **Exeter College Apprentice & Employer Awards:** Katie Davie Highly Commended Apprentice of the Year

Beyond celebrating our own achievements, we've also had the privilege of sponsoring the Employer of the Year category at the West Country Women Awards, which has been truly inspiring. As sponsors, we also served as judges – a challenging but rewarding task in selecting the finalists and winner from such exceptional applicants.

We were delighted to receive an incredible 13 nominations from within our own team across various categories, with three reaching the semi-finals and Katie Davie becoming our finalist.

These awards reflect the hard work and talent within our team, and we're immensely proud of everyone who contributed to this success. A special congratulations to all our nominees, finalists and winners – your achievements showcase the exceptional culture we've built together.

As we move into 2026, we're inspired to build on this success and continue to deliver excellence for our clients and our team.



A YEAR OF VOLUNTEERING

As another incredible year of volunteering ends, we're proud to celebrate the collective impact of our team.

Each employee dedicates a day annually to giving back and, together, we've made a real difference. This year, we organised a variety of opportunities, from conservation work to supporting local charities and healthcare services. The enthusiasm and generosity of our team have strengthened the communities we serve. Thank you to everyone who helped make this a success! Here is a look at what we have been up to:

- Gardening at Rowcroft Hospice
- Tree mulching for the National Trust at Killerton, as part of their conservation project they have planted 70,000 trees to make a natural woodland
- Litter picking in Okehampton
- Sorting donations at the thrift warehouse in Marsh Barton
- Painting and litter picking at Holsworthy Football Club
- Gardening at Pilton House
- Balsam picking for the Tale Valley Trust, removing invasive species to protect local wildlife
- Supporting Frome Medical Practice

Beyond our volunteering days, the team also got active for charity. We competed in the Funder Games, raising money for Hospiscare and securing an impressive second place overall. Team members also took part in Mission Unbreakable, the Barnstaple 10K and Michelmores 5K, as well as charity quiz nights throughout the year.

If you'd like us to consider your organisation for a future volunteering day, please do get in touch.



REALLY BIG QUIZ

RAISES OVER £2,000 FOR CHARITY

Simpkins Edwards once again brought the community together for an evening of fun and fundraising as the annual Really Big Quiz returned to the Barnstaple Hotel in support of the Mayor of Barnstaple's chosen charities.



This year's event raised an impressive £2,100, which will go towards two fantastic local causes:

- **Man Down**, a nonprofit offering peer-led talking groups for men facing mental health challenges.
- **Barum Boxing Club**, which provides a safe, inspiring space for all ages and works closely with the Youth Justice system, local schools, and the police.

Now in its fifteenth year, the quiz is a much-loved fixture in the local calendar, attracting 20 teams for a night of brain-teasing questions, friendly rivalry, and plenty of laughs.



Scumbag University took the top spot for the second year running, with 50 Percent in second place and Polly Peachums Ensemble coming third.

The evening was hosted by Simpkins Edwards Partner James Welton, who heads up the Barnstaple office.

"A huge thank you to all our quiz teams for taking part and donating so generously to the raffle. A special mention to Kit Heath Jewellery for their beautiful necklace donation. Kit sadly passed away in September, and we are particularly appreciative of their support. We're also grateful to everyone at Simpkins Edwards for their hard work in organising the event and to the fantastic team who supported on the night to make it such a success."

If you missed out this time, don't worry - Really Big Quiz will be back next year! **The date is already booked - we'll see you on Wednesday 18th November 2026.**

NEWSLETTERS

Current and back issues of Addition, Agricultural Addition and Healthcare Addition, can be found on our website.

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