

Statistical bulletin

UK business; activity, size and location: 2025

UK businesses broken down by legal status, industry, region, employment and turnover size bands.

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Next release: To be announced

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1. Main points

- There were 2.73 million Value Added Tax (VAT) and/or Pay As You Earn (PAYE) businesses in the UK as of March 2025, an increase of 0.4% from March 2024.
- The number of companies and public corporations continued to rise, representing 76.7% of total UK businesses, while the proportion of sole proprietors and partnerships fell to 19.8%.
- The largest industry group is still professional, scientific, and technical, making up 15.3% of all registered businesses in the UK.
- There were 3.2 million sites (local units) in the UK as of March 2025, an increase of 0.2% from 2024; this is the first increase in the number of sites since 2021.

2. Small increase in the number of businesses

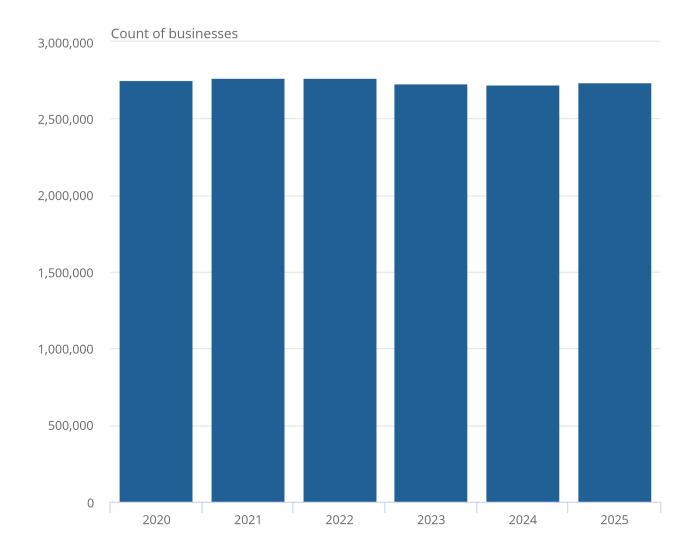
There were 2.73 million Value Added Tax (VAT) and/or Pay As You Earn (PAYE) businesses in the UK as of March 2025.

Figure 1: The number of VAT and/or PAYE businesses in the UK increased by 0.4% in the past year

Number of VAT and/or PAYE based businesses, UK, 2020 to 2025

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Number of VAT and/or PAYE based businesses, UK, 2020 to 2025



Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

3. Sole proprietors and partnerships continue to decrease

Between March 2024 and March 2025, the number of companies increased by 1.8%. Sole proprietors decreased by 4.1%. Over a quarter of this decrease was in the business administration and support services industry.

The fall of 5.3% in the number of non-profit bodies is largely caused by the removal from the register of just over 5,000 Value Added Tax (VAT) registrations for self-invested personal pension (SIPP) and small self-administered scheme (SSAS) pension schemes, which are no longer treated as businesses. More information is available in Section 9: Data sources and quality.

Table 1: Count of businesses by status and percentage change on previous year UK, 2023 to 2025

	2023	%	2024	%	2025	%
1. Company (including building society)	2,039,920	-0.9	2,059,120	0.9	2,096,600	1.8
2. Sole proprietor	413,160	-3.4	396,740	-4.0	380,520	-4.1
3. Partnership	172,890	-4.5	167,465	-3.1	160,865	-3.9
4. Public corporation or nationalised body	175	-2.8	175	0.0	165	-5.7
5. Central government	3,280	-4.1	3,470	5.8	3,350	-3.5
6. Local authority	9,030	2.0	9,060	0.3	9,115	0.6
7. Non-profit body or mutual association	88,375	8.0	88,740	0.4	84,000	-5.3
Total	2,726,830	-1.5	2,724,770	-0.1	2,734,615	0.4

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

Notes

1. Please note that figures may not sum because of rounding.

Table 2 shows the share of the total number of businesses by legal status. The proportion of companies has continued to rise and now represents 76.7% of total UK businesses.

