



Welcome to our latest monthly newswire. We hope you enjoy reading this newsletter and find it useful. Please contact us if you wish to discuss any issues further.

July 2026

Companies House to bring in changes to accounts filing from April 2028

Reforms to affect micro entity and small company accounts

Companies House will introduce changes to accounts filing due to governmental reforms under the Economic Crime and Corporate Transparency Act 2023 (ECCT Act 2023).

The changes will now come into effect from April 2028, rather than April 2027, to give companies more time to prepare.

The reforms include requiring small companies and micro entities to file profit and loss accounts with Companies House as other companies do. They will have the option to opt out of publishing this information on the public register.

As with Making Tax Digital, companies will be required to file annual accounts via commercial software.

The new rules will introduce additional limitations, including removing the option for companies to file abridged accounts and reducing the number of times a company can shorten its accounting reference period. There will also be a strengthened eligibility statement for all companies claiming an audit exemption and a requirement that the component parts of the accounts and reports be filed together.

Companies House will contact all companies via their registered email address to tell them about these changes and signpost available guidance.

Although transparency and data clarity were prime factors in the planned changes, allowing small companies and micro-entities to opt out of publishing their filed profit and loss accounts protects their privacy and mitigates commercial risks.

Software-only accounts filing

From April 2028, Companies House will require all UK-registered companies to file their accounts in Inline eXtensible Business Reporting Language (iXBRL) format by using commercial software. This applies to companies that file their own accounts and those using third-party agents or accountants to file their annual accounts. Web and paper-based filing systems will be closed for account filings.

If you need help in meeting the new requirements, please call us. We would be happy to help you!

Mandatory payrolling now to be phased in

Many benefits will not be mandated until April 2028

Mandatory payrolling for Benefits In Kind was originally expected to start in April 2027, but following industry pressure, it will now be introduced in two phases.

Phase 1 will continue to be rolled out from 6 April 2027, with Phase 2 starting a year later on 6 April 2028. The move to mandatory payrolling will replace the current P11D process for most benefits and move it to real-time processing through a company's payroll system.

Employers providing employee benefits must provide taxable values through payroll in real-time and apply Income Tax and Class 1A NICs through payroll rather than submitting yearly P11D forms.

Phase 1 of mandatory payrolling from April 2027 will include: company cars, car fuel, vans, van fuel and employer-provided medical benefits.

Phase 2 from April 2028 will include most other Benefits In Kind except beneficial loans and living accommodation. These will continue to be voluntary.

Further guidance is expected by July 2026.

Please do give us a call if you need any help with the mandatory payrolling changes.

Pressure selling tactics ruled to be illegal

Emma Sleep taken to court for failing to address CMA concerns

A High Court order has confirmed that Emma Sleep, a mattress seller, behaved illegally and broke consumer law by using misleading countdown timers, false 'high demand' messages and 'discount claims'.

Concerns were raised about Emma Sleep in 2022 over behaviour that misled shoppers and pressured them into making rushed purchases. This included the use of discounts, countdown clocks and other claims that urgency was required.

Following the Competition and Markets Authority's (CMA) investigation, Emma Sleep was taken to court in 2024 for failing to take action to address the CMA's concerns.

The company has now given binding undertakings to stop its illegal practices and ensure that future claims on its website are clear, accurate and do not create a false impression that people need to act quickly. Emma Sleep will also not be able to use 'limited time' sales or discounts where, after the deadline passes, a similar deal continues.

Hayley Fletcher, Senior Director of Consumer Protection at the CMA, said, "Businesses should be clear on what the law says: using fake countdown clocks on misleading 'discounts' to push people into spending is illegal."

The case against Emma Sleep commenced prior to the CMA receiving new powers in April 2025 that allow it to decide independently whether the law has been broken, without having to go through courts. It can now fine companies up to 10% of their global turnover and secure refunds for affected customers.

The CMA is determined to use its powers and has launched investigations into 14 businesses to date. Its investigation of the AA resulted in £4.2 million in fines and £760,000 in customer refunds.

Emma Sleep faces a further trial starting in early June in relation to reference pricing. The CMA has indicated that it is keen to stamp out illegal practices that take advantage of consumers. Hayley Fletcher said, "Our message to businesses is simple - get your house in order or deal with the consequences."

How an employer can use non-disclosure agreements

Guidelines from ACAS on NDAs

Employers may worry about the use of Non-Disclosure Agreements (NDA) following a series of press stories that have highlighted the abuse of the system.

The agreement does have a place for businesses, according to the Advisory, Conciliation and Arbitration Service (ACAS). Companies can ask employees to sign an NDA as a condition of employment to protect legitimate business interests.

The agreement becomes legally void if the company attempts to cover up workplace harassment, discrimination or certain criminal activities.

