

CLIENT PREVIEW

We're pleased to spotlight commercial diving company, JACE Diving Services



WHO IS...

Get to know Claire Baskill, our Management Accountant & Payroll Lead

SUM'IT.

MARCH 2026



SPRING STATEMENT 2026

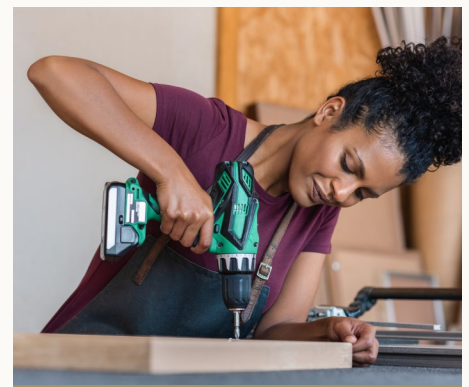
[Read more on page 2](#)



SS: WHAT IT MEANS FOR 2026

Beyond the headlines, the Spring Statement gives a clearer indication of the environment businesses and individuals are likely to face over the coming year.

[Read more on page 3](#)



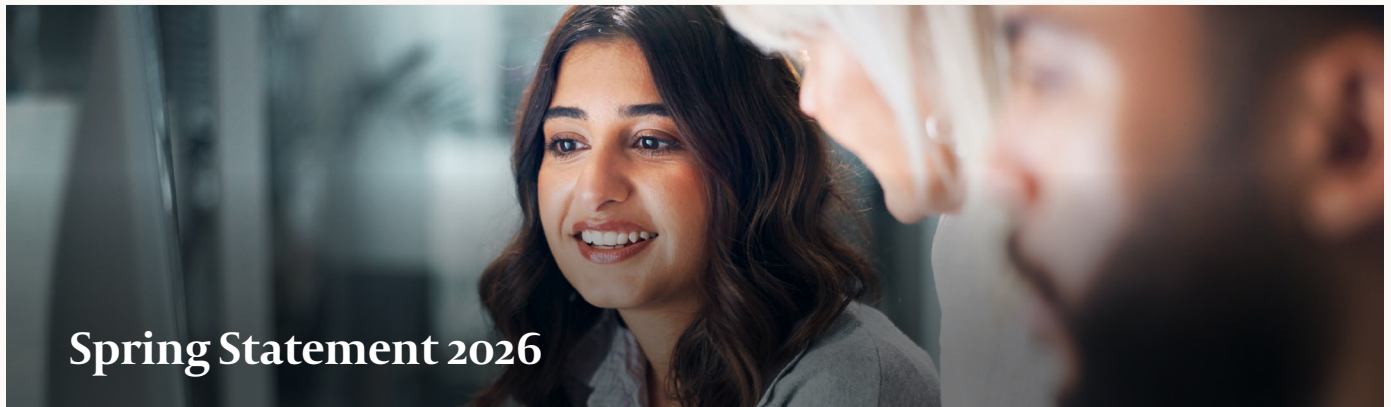
BEYOND THE DEADLINE

Recent forecasts, including those highlighted in the Spring Statement, suggest the overall tax burden is set to rise gradually over the coming years.

[Read more on page 4](#)



K2
Accountancy
Group



Spring Statement 2026

The Chancellor's Spring Statement 2026, supported by updated forecasts from the Office for Budget Responsibility (OBR), provides a clearer picture of the UK's economic outlook. As expected, the Statement did not introduce major tax changes, instead reinforcing the government's current economic direction and focus on stability, reducing borrowing, and supporting long-term growth.

Economic Outlook

The latest forecasts point to a gradual and measured recovery:

- Economic growth is expected to be around 1.1% in 2026, rising to approximately 1.6% in 2027 and 2028
- Inflation is forecast to fall to around 2.3%, moving closer to the Bank of England's 2% target
- Unemployment is expected to rise slightly to around 5.3% before easing to just over 4%
- Living standards, measured by GDP per person, are expected to improve gradually

While conditions are stabilising, growth remains modest and the overall outlook cautious.

Public Finances

The government's fiscal position shows signs of improvement:

- Borrowing is expected to be around £132.7 billion this year, lower than previously forecast
- Borrowing is projected to fall over the coming years
- The current budget is expected to move into surplus by 2028–29
- Public debt is forecast to begin falling towards the end of the forecast period

This reflects a continued focus on balancing spending with sustainable revenue.

Tax & Fiscal Direction

Although no new tax measures were announced, the broader direction remains clear:

- The overall tax burden is expected to rise from around 36% of GDP to approximately 38% by 2030–31
- This would represent the highest level on record
- In part, this increase reflects fiscal drag, where frozen thresholds mean more income is taxed over time

As a result, effective tax planning remains as important as ever.