Table 2: Percentage of businesses by status UK, 2023 to 2025

	2023	%	2024	%	2024	%
1. Company (including building society)	2,039,920	74.8	2,059,120	75.6	2,096,600	76.7
2. Sole proprietor	413,160	15.2	396,740	14.6	380,520	13.9
3. Partnership	172,890	6.3	167,465	6.1	160,865	5.9
4. Public corporation or nationalised body	175	0.0	175	0.0	165	0.0
5. Central government	3,280	0.1	3,470	0.1	3,350	0.1
6. Local authority	9,030	0.3	9,060	0.3	9,115	0.3
7. Non-profit body or mutual association	88,375	3.2	88,740	3.3	84,000	3.1
Total	2,726,830	100	2,724,770	100	2,734,615	100

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

Notes

1. Please note that figures may not sum because of rounding.

Of the 2.1 million companies, 44.0% are single-employee limited companies. The professional, scientific, and technical, and construction industries together account for almost two-fifths of these companies.

The biggest drop in single-employee limited companies was in the transport and storage industry; over a third of businesses are in this category. This was mainly seen in freight transport by road, where the number of single-employee limited companies decreased by 6.1% compared with 2024.

4 . Professional, scientific, and technical industry accounts for the largest share of businesses

The professional, scientific, and technical industry accounted for the largest number of businesses, with 15.3% of all registered businesses in the UK.

Table 3: Number of VAT and/or PAYE businesses by broad industry group UK, 2023 to 2025

	UN, 2023 to 2023						
		2023	%	2024	%	2025	%
Agriculture, forestry and fishing		141	5.2	141	5.2	141	5.2
Production		152	5.6	148	5.4	147	5.4
	Mining, quarrying and utilities	16	0.6	16	0.6	17	0.6
	Manufacturing	136	5.0	132	4.9	130	4.8
Construction		378	13.8	380	14.0	385	14.1
Wholesale and retail; repair of motor vehicles		402	14.7	398	14.6	396	14.5
	Motor trades	81	3.0	82	3.0	83	3.0
	Wholesale	104	3.8	102	3.7	101	3.7
	Retail	217	8.0	215	7.9	213	7.8
Transport and storage (including postal)		129	4.7	117	4.3	114	4.2
Accommodation and food services		175	6.4	174	6.4	177	6.5
Information and communication		187	6.9	188	6.9	188	6.9
Finance and insurance		59	2.2	59	2.2	56	2.1
Property		114	4.2	118	4.3	122	4.5
Professional, scientific and technical		415	15.2	418	15.3	420	15.3
Business administration and support services		226	8.3	227	8.3	222	8.1
Public administration and defence		8	0.3	8	0.3	8	0.3
Education		47	1.7	48	1.8	49	1.8
Health		109	4.0	114	4.2	117	4.3
Arts, entertainment, recreation and other services	5	184	6.8	188	6.9	192	7.0
Total		2,727	100	2,725	100	2,735	100

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

Notes

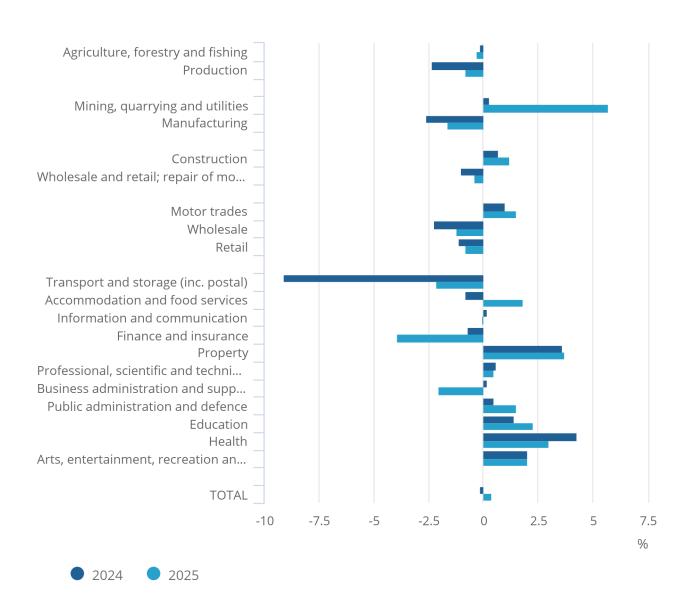
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Figure 2: The mining, quarrying and utilities industry showed the largest percentage increase in businesses

Percentage change in businesses by broad industry group, UK, 2024 to 2025

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Percentage change in businesses by broad industry group, UK, 2024 to 2025



Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

The biggest percentage increase was in the mining, quarrying and utilities industry at 5.7%. The production of electricity contributed the most to this, with an increase of 830 businesses. It is notable how renewable energy businesses feature in this industry in recent years.

