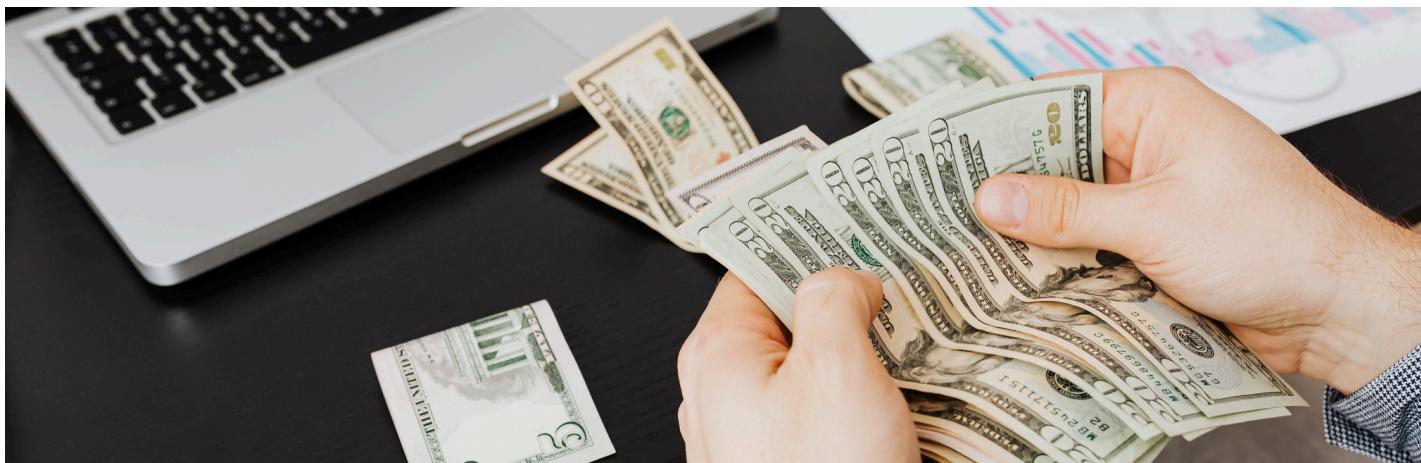


November 2025



HOW SHOULD YOU PREPARE FOR MTD FOR INCOME TAX?

Designed to modernise and streamline tax reporting, Making Tax Digital (MTD) for Income Tax marks a major change in how sole traders, the self-employed and landlords manage their tax affairs.

From April 2026, those with qualifying income over £50,000, will be required to:

- Keep digital records
- Use MTD-compatible software
- Submit updates every quarter to HMRC

Preparation is key to a smooth transition. Below are key steps to help you prepare:

Welcome to our November newsletter, in a period where we are eagerly awaiting the outcome of the Budget towards the end of the month.

With rumours abound regarding the content of the Budget, especially when it comes to taxes, we are keeping a close eye on developments, and will be on hand to support all of our clients with the outcomes.

Understand if and when you're affected: Confirm whether you meet the income threshold and when you might, familiarise yourself with the requirements and start to plan accordingly.

Choose compatible software: You will need to use HMRC-approved digital accounting software to submit quarterly updates.

Digitise your record-keeping: Start maintaining digital records of all income and expenses, including receipts and invoices. We would also advise maintaining a separate business bank account to help ensure that all income and expenses related to your business are clearly distinguished from personal finances.

Maintain records more regularly:

Maintain your financial records on a more regular/routine basis - ideally monthly or quarterly. This approach supports timely decision-making, improves cash flow visibility, and supports meeting your obligations for MTD.

Send digital records direct: Consider forwarding digital records directly to your adviser monthly (if they are doing so on your behalf) and this will allow them to maintain accurate and up-to-date records on your behalf, ensuring smoother financial management and MTD compliance.

Seek professional advice: Consult with your trusted business adviser to set up your software and processes to ensure compliance.

Train yourself and your team:

Familiarise yourself with the new digital tools and reporting deadlines.

We're here to help

We strongly recommend preparing early for Making Tax Digital for Income Tax to ensure your systems and processes are ready well in advance of the compliance deadline.

Early action will give you the time and flexibility to make any necessary ^{now} adjustments and avoid last-minute pressure.

If you'd like to discuss how best to prepare and ensure a smooth transition, get in touch with our team via the form below today.

AUTUMN BUDGET 2025: POTENTIAL VAT CHANGES UPCOMING?

As part of their manifesto in the build up to last year's General Election, the Government promised that they would not increase taxes on working people, meaning they will not increase National Insurance, Income Tax, or VAT rates. Despite this, there are still rumours circulating about possible changes to Capital Gains Tax, Inheritance Tax, National Insurance and VAT.

The main VAT related announcement in last year's Budget was the confirmation that it would be introduced on private school fees from January 2025, and there are more VAT related announcements predicted for November's address. These include:

- VAT registration threshold: possible reduction or freeze
- VAT rates: possible changes to scope of exemption/zero-rating
- Gambling businesses: increase to gaming duty and/or removal of VAT exemption
- Private hire vehicles: possible changes to VAT treatment

VAT AND AESTHETIC/COSMETIC TREATMENTS - SIGNIFICANT RECENT DEVELOPMENT

Tax changes – especially around VAT and stamp duties, can have big implications.

