RB Insights

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RB ACCOUNTANCY SERVICES
Supporting Your Business

Rebecca Beaton Accountancy Services Ltd
Waters Edge Business Centre
Maltkiln Rd, Barton upon Humber
North Lincolnshire DN18 5JR
01652 231 931 • 01482 291 691
hello@rbaccountancyservices.co.uk
www. rbaccountancyservices.co.uk



Whether you're a business owner aiming to maximise your potential or someone needing help with personal tax returns, our team at RB Accountancy Services is here to support you.

We use the latest cloud accounting software and draw on years of experience to make sure you're compliant and have up-to-date information, helping you to make the best decisions for your business or personal finances.

You'll find us at the Waters Edge Business Centre in Barton upon Humber, where we're easy to reach for all your accountancy needs. Plus, we offer convenient parking facilities. Our dedicated team provides personalised service, whether you prefer in-person consultations or virtual meetings.

We look forward to supporting your financial journey!

WELCOME TO OUR NEWSLETTER!

As summer draws to a close, we're pleased to bring you the latest edition of RB Insights, keeping you informed of the latest tax developments and practical updates that could affect you and your business.

This edition focuses on two significant changes that many businesses and self-employed individuals need to start preparing for. Firstly, we explain the upcoming changes to the reporting of Benefits in Kind, with mandatory payrolling being introduced from April 2027 for many employers. We also look ahead to the next phase of Making Tax Digital for Income Tax, which will bring many more sole traders and landlords into the regime from April 2027.

Although January may still seem some way off, our team is now well underway preparing 2025/26 Self Assessment Tax Returns. If you haven't yet sent us your information, we'd encourage you to do so as soon as possible. Providing your records early allows us to complete your tax return well ahead of the 31 January 2027 HMRC filing and payment deadline, giving you early certainty of your tax liability and more time to plan ahead.



You'll also find information about our tailored accountancy packages for sole traders, meet our Client Manager Lisa, and catch up on the key dates and allowances you need to know over the coming months.

As always, thank you for your continued support. If you have any questions about the topics covered in this newsletter, please don't hesitate to get in touch. Our team is always happy to help.

Rebecca

INCOME TAX ALLOWANCES 2026/27

Personal Allowance £12,570
Income Limit for Personal Allowance £100,000
Dividend Allowance £500
Marriage Allowance Transfer (if applicable) £1,260

aat AAT Licensed Accountant
Rebecca Beaton is licensed and regulated by AAT Under licence number 1001707

xero GOLD CHAMPION PARTNER CERTIFIED ADVISOR

SPOTLIGHT ON... *Services*



Focus on Your Business. We'll Handle the Numbers.

Whether you're a tradesperson, dog groomer, dog walker, hairdresser, beauty therapist or another sole trader, running your business means juggling multiple responsibilities. Keeping on top of your bookkeeping and tax obligations can often take valuable time away from your customers.

At RB Accountancy Services, we've developed **tailored accountancy packages** specifically for sole traders. Whether you're just starting out or have been in business for years, we'll help keep your finances organised and your business compliant.

Our packages can include:
- Bookkeeping and record keeping
- Self Assessment Tax Returns
- Making Tax Digital (MTD) support
- Cloud accounting software
- VAT registration and returns (where applicable)
- Business advice and ongoing support

Even if Making Tax Digital doesn't apply to you yet, moving to digital bookkeeping can save time, reduce paperwork and provide a clearer picture of how your business is performing throughout the year.

We understand that no two businesses are the same, which is why we offer flexible packages designed around your individual needs.

If you'd like to spend less time on paperwork and more time growing your business, we'd love to help.

Key Dates

6 July – 5 October 2026 – MTD ITSA Second Quarterly Update (submission deadline 7 November 2026)
6 October – 5 January 2027 – MTD ITSA Third Quarterly Update (submission deadline 7 February 2027)
31 January 2027 – HMRC Online Self Assessment filing and payment (2025/26 Tax Returns)
6 January – 5 April 2027 – MTD ITSA Fourth Quarterly Update (submission deadline 7 May 2027)
6 April 2027 – MTD ITSA becomes mandatory for income over £30,000
5 April 2027 - End of the 2026/27 Tax Year

P11Ds Are Changing

What Mandatory Payrolling of Benefits in Kind Means from April 2027

For many employers, completing P11Ds at the end of each tax year has long been part of the annual payroll routine. However, from 6 April 2027, HMRC is changing the way many Benefits in Kind are reported and taxed, with the introduction of mandatory payrolling for certain benefits.

The changes form part of HMRC's wider ambition to modernise the tax system, moving away from year-end reporting towards real-time reporting through payroll.

What's Changing?

Currently, employers report most taxable Benefits in Kind to HMRC after the end of the tax year using forms P11D and P11D(b). The employee's tax is then usually collected by adjusting their PAYE tax code.

From 6 April 2027, certain benefits will instead need to be reported through payroll, allowing Income Tax to be collected in real time rather than after the tax year has ended.

This means that, over time, the traditional annual P11D process will reduce significantly.

Which Benefits Are Included?

The first phase of the changes will apply to:

- Company cars
- Car fuel
- Vans
- Van fuel
- Employer-provided medical benefits

Most remaining Benefits in Kind are expected to move to mandatory payrolling from April 2028, although employer-provided loans and accommodation will remain outside the initial rollout while HMRC continues to develop the reporting process.

What About 2026/27 P11Ds?

There is an important crossover to be aware of. Although mandatory payrolling starts from 6 April 2027, employers will still need to complete their usual P11D and P11D(b) reporting for the 2026/27 tax year, covering reportable benefits provided up to 5 April 2027.

This means employers will need to complete their 2026/27 year-end P11D reporting as usual, while also being ready to operate the new payroll reporting requirements from the start of the 2027/28 tax year.

