

Statistical bulletin

# UK Business: Activity, size and location: 2013

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



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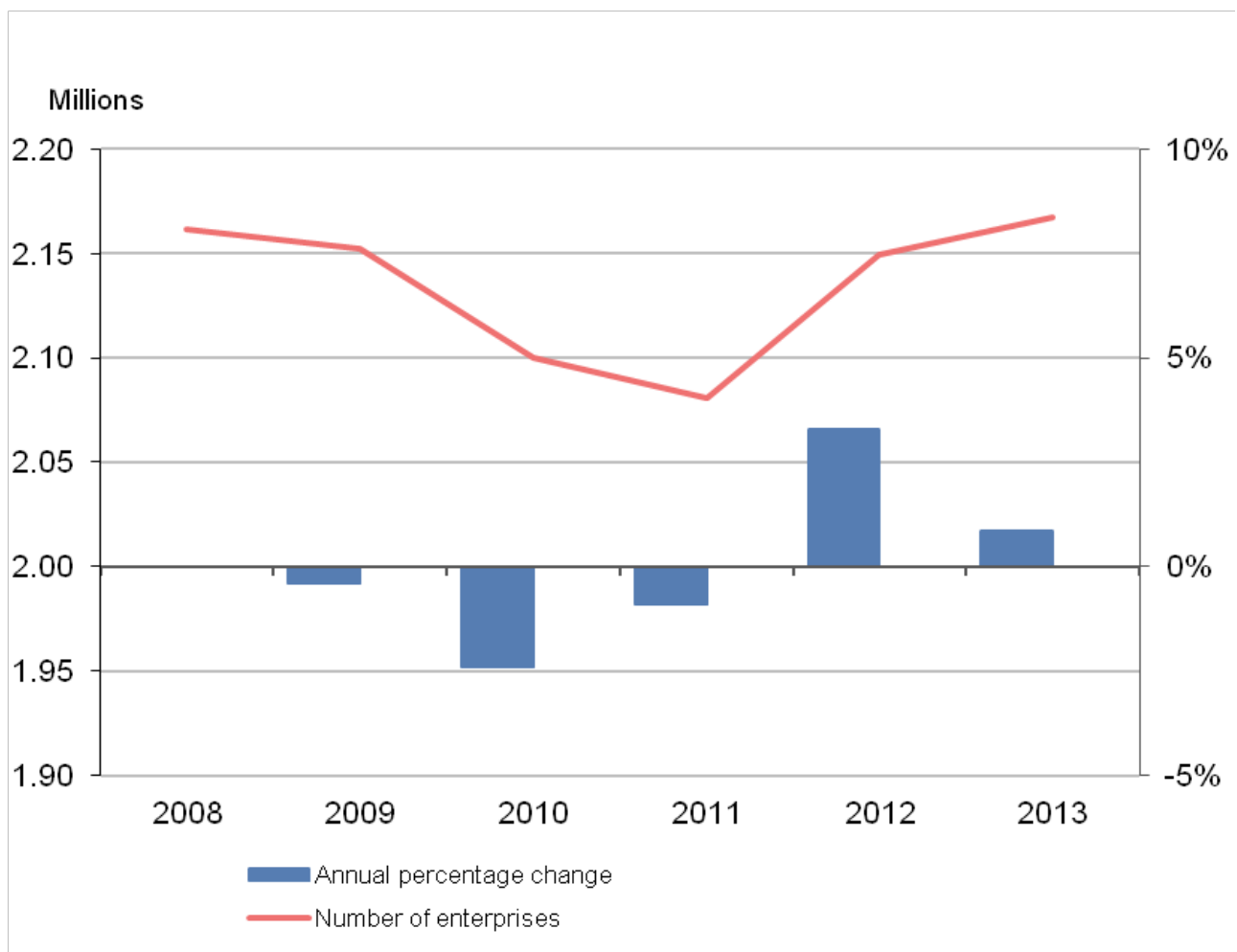
# 1 . Headline figures

- The number of VAT and/or PAYE businesses is estimated to have risen by 18,000 (0.9%) between March 2012 and March 2013
- Companies and public corporations represent 64% of total businesses
- The largest industry group is professional, scientific and technical with 16.9% of all registered businesses
- London has the largest number of VAT and/or PAYE based businesses, with 17.2% of the UK total
- The number of businesses rose over the last couple of years, following a decline since 2008

# 2 . Summary

There were 2.17 million enterprises registered for VAT and/or PAYE in March 2013, compared with 2.15 million in March 2012, a rise of around 18,000 (0.9%).