The second largest percentage increase was in the property industry, at 3.7%. The number of businesses in this industry has risen every year since 2012. Buying and selling of own real estate (up 1,735 businesses), and renting and operating of own or leased real estate (up 1,615 businesses), were the main contributors to this increase in 2025.

The fall of 3.9% in the number of businesses in the finance industry is largely caused by the removal from the register of just over 5,000 Value Added Tax (VAT) registrations for self-invested personal pension (SIPP) and small self-administered scheme (SSAS) pension schemes, which are no longer treated as businesses. If this removal had not taken place, the number of businesses within finance would have increased in 2025. More information is available in <u>Section 9</u>: <u>Data sources and quality</u>.

Strong growth in the transport and storage industry in 2021 has been replaced by decreases since 2022, with a further decrease of 2.1% in the number of businesses in 2025. Within the transport and storage industry, freight transport by road continued to decrease, down 5.3%, to its lowest level since 2015.

5. Most regions in the UK saw an increase in the number of businesses

Most regions in the UK showed an increase in the number of businesses between 2024 and 2025, with only 4 out of the 12 regions showing a decrease.

Table 4: Number of VAT and/or PAYE businesses by region UK, 2023 to 2025

				J. 1, _J 10 _ 10 _ 1		
	2023	%	2024	%	2025	%
North East	73	2.7	72	2.6	73	2.7
North West	267	9.8	266	9.8	266	9.7
Yorkshire and The Humber	192	7.1	190	7.0	191	7.0
East Midlands	184	6.7	182	6.7	181	6.6
West Midlands	218	8.0	216	7.9	216	7.9
East	270	9.9	270	9.9	271	9.9
London	526	19.3	531	19.5	538	19.7
South East	405	14.8	404	14.8	405	14.8
South West	237	8.7	236	8.7	235	8.6
Wales	107	3.9	105	3.9	105	3.8
Scotland	171	6.3	172	6.3	173	6.3
Northern Ireland	78	2.9	79	2.9	80	2.9
Total	2,727	100	2,725	100	2,735	100

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

Notes

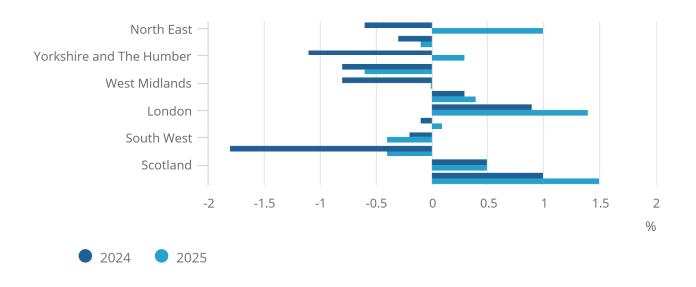
1. Please note that figures may not sum because of rounding.

Figure 3: Of the 12 regions in the UK, 7 showed an increase in the number of businesses

Percentage change in the number of businesses by region, UK, 2024 to 2025

Figure 3: Of the 12 regions in the UK, 7 showed an increase in the number of businesses

Percentage change in the number of businesses by region, UK, 2024 to 2025



Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

The biggest percentage increase in the number of businesses between 2024 and 2025 was in Northern Ireland, which saw an increase of 1.5% (1,150 businesses). This growth was mainly led by the professional scientific and technical, and agricultural business groups.

The East Midlands saw the biggest percentage decrease, of 0.6% (1,005 businesses). The largest contributor to the decrease in the East Midlands was the finance and insurance industry, which was down by 12%. However, this fall was influenced by the removal of Value Added Tax (VAT) registrations for self-invested personal pension (SIPP) and small self-administered scheme (SSAS) pension schemes. More information is available in <u>Section 9</u>: <u>Data sources and quality</u>.

Please note that, for various reasons, multiple business registrations can be recorded at a single address, which can distort data for smaller geographical areas. More information is available in our <u>Multiple business registrations</u> at a single postcode methodology.