What Does This Mean for Employers?

For many businesses, the biggest change will be ensuring payroll systems can report taxable benefits correctly throughout the year, rather than once the tax year has ended.

Although this should reduce year-end administration in the long term, employers may need to:

- Review their payroll software
- Ensure benefits are recorded accurately throughout the year
- Update payroll processes and procedures
- Communicate the changes to employees

Preparing early will help make the transition much smoother.

What Does It Mean for Employees?

The way tax is collected will change, but the amount of tax due should not.

Instead of waiting for HMRC to adjust a tax code, employees will generally pay the tax due on relevant benefits through their payroll, making deductions more timely and reducing the need for later adjustments.

Frequently Asked Questions

Will P11Ds disappear completely?

Not immediately. From April 2027, mandatory payrolling applies only to certain Benefits in Kind. Some benefits will continue to follow the existing reporting process until later phases are introduced.

Do employers need new payroll software?

Many payroll providers are already developing software to support the new reporting requirements. It's worth checking with your software provider well in advance.

Should I be preparing now?

Yes. Although implementation is still several months away, reviewing your payroll processes now will help avoid unnecessary disruption closer to April 2027.

What Should You Do Next?

If your business provides Benefits in Kind to employees, now is the ideal time to start preparing.

Our team will continue to monitor HMRC's guidance and support clients through the transition. If you'd like to understand how these changes will affect your business or discuss whether your payroll processes are ready, we'd be delighted to help.

Meet the Team

Meet Lisa - Client Manager

Lisa joined RB Accountancy Services in October 2025, bringing with her more than 30 years of experience in accountancy practice.

She began her career in 1995 as a trainee accountant while studying towards her AAT qualification, which she successfully completed in 1999. After qualifying, Lisa spent two years living and working in London with her husband before returning to Grimsby, where she has continued to build an impressive career supporting a wide variety of businesses and individuals.

Lisa specialises in preparing accounts and tax returns for sole traders and small to medium-sized limited companies, delivering accuracy, efficiency and reassurance. She also has extensive experience in bookkeeping, VAT and management accounts, helping clients stay compliant while providing valuable insight into their business finances.

Clients appreciate Lisa's approachable nature, attention to detail and practical advice, making her a trusted member of our team.

Outside of work, Lisa's world revolves around family and friends. When she isn't taxiing her daughter to Cadets and various activities, she enjoys meeting friends for a bottomless brunch, catching up over a coffee or enjoying a leisurely walk. She also looks forward to the family's annual summer holiday.

We're delighted to have Lisa as part of the RB Accountancy Services team.



MAKING TAX DIGITAL FOR INCOME TAX

April 2027 Is Closer Than You Think – Could You Be Affected?

Making Tax Digital for Income Tax (MTD IT) is one of the biggest changes to the Self Assessment system in decades. While the first phase began in April 2026, the next stage starts on **6 April 2027,** bringing many more sole traders and landlords into the regime.

If your **combined gross income** from self-employment and property is **more than £30,000** for the **2025/26 tax year**, you'll be required to comply with MTD from April 2027. HMRC will determine whether you're affected using the information reported on your 2025/26 Self Assessment tax return.

Although April 2027 may seem some way off, preparing now will make the transition much smoother.



What Is Making Tax Digital?

Making Tax Digital is HMRC's programme to modernise the UK tax system by moving away from annual paper-based processes towards digital record keeping and more regular reporting.

If you're affected, you'll need to:

- Keep digital records of your business income and expenses.
- Use HMRC-compatible software.
- Submit quarterly updates to HMRC.
- Complete a Final Declaration at the end of the tax year.

The aim is to improve record keeping, reduce errors and give taxpayers a clearer picture of their tax position.

Who Will Need to Comply?

From **6 April 2027**, MTD will apply if your **combined gross income** from self-employment and property **exceeds £30,000**.

For example:

- Self-employed electrician with annual turnover of £45,000 – MTD applies.
- Beauty therapist with annual turnover of £34,000 – MTD applies.
- Dog groomer with business income of £22,000 – Not yet, unless other qualifying income takes you over the threshold.
- Landlord receiving £18,000 rental income plus £16,000 self-employed turnover – combined income of £34,000, so MTD applies.

Importantly, the threshold is based on **gross income, not profit**. This means your income **before expenses**, combining qualifying self-employment and property income..

Will I Still Complete a Tax Return?

You'll still need to finalise your tax position at the end of the year.

Under MTD, you'll submit:

- Four quarterly updates during the year.
- A Final Declaration after the tax year ends.

The quarterly updates are designed to keep HMRC informed throughout the year, while the Final Declaration replaces the current end-of-year Self Assessment process.

Will I Pay Tax Quarterly?

No.

Although you'll submit information quarterly, **your Income Tax payment dates remain unchanged.**

For most taxpayers, payments will still be due on:

- **31 January**
- **31 July** where Payments on Account apply

Quarterly submissions are reporting updates – they don't mean you'll pay Income Tax four times a year.

How Can You Prepare?

We recommend:

- Checking whether your income exceeds the £30,000 threshold.
- Keeping your bookkeeping up to date.
- Moving to HMRC-compatible software if you haven't already.
- Getting into the habit of maintaining digital records throughout the year rather than leaving everything until January.

Small steps now can save considerable time and stress later..

What Should You Do Next?

If you think Making Tax Digital may apply to you from April 2027, now is a good time to start planning.

Our team is already supporting clients with the transition to MTD, helping them understand the rules, choose suitable software and prepare well ahead of the deadline.

If you're unsure whether you'll be affected, or would like to discuss what the changes mean for you, **please get in touch**. We're here to help make the move to Making Tax Digital as straightforward as possible.

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