



Companies House

# Statistical release

Incorporated companies in the United Kingdom — February 2016

**Coverage:** All incorporated companies, including Limited Liability Partnerships.  
**Geographical areas:** UK, constituent countries.  
**Next publication date:** April 2016

March 2016



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Companies House is an Executive Agency of the Department for Business, Innovation and Skills (BIS).

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# 1. Introduction

This release provides information about the company population in the United Kingdom. A company is defined here as a specific form of Company formed under the Companies Act 2006<sup>1</sup>. Companies are registered at Companies House regardless of whether they go on to trade actively. It includes information on the population size and how the population has changed over a calendar month.

The statistics in this release include the total number of incorporated companies, the number newly incorporated, the number of companies that were dissolved, as well as information on company insolvencies. The release focuses on the headline messages for the UK companies (excluding Limited Liability Partnerships), with more information (including Limited Liability Partnerships) contained in the supplementary tables that accompany the release.

## Key Points

- In the United Kingdom in February, there were 58,639 Incorporations and 38,192 dissolutions causing the number of companies on the Total Register to reach 3,662,331.
- The effect of the legislative changes introduced in October 2015 continued to be felt in February 2016. These changes shortened the dissolution process by one month, and led to a 34.7% increase in the number of companies dissolved during February 2016, compared to February 2015.
- Between 1979 and 2016<sup>2</sup>, incorporations have increased from 66,500 to 585,700 per 12 months and dissolutions from 25,700 to 369,500 per 12 months. Over the same period, the number of incorporated companies on the Total and Effective Registers have increased by over 2.5 million.
- In the UK in February 2016, there were 2,055 company liquidations and 211 insolvency proceedings notifications, with 83,053 companies in the process of Insolvency at the end of February 2016.

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1. Companies Act 2006 companies are defined in the Definitions section of the background notes.

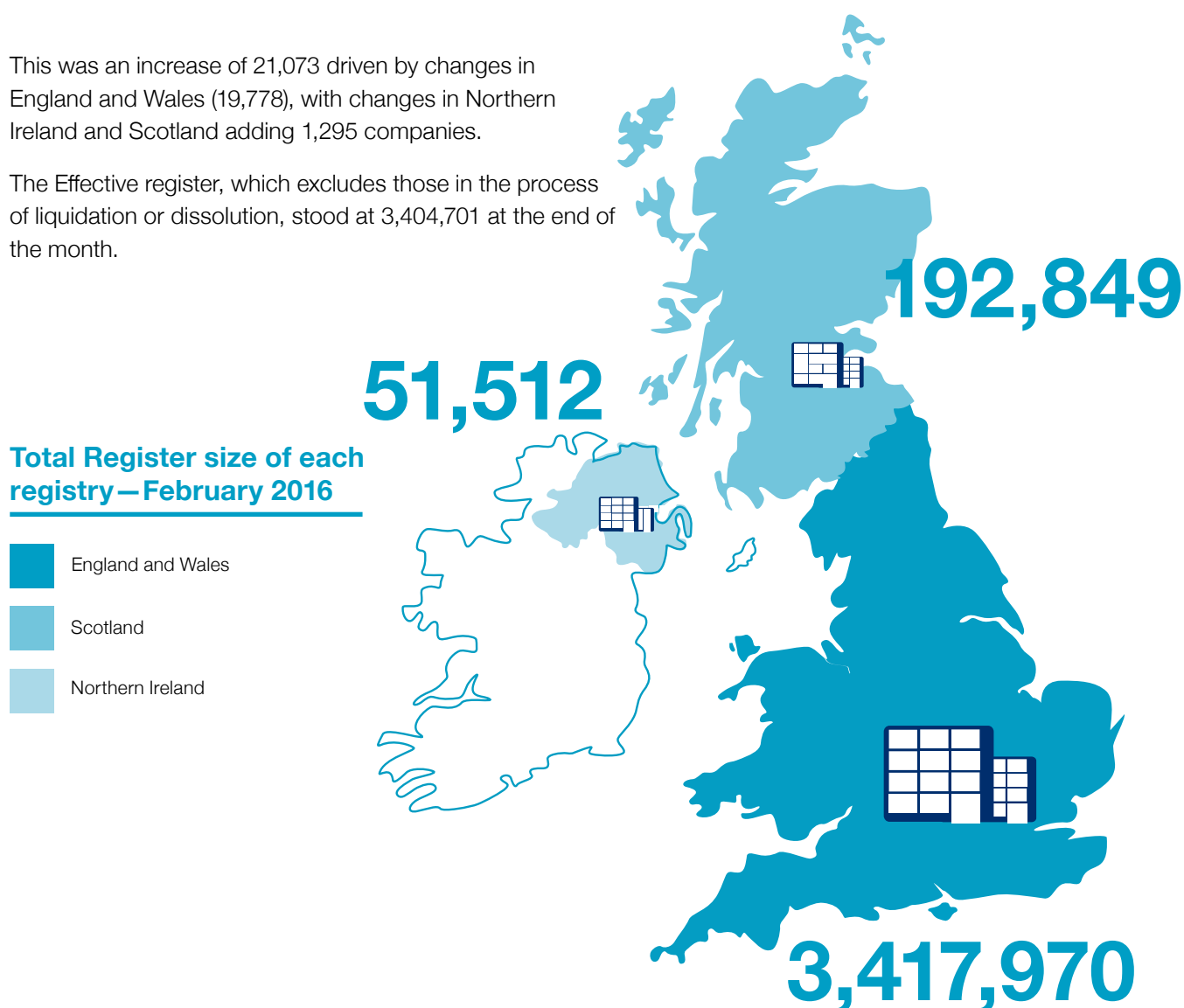
2. Reporting periods from 1986/87 to 2014/15 are reporting financial years (1 April - 31 March). Earlier years 1979 - 1986 are reporting calendar years (1 January - 31 December).

