

Statistical bulletin

# UK Business: Activity, size and location: 2012

Business enterprises analysed by legal form, industry, region and employment size band.



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# 1 . **Headline figures**

- The number of VAT and/or PAYE businesses is estimated to have risen by 37,000 (1.8 per cent) between March 2011 and March 2012
- Companies and public corporations represent 61.9 per cent of total businesses
- The largest industry group is wholesale and retail, with 16.8 per cent of all registered businesses
- London has the largest number of VAT and/or PAYE based businesses, with 16.7 per cent of the UK total. In comparison London has 15.6 per cent of UK employment

## 2 . **Summary**

There were 2.15 million enterprises registered for VAT and/or PAYE in March 2012, compared with 2.08 million in March 2011, a rise of nearly 68,000 (3.3 per cent). Approximately 31,000 of the change between 2011 and 2012 was caused by improvements to HMRC computer systems leading to previously excluded businesses being added to the IDBR. These businesses were registered before 2012, so distort the year on year change.

### **Chart 2: Number of VAT and/or PAYE based enterprises**

![Chart 2: Number of VAT and/or PAYE based enterprises][1]

**Source: Office for National Statistics**

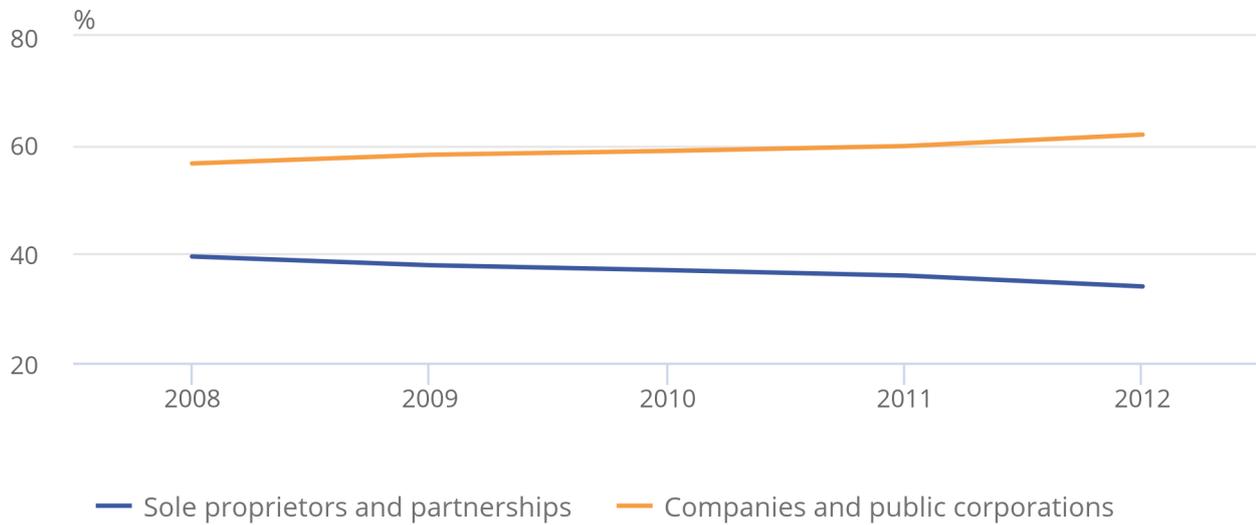
[1]: [http://www.ons.gov.uk/ons/resources/graphsummary\\_tcm77-280947.png](http://www.ons.gov.uk/ons/resources/graphsummary_tcm77-280947.png)"Chart 2: Number of VAT and/or PAYE based enterprises"

## 3 . **Business counts by legal form**

- Between March 2011 and March 2012 there was a 2.5 per cent reduction in the number of sole proprietors and partnerships, while corporate businesses increased by 6.8 per cent
- Corporate businesses (companies and public corporations) represented 61.9 per cent of total enterprises, up 2.1 percentage points from the 59.8 per cent seen in 2011
- Sole proprietors represented 22.1 per cent of total enterprises, down 1.2 percentage points from 23.3 per cent in 2011
- Partnerships represented 11.9 per cent of total enterprises, down 0.9 percentage points from 12.7 per cent in 2011
- General government and non-profit making bodies represented 4.1 per cent of total enterprises, compared with 4.2 per cent in 2011

**Figure 1: Percentage of UK VAT and/or PAYE based enterprises**

Figure 1: Percentage of UK VAT and/or PAYE based enterprises



Source: Inter Departmental Business Register (IDBR), Office for National Statistics

## 4 . Business counts by broad industry

In 2012 the wholesale, retail & repair of motor vehicles sector accounted for the largest number of businesses, with 16.8 per cent of all enterprises registered. This was followed by professional, scientific & technical, with 16.4 per cent of all enterprises registered, and construction, with 12.3 per cent.

The professional, scientific and technical sector had the largest growth between 2011 and 2012, an increase of 22,000 businesses. This was followed by the information and communication sector which increased by 11,300 businesses in 2012.