Whether you're managing compliance, exploring reclaim opportunities, or navigating a property transaction, we're here to provide clear, practical advice.

The VAT liability of cosmetic/aesthetic treatments such as Botox has long been an issue, and there have been a number of Tribunal cases in recent times considering this point. In particular, it has been clear that HMRC have taken a firm line in this area, focusing heavily on the sector and investigating a large number of providers.

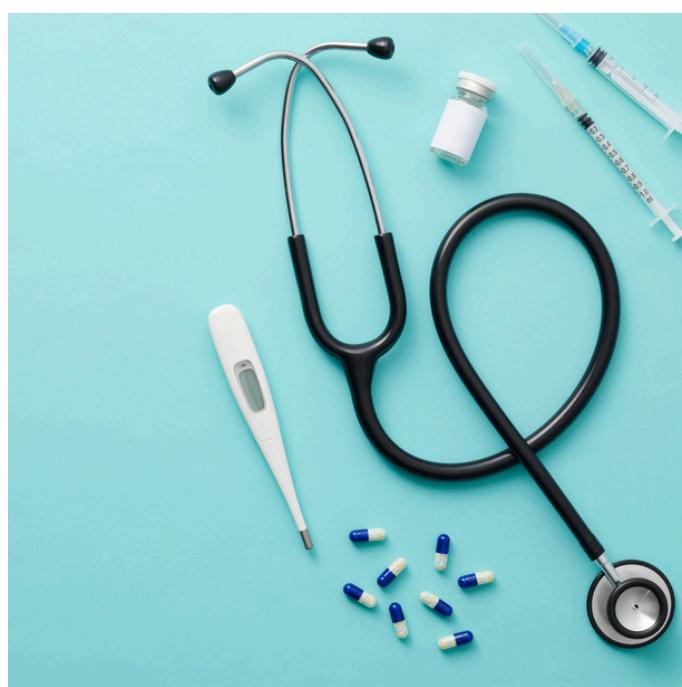
Most recently, we have had a decision from the Upper Tribunal on a taxpayer appeal in this space (Illuminate Skin Clinics), where the Tribunal has attempted to give clearer guidance on the approach to be adopted when determining whether treatment constitutes medical care and is exempt from VAT, or whether it is a cosmetic/aesthetic treatment liable to VAT at 20%.

In particular, it has been made clear that, in order for a supply to be exempt from VAT, it must be made by

a registered person and must have a therapeutic purpose.

The assessment of a suitably qualified medical practitioner is significant in identifying that purpose, and whilst an elaborate recording of the diagnosis is not needed, identification of the condition being treated is important. Where a supply has both a therapeutic purpose and a cosmetic purpose, it is necessary to identify the principal purpose, and a range of factors are to be taken into account in doing this.

Overall, the decision contains guidance on the key legal principles to apply, but the outcome will depend on the facts of each case. If you operate in this sector, then the risk of HMRC challenge remains high, and we would be happy to support you on analysing your position.



Firm and Team News

As we approach the end of another busy year, we're excited to share some important updates from VPC Accountants.

The team has begun saying its farewells to our Borehamwood office as construction work officially begins at our new Harrow premises, a fresh chapter we can't wait to welcome clients and colleagues into in the new year.

Alongside our successful ACA graduate training programme, we're proud to introduce a new school leavers apprenticeship route, offering opportunities for young talent to begin their careers in accountancy with us. We're also delighted to announce the recruitment of our first Junior Associate, who will be joining our growing team this November.

As we move into the year-end period and the busy personal tax season, we'd like to extend our sincere thanks to all our clients for their continued trust, patience, and support throughout the year, and for the many thoughtful gifts that always brighten our office during this time.



STAFF SPOTLIGHT

LUSIANA BANGARO

I grew up in Italy, surrounded by good food, family, and sunshine.

But it was after moving to the UK that my curiosity for business and accounting really started to grow. I became fascinated by what makes a company successful — how decisions are made, how strategy connects with finance, and how the right advice can truly shape performance. That interest soon became a passion and set me on the path I'm on today.

In 2023, whilst studying for my Accounting and Finance degree at university, I joined VPC Accountants. Balancing work and study was challenging but incredibly rewarding. It allowed me to apply what I was learning in real time and see the real impact of financial insight on business success. It's also where I discovered how much I enjoy problem-solving — especially when it involves untangling a messy trial balance!

I graduated in June 2025 and now work as an Associate at VPC. Every day brings new challenges and opportunities to learn, and I love being part of a team that values curiosity, collaboration, and growth. Helping clients understand their numbers and supporting their success is

what motivates me most. I continue to build my own portfolio of clients across a whole range of industries and am excited to continue my journey.

Outside of work, I enjoy going to Pilates with my mum and hitting the gym. Cooking is another passion of mine, and my signature dish has to be seafood risotto. I also make it a mission to use my annual leave to explore as many new places as possible; travel is my biggest inspiration.

At the end of a busy day, there's nothing better than coming home to my cat — the perfect reminder that life's all about balance between work, ambition, and the small moments that make it all worthwhile.