## 2. Incorporated companies

In the United Kingdom in February, there were 58,639 incorporations and 38,192 dissolutions causing the number of companies on the Total Register – including those in the process of dissolution or liquidation (257,630) – to reach 3,662,331.

This was an increase of 21,073 driven by changes in England and Wales (19,778), with changes in Northern Ireland and Scotland adding 1,295 companies.

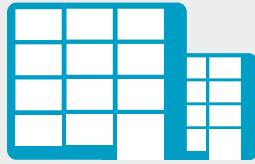
The Effective register, which excludes those in the process of liquidation or dissolution, stood at 3,404,701 at the end of the month.



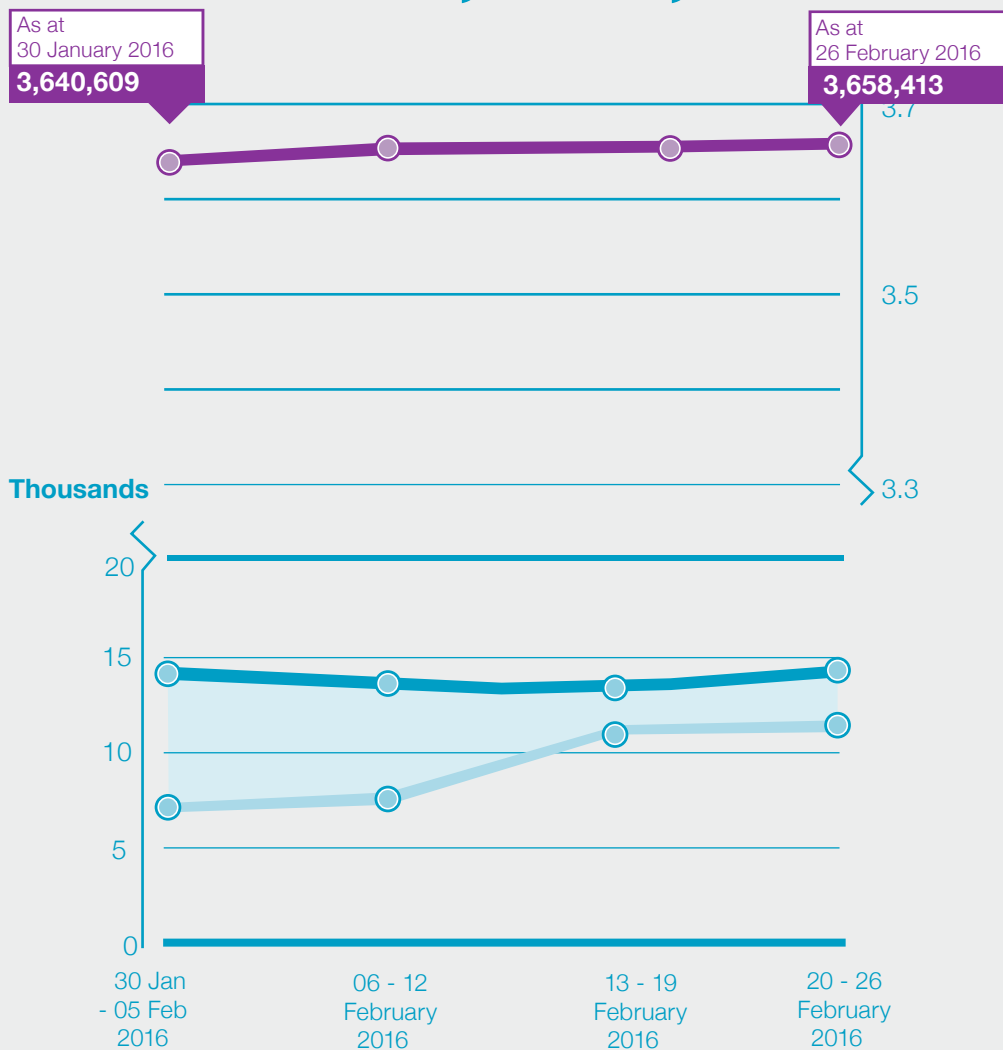
Source: Incorporated companies in the United Kingdom February 2016 Companies House.