What this means for businesses

For businesses, the Statement highlights a more stable but still challenging environment:

- Falling inflation may help ease cost pressures
- Growth is expected to remain steady rather than strong
- A rising tax burden reinforces the need for careful planning
- Economic conditions may continue to influence interest rates, investment decisions, and government policy

Now is a good time to review your financial position and prepare for the new tax year.

Summary

The Spring Statement 2026 does not introduce significant policy changes, but it confirms the direction of travel for the UK economy.

With modest growth, easing inflation, and a gradually improving fiscal position, businesses and individuals should remain proactive and plan ahead as the landscape continues to evolve.

Client Profile

A DEEP DIVE INTO JACE DIVING SERVICES

For most people, work happens above ground. For Andy Jarvis, it begins the moment the mask goes on.

JACE Diving is a business with a personal story at its core. Its name comes from Andy's father's business, carrying forward a sense of legacy, influence and pride.

Andy's career is anything but ordinary. Alongside a background in commercial sales within the transport industry, he has built a strong reputation in the diving world. A BSAC National Instructor, BSAC First Class Diver and PADI Staff Instructor, Andy has trained divers at every level, from complete beginners to instructors. He also continues to work with Stoney Cove, where he has supported MOD training programmes since 2006.

His journey into diving started with a single dive in the Maldives in 2001. What began as one experience soon developed into a career spanning both SCUBA instruction and commercial diving, where conditions are tougher and the margin for error is far smaller.

One of Andy's favourite dive locations is Chuuk Lagoon in Micronesia, known for its remarkable history and unique diving conditions. Closer to home, he is quick to point out that UK diving is very different from the tropical image many people picture. The colder waters, limited visibility and more demanding environments mean divers must rely on their training at all times, building genuine confidence, resilience and experience.

Andy has also worked at the Midland Hyperbaric Chamber, an NHS funded facility treating decompression illness. It is a 24/7, high pressure environment that demands calm decision making and precision.

Diving has shaped Andy's life in more ways than one. It is also where he met his partner, having originally been her lead instructor, adding a personal chapter to a career built around the industry.

Today, JACE Diving continues to build on strong foundations, combining technical expertise with a clear commitment to safety, training and high standards.



To be featured in one of our forthcoming newsletters, please email julie.proctor@ktoo.co.uk



What the Spring Statement signals for 2026

Beyond the headlines, the Spring Statement gives a clearer indication of the environment businesses and individuals are likely to face over the coming year.

The latest forecasts point to a more stable economic backdrop, with inflation easing and growth gradually improving. This should help reduce some of the pressure experienced in recent years, particularly around rising costs.

However, the outlook remains measured rather than strong. Growth is expected to be steady, and some economic uncertainty is likely to remain.

For businesses, this signals a shift towards careful planning and efficiency. Rather than rapid expansion, the focus is likely to be on maintaining stability and managing costs.

For individuals, a more stable economy may bring some reassurance, but it remains important to stay aware of how wider economic trends could affect income, costs, and longer-term financial plans.

In practical terms, this is a good time to:

- Review financial performance and cash flow
- Plan ahead for the new financial year
- Consider how economic conditions may influence decisions



Other hidden talents, cannot be said publicly

Staff Spotlight

Who is... CLAIRE BASKILL

What's your role at K2 and what does a typical day look like for you?

I am a Management Accountant and Payroll Lead. A typical day will start with checking emails and writing a list of what I hope to achieve in the day (I love a list!)

How long have you been with the company?

7 years

What do you enjoy most about working at K2?

The people and forming relationships with colleagues and clients alike. I also like the problem solving that comes with my role.

What do you like to do when you're not working?

Spending time with my husband and two teenage sons.. and of course, our dog, Jasper.

Favourite Film?

I love Disney films, but when I need a pick-me up, it would have to be Mamma Mia.

Do you have any hidden talents or interests?

After spending New Year's Eve in Vienna, I decided I wanted to learn piano in 2026, so far I have taught myself, Fly Me to the Moon and Happy Birthday! Other hidden talents, I cannot publicly say!

Beyond the deadline: planning for a changing tax landscape

Recent forecasts, including those highlighted in the Spring Statement, suggest the overall tax burden is set to rise gradually over the coming years. In many cases, this won't come from headline rate changes, but from thresholds and allowances not keeping pace over time.

This means planning is no longer just about the end of the tax year, but about taking a more consistent, forward looking approach.

For businesses and individuals, this could mean:

- Reviewing how income is structured over the year
- Thinking longer term about pensions, investments, and profit extraction
- Keeping cash flow and tax liabilities under regular review
- Avoiding reactive decisions driven by deadlines

The landscape is becoming more nuanced, and those who plan ahead are often better positioned than those who simply respond at year end.

If you'd like to take a more structured approach to the year ahead, it's a good time to start that conversation.



Happy Easter to all our clients!