When NDAs are used

NDAs are generally used when someone starts a new job, to protect a company's confidential information or when their job is coming to an end, perhaps after a dispute, to keep the details confidential.

A non-disclosure agreement is legally binding and enforceable. Should one party not keep to the agreement's terms, the other party can take them to court for breach of contract.

Compensation could be awarded.

Settlement agreements usually fall under the definition of an NDA and may be applied after resolving a dispute at work, even if the employee remains in their job. In these cases, the agreed financial settlements, the terms or the circumstances leading to the settlement remain confidential.

When NDAs fail

Many NDAs are neither legally binding nor enforceable. For example, a whistleblower, someone who reports wrongdoing at work that affects others, including the public, is exempt. It is known as 'making a disclosure in the public interest'.

Similarly, reporting a crime to the police or sharing information of a crime along with discussing their pay with anyone at work for reasons relating to equal pay, will not fall under an NDA agreement.

The ACAS guidelines can be found at www.acas.org.uk/non-disclosure-agreements

Why every business needs a business plan

See how a business plan can help your business grow

You have the idea, the energy, and maybe even your first customers. So why slow down to write a business plan? It can seem like something banks ask for, but not something that really helps you run your business.

However, for small and growing businesses, a well-crafted plan is not red tape. It is one of the most practical tools you can have to grow your business.

A plan forces clarity

Day-to-day, running a business makes for a busy work life, and this can stop you from properly considering some vital questions. For instance, where exactly is your revenue coming from in 12 months? What happens if your biggest customer leaves? How much working capital do you need?

Writing a business plan forces you to answer these questions. The process of articulating your market, your competitors, your pricing and your costs often reveals assumptions you had not realised you were making. That clarity is very valuable and can make a significant difference to your day-to-day decision-making.

It aligns your team

As businesses grow, it becomes more difficult for everyone in the business to work towards the same goals.

A business plan gives everyone a shared reference point: the direction the business is going, what the goals are and the reasoning on key decisions.

A concise, well-structured plan covering your value proposition, target market, financial projections and key milestones can help your team to keep working towards common goals as the business expands.

It's essential for funding

Whether you're approaching a bank for a business loan, pitching to investors, or applying for a grant, a business plan is almost always required.

A strong plan lets lenders and investors know that you understand your business deeply. It allows you to show not just the opportunity, but also how you will manage the risks.

A clear, realistic, well-evidenced plan helps you to stand out. It also protects you. The discipline of putting forecasts and projections together often reveals whether funding is the right choice for your business.

It becomes your measuring stick

A business plan can be a living document that you return to regularly.

You can compare where you said you would be against where you are. For instance:

- Are sales higher than you forecast? If so, you can find out why and do more of it.
- Is it taking longer than expected to find customers? You have an early warning sign that you can act on.

Comparing your plan to reality allows it to become a management tool to help you make better decisions.

Start simple

When urgent tasks demand your attention each day, taking time to write a business plan may seem too much. However, for businesses that are serious about growing, the thinking needed to put together a business plan is never wasted. Start with a single page covering your business model, your target customers, your competitive advantage and your key financial assumptions. Build from there.

If you would like help to craft a business plan to enable your business to grow, why not ask us about our business plan workshop and practical tools?

Upcoming deadlines for SME reporting to HMRC

Dates for your diary

PAYE Settlement Agreement

The deadline for applying for a PAYE Settlement Agreement (PSA) or making any amendments to an existing PSA is 5 July following the first tax year to which it applies. PSAs are an agreement between an employer and HMRC.

For example, for the tax year 2025-26, you will have until 5 July to apply for your PSA.

Expenses and benefits

P11D and P11D(b) filing and payment deadlines for those employers who do not payroll expenses and benefits is close. The deadline for reporting P11D(b) Class 1A National Insurance Contributions (NICs), P11D expenses and Benefits In Kind (BIK) provided in the 2025-26 tax year, is 6 July 2026.

Payment must reach HMRC by 19 July 2026 if paying by cheque, or 22 July 2026 if paying electronically.

Reminder: file monthly CIS returns or face late-filing penalties

From April 2026, CIS contractors are legally obliged to file a CIS return every month, including nil returns in months where they have not used a subcontractor.

Voluntary NICs abroad

In the 2025 Budget, the government announced changes to voluntary NICs abroad. From 6 April 2026, for tax years 2026-27 onwards, the option to pay voluntary Class 2 NICs for periods abroad has been removed.

New applications to pay voluntary Class 3 NICs for periods abroad will only be accepted where the individual has either 10 years' continuous UK residency or has paid at least 10 years of NICs.

Please do get in touch if you need any help with tax or payroll issues.