**Table 1: Number of VAT and/or PAYE enterprise by broad industrial grouping**

	Count given to the nearest thousand					
	2010	%	2011	%	2012*	%
Agriculture, forestry & fishing	137	6.5	139	6.7	139	6.5
Production	135	6.4	131	6.3	133	6.2
Mining, quarrying & utilities	8	0.4	8	0.4	9	0.4
Manufacturing	127	6.1	123	5.9	124	5.8
Construction	274	13.1	262	12.6	264	12.3
Wholesale and retail; repair of motor vehicles	359	17.1	357	17.2	361	16.8
Motor trades	67	3.2	66	3.2	68	3.2
Wholesale	104	5	104	5	104	4.8
Retail	188	9	187	9	189	8.8
Transport & storage (inc. postal)	68	3.2	66	3.2	67	3.1
Accommodation & food services	130	6.2	127	6.1	131	6.1
Information & communication	145	6.9	147	7.1	159	7.4
Finance & insurance	42	2	43	2.1	46	2.1
Property	75	3.6	74	3.6	77	3.6
Professional, scientific & technical	324	15.4	330	15.9	352	16.4
Business administration and support services	147	7	141	6.8	144	6.7
Public administration and defence	3	0.1	3	0.1	4	0.2
Education	31	1.5	31	1.5	33	1.6
Health	80	3.8	83	4	88	4.1
Arts, entertainment, recreation and other services	150	7.1	145	7	151	7
<b>Total</b>	<b>2,100</b>		<b>2,081</b>		<b>2,149</b>	

Source: Office for National Statistics

Notes:

1. \* See Background note 5

## 5 . Business counts by UK region

London accounted for the largest number of businesses in March 2012, with 16.7 per cent of the UK total. The region with the next largest share of businesses was the South East, at 15.7 per cent.

Between 2011 and 2012 all regions except Northern Ireland saw an increase in the number of businesses with London and South East experiencing the greatest increase of 25,000 and 10,000 businesses respectively. The number of businesses in Northern Ireland fell by 500.

**Table 2: Number of UK VAT and/or PAYE based enterprises by region**

	Count given to the nearest thousand					
	2010	%	2011	%	2012*	%
North East	56	2.7	55	2.6	56	2.6
North West	205	9.8	201	9.7	206	9.6
Yorkshire and The Humber	149	7.1	147	7.0	150	7.0
East Midlands	143	6.8	141	6.8	145	6.7
West Midlands	171	8.2	168	8.1	171	8.0
East	214	10.2	211	10.1	217	10.1
London	332	15.8	334	16.1	360	16.7
South East	330	15.7	328	15.8	338	15.7
South West	198	9.4	197	9.4	201	9.3
Wales	89	4.3	87	4.2	89	4.1
Scotland	145	6.9	145	7.0	150	7.0
Northern Ireland	69	3.3	68	3.3	67	3.1
<b>Total</b>	<b>2,100</b>		<b>2,081</b>		<b>2,149</b>	

Source: Office for National Statistics

Notes:

1. \* See Background note 5

## 6 . Local unit site information

Local units are sites that belong to an enterprise. In March 2012 there were 2.61 million local units belonging to VAT and/or PAYE based enterprises, compared with 2.55 million in March 2011 a rise of nearly 63,000\* (2.5 per cent). Out of the 2.15 million VAT and/or PAYE enterprises, only 57,000 (2.6 per cent) operate from more than one site. These operated a total 518,000 local units.

**Table 3: Number of UK VAT and/or PAYE enterprises and their associated local units**

	Number of local units					
	1	2-4	5-9	10-19	20 or more	Total
Enterprise	2,092,415	45,350	6,310	2,405	2,705	2,149,185
Local units	2,092,415	108,455	39,875	32,055	337,735	2,610,535

Source: Office for National Statistics

Notes:

1. \* See Background note 5

## 7. Background notes

1. UK Business: Activity, Size and Location is produced from an extract taken from the Inter-Departmental Business Register (IDBR) recording the position of units as at March of the reference year. Introduced in 1994, the IDBR provides the basis for the Office for National Statistics to conduct surveys of businesses
2. To support this release a set of reference tables in greater geographical and industrial detail have been produced and are available
3. Estimates presented in this release and the associated published tables are rounded to prevent disclosure. Differences may exist in totals across tables due to disclosure methods used
4. Although the statistics in this release are derived from the IDBR, the total count of live businesses is less than the Business Demography publication. This is mainly because the definition used in Business Demography of an active business is based on activity at any time in the year, whereas UK Business: Activity, Size and Location is based on an annual snapshot at a point in time
5. Approximately 31,000 of the change between 2011 and 2012 was caused by improvements to HMRC computer systems leading to previously excluded businesses being added to the IDBR. These businesses were registered before 2012, so distort the year on year change
6. ONS will exclude units solely VAT based or solely PAYE based where it estimates the employment to be 20 or more, to avoid the risk of double counting. Approximately 5,665 units are excluded pending checking. Approximately 12,745 Composite and Managed Services Companies have been excluded where the address does not represent the location of the activities of these businesses to avoid giving a false impression of growth in these locations. Identification of Composite & Managed Services Companies may be incomplete, inflating business counts primarily in the Professional, Scientific & Technical sector. Further details on Composite and Managed Services Companies can be found on the HM Revenue & Customs website
7. National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference
8. Follow ONS on [Twitter](#) (@statisticsons), [Facebook](#) (statisticsons)
9. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gov.uk](mailto:media.relations@ons.gov.uk)