BUDGET BRIEFING 2025

What the changes might mean for your business funding

Commercial Finance

The budget introduced major tax and wage policies which will directly affect how you finance your business over the next few years. The team at Able have broken down some of the implications for business investment so you can make informed decisions about working capital, asset finance and longer-term finance.

HEADLINE POLICIES

- Full expensing now lets you deduct the entire cost of most qualifying assets from your taxable profit in the year you buy them and from 2026, a new 40 percent first year allowance also applies for certain assets.
- The main Corporation Tax rate stays fixed at 25 percent. This gives stability for planning and gives more tax relief in the early years of a new investment.
- Increases in the national minimum wage will significantly increase labour costs for companies with a larger workforce.
- Business rates are set to rise for many larger industrial and logistics sites.
- An expansion of the Growth Guarantee Scheme will help some firms access finance where security or trading history is limited.
- Dividend tax rises increase the cost of extracting profit for directors. Some owners may choose to take drawings before April, which may create funding gaps afterwards.
- Entrepreneurs' Relief on CGT remains in place at 14% but rises to 18 % on 6 April 2026. Any director planning a sale or acquisition may want to complete deals before that date to reduce the tax bill.

WHAT THESE MEAN FOR YOUR BUSINESS

- Investment in plant and equipment becomes more attractive when done through structured asset finance rather than using day to day cash.
- Higher wages reduce spare cash. Working capital facilities, including invoice finance and revolving lines, will help manage longer payment terms and rising overheads.
- Businesses planning upgrades or expansion gain stronger tax reasons to bring forward investment, especially ahead of the 2026 changes.
- Firms looking at increased operational and staff costs should build financial headroom early and avoid short term reactive borrowing.
- If you have acquisition or sale plans you have limited time to complete deals before the CGT rise so early planning, clear valuations and prepared funding is critical.

PRACTICAL ACTIONS TO TAKE NOW

- Review how wage and tax changes will affect your cash flow over the next two years.
- Map out any planned capex and match funding to project timings.
- Business with less security or trading history should check their eligibility for the GGS or other British Business Bank options
- Arrange a call with the team at Able Commercial finance to understand the full range of asset, stock and invoice financing options that are available to help you support your business.

Want to find out more?

Able Commercial Finance works with a wide panel of trusted lenders to find the right solution for your business, not the one that simply suits the lender.

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