**Figure 1: Number of VAT and/or PAYE based enterprises, 2008-2013**



Source: Office for National Statistics

**Notes:**

1. 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

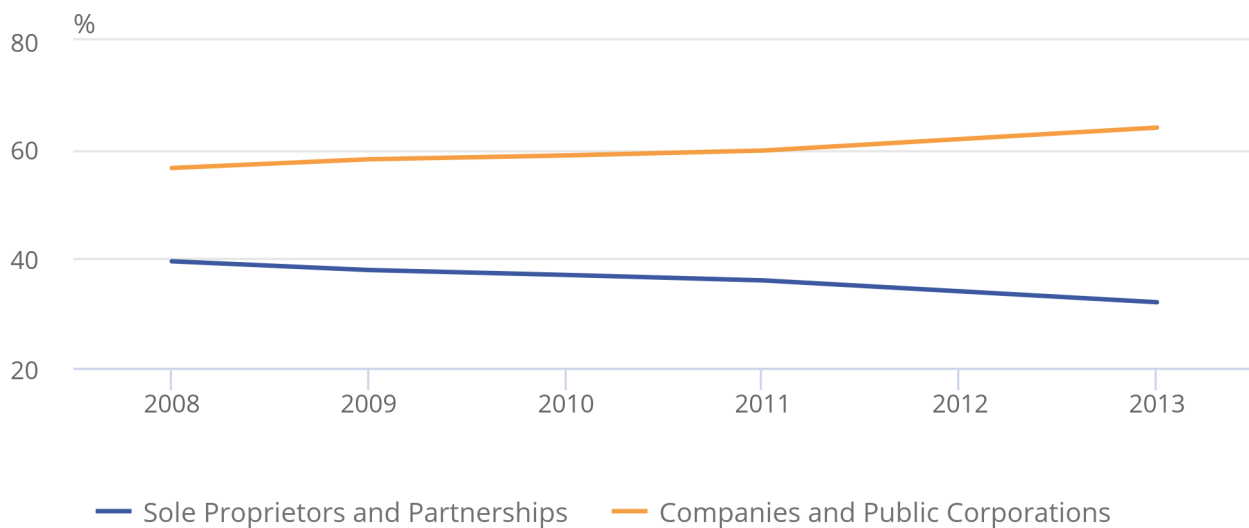
### 3 . Business counts by legal form

Between March 2012 and March 2013 there was a 5.2% reduction in the number of sole proprietors and partnerships, while corporate businesses increased by 4.4%.

Figure 2 shows the gradual increase in incorporation and the decline in sole proprietors and partnerships over the last five years.

**Figure 2: Percentage of VAT and/or PAYE based enterprises by year, 2008-2013**

Figure 2: Percentage of VAT and/or PAYE based enterprises by year, 2008-2013



Source: Office for National Statistics

- Corporate businesses (companies and public corporations) represented 64% of total enterprises, up 2.1 percentage points from the 61.9% seen in 2012
- Sole proprietors represented 20.7% of total enterprises, down 1.4 percentage points from 22.1% in 2012
- Partnerships represented 11.2% of total enterprises, down 0.7 percentage points from 11.9% in 2012
- General government and non-profit making bodies represented 4% of total enterprises, compared with 4.1% in 2012

## **4 . Business counts by broad industry**

In 2013 the professional, scientific and technical sector accounted for the largest number of businesses, with 16.9% of all enterprises registered, overtaking wholesale, retail and repair of motor vehicles, with 16.5% of all enterprises registered. The third largest sector was construction; however, this fell from 12.3% in 2012 to 11.9% in 2013.