6. Increase in the number of sites

For the first year since 2021, the number of sites has increased (up 0.2% in 2025). Out of the 2.735 million Value Added Tax (VAT) and/or Pay As You Earn (PAYE) businesses, only 58,175 operate from more than one site. Out of these businesses, the industry with the biggest increase in sites was construction, with an increase of 100 sites. The biggest decrease was in retail, with a drop of 110 sites.

Table 5: Number of VAT and/or PAYE businesses and their associated local units UK. 2025

Number of local units

1 2 to 4 5 to 9 10 to 19 20 or more Total

Business 2,676,440 45,560 6,995 2,870 2,750 2,734,615

Local units 2,676,440 108,705 44,465 38,045 312,965 3,180,620

Source: Inter-Departmental Business Register (IDBR) from the Office for National Statistics

Notes

1. Please note that figures may not sum because of rounding.

7. Data on UK business

UK business: activity, size, and location

Dataset | Released 24 September 2025

Numbers of enterprises and local units produced from a snapshot of the Inter-Departmental Business Register (IDBR) taken on 14 March 2025.

8. Glossary

Business

For this release, the term "business" is used to represent an enterprise.

Company

Companies are businesses that are legally separate entities from the owners. These owners have limited liability, meaning they are not wholly responsible for losses and debts.

Enterprise

An enterprise is an organisational unit producing goods or services, which has a certain degree of autonomy in decision-making.

Inter-Departmental Business Register

The Inter-Departmental Business Register (IDBR) is a comprehensive list of UK businesses used by government for statistical purposes. The IDBR provides the main sampling frame for surveys of businesses carried out by the Office for National Statistics (ONS) and other government departments. It is also an important data source for analyses of business activities.

The two main sources of input are Value Added Tax (VAT) and Pay as You Earn (PAYE) records from HM Revenue and Customs (HMRC). Additional information comes from Companies House, Dun and Bradstreet, and ONS business surveys.

Local unit

A local unit is an individual site (for example a factory or shop) within an enterprise.

Partnerships

A business run by two or more self-employed people.

Public corporations

A public corporation is a market body that is controlled by central government, local government, or other public corporations and which has substantial day-to-day operating independence, so that it is seen as an institutional unit separate from its parent departments.

Sole proprietors

A business run by one self-employed person.

9. Data sources and quality

Measuring the data

Our <u>UK business: activity, size and location quality and methodology information (QMI)</u> contains important information on:

- the strengths and limitations of the data and how it compares with related data
- quality characteristics
- · users and uses of the data
- how the output was created
- · accessibility and characteristics

Strengths and limitations

The figures for this release are produced from an extract taken from the Inter-Departmental Business Register (IDBR), recording the position of businesses on 14 March 2025, in line with the same timing of all previous releases of this publication.

This publication represents the businesses registered with HM Revenue and Customs (HMRC) for Value Added Tax (VAT) and/or Pay As You Earn (PAYE). The Department for Business and Trade (DBT) produces <u>Business population estimates</u>, which provides full coverage of all types of businesses in the UK, including an estimate of the unregistered business population.

Numerous breaks in the methodology of the IDBR exist over time. Following a review of businesses in the financial sector, for this release it has been decided that VAT registrations for Self-Invested Personal Pensions (SIPP) and Small Self-Administered Schemes (SSAS) are not businesses and should not be treated as such on the IDBR. Therefore, they were removed from the business register during the first half of 2025. This led to a reduction of just over 5,000 businesses, which were mostly classified to the financial industries.

Please note the figures in the statistical bulletin tables use disclosure methods and are rounded individually. Therefore, the sum of component items may be slightly different to the totals shown.

10. Related links

Business population estimates

Collection | Last updated 3 October 2024

Annual business population estimates for the UK and regions in 2024.

Business demography UK: 2023

Bulletin | Released 18 November 2024

Annual change in the number of UK businesses, broken down by sector of the economy.

Business demography, quarterly, UK

Dataset | Released 24 July 2025

Business births and deaths from the Inter-Departmental Business Register, with high-level breakdowns by industry and region. Quarterly official statistics in development.

Multiple business registrations at a single postcode, UK: 2023

Article | Released 18 November 2024

Business demography explainer covering additional information on the impact of multiple registrations at a single postcode.

11. Cite this statistical bulletin

Office for National Statistics (ONS), released 24 September 2025, ONS website, statistical bulletin, <u>UK business; activity, size and location: 2025</u>