The professional, scientific and technical sector had the largest growth between 2012 and 2013, an increase of 14,000 businesses. This was followed by the information and communication sector which increased by 7,000 businesses in 2013. Construction had the largest fall in businesses with a fall of 6,000.

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

	Count given to the nearest thousand					
	2011	%	2012*	%	2013	%
Agriculture, forestry & fishing	139	6.7	139	6.5	144	6.6
Production	131	6.3	133	6.2	136	6.3
Mining, quarrying & utilities	8	0.4	9	0.4	10	0.5
Manufacturing	123	5.9	124	5.8	126	5.8
Construction	262	12.6	264	12.3	257	11.9
Wholesale and retail; repair of motor vehicles	357	17.2	361	16.8	358	16.5
Motor trades	66	3.2	68	3.2	68	3.1
Wholesale	104	5	104	4.8	103	4.8
Retail	187	9	189	8.8	188	8.7
Transport & storage (inc. postal)	66	3.2	67	3.1	67	3.1
Accommodation & food services	127	6.1	131	6.1	129	6
Information & communication	147	7.1	159	7.4	166	7.7
Finance & insurance	43	2.1	46	2.1	46	2.1
Property	74	3.6	77	3.6	80	3.7
Professional, scientific & technical	330	15.9	352	16.4	366	16.9
Business administration and support services	141	6.8	144	6.7	143	6.6
Public administration and defence	3	0.1	4	0.2	5	0.2
Education	31	1.5	33	1.6	35	1.6
Health	83	4	88	4.1	89	4.1
Arts, entertainment, recreation and other services	145	7	151	7	146	6.7
<b>Total</b>	<b>2,081</b>		<b>2,149</b>		<b>2,168</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 2013, with 17.2% of the UK total. The region with the next largest share of businesses was the South East, at 15.7%.

Between 2012 and 2013 all regions except Northern Ireland and Wales saw an increase in the number of businesses with London and the South East experiencing the greatest increase of nearly 13,000 and 2,000 businesses respectively. London grew by 3.5% between 2012 and 2013 and this accounts for around two thirds of the growth in the UK. The number of businesses in Northern Ireland and Wales fell by 800 and 900 businesses respectively.

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

	Count given to the nearest thousand					
	2011	% 2012*	% 2013	%		
North East	55	2.6	56	2.6	56	2.6
North West	201	9.7	206	9.6	207	9.5
Yorkshire and The Humber	147	7.0	150	7.0	151	7.0
East Midlands	141	6.8	145	6.7	145	6.7
West Midlands	168	8.1	171	8.0	172	7.9
East	211	10.1	217	10.1	218	10.1
London	334	16.1	360	16.7	372	17.2
South East	328	15.8	338	15.7	340	15.7
South West	197	9.4	201	9.3	201	9.3
Wales	87	4.2	89	4.1	88	4.1
Scotland	145	7.0	150	7.0	151	7.0
Northern Ireland	68	3.3	67	3.1	67	3.1
<b>Total</b>	<b>2,081</b>		<b>2,149</b>		<b>2,168</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 2013 there were 2.63 million local units belonging to VAT and/or PAYE based enterprises, compared with 2.61 million in March 2012 a rise of nearly 15,000 (0.6%). Out of the 2.17 million VAT and/or PAYE enterprises, only 58,000 (2.7%) operate from more than one site. These operated a total 516,000 local units.

**Table 3: Number of 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	2,109,905	46,100	6,460	2,435	2,680	2,167,580
Local units	2,109,905	110,250	40,855	32,245	332,235	2,625,490

Source: Office for National Statistics

## 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. Approximately 10,620 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 and Managed Services Companies may be incomplete, inflating business counts primarily in the Professional, Scientific and Technical sector. Further details on Composite and Managed Services Companies can be found on the HM Revenue and Customs website: <http://www.hmrc.gov.uk/employment-status/msc.htm>
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
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