# TOTAL REGISTER ACTIVITY

## Weekly activity



As at 26 February 2016  
**Total Register size**  
**3,658,413**



**Weekly change in the Total Register, 30 January - 26 February 2016 (Chart 1)**

- UK Total Register size
- New companies incorporated
- Companies dissolved

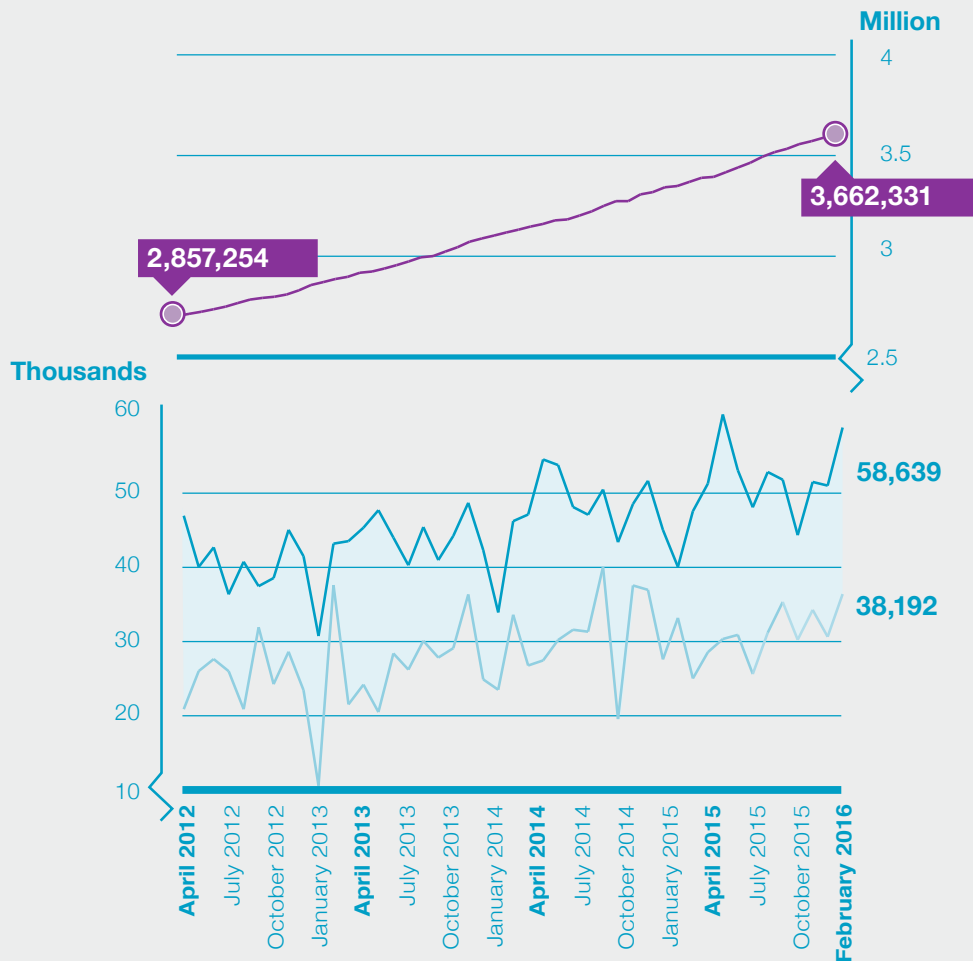
Source: Incorporated companies in the United Kingdom February 2016 Companies House.

# TOTAL REGISTER ACTIVITY Over 3 years

April 2012 – February 2016



Total Register size increase  
**+805,077**



**Change in the Total Register, April 2012 - February 2016, UK (Chart 2)**

- UK Total Register size
- New companies incorporated
- Companies dissolved

Source: Incorporated companies in the United Kingdom February 2016 Companies House.

Historically, on average, 9.1% of incorporations occur in February. There has been a 13.7% increase in the number of companies incorporated during February 2016 (58,639) compared with February 2015 (51,596). Typically, incorporations are at their lowest in December, before rising to an annual peak in March and April. The increase in the number of incorporations in February 2016 is consistent with this seasonal trend. Dissolutions usually remain relatively stable over the course of the year. However, legislative changes were implemented in October 2015 that shortened both the voluntary and compulsory dissolution processes by one month. These changes led to an 87.8% increase in the number of companies dissolved in January 2016 compared to January 2015. The effect of the legislative changes continued in February 2016, with a 34.7% increase in the number of companies dissolved during February 2016 (38,192) compared to February 2015 (28,355).

The number of incorporations and dissolutions fluctuate annually, but the number of each has generally been increasing over time. The numbers of incorporations and dissolutions in a year have seen large increases between January 1979 and March 2015: Incorporations have increased from 66,500 to 585,700 and dissolutions from 25,700 to 369,500<sup>1</sup>.

### The growth in incorporated companies

Between 1979 and 2016, the Total and the Effective register have increased by over 2.5 million companies.<sup>2</sup> Over this time, the Total register has increased annually for 31 of the 36 years. Over the same period, the Effective register has increased annually for 30 of the last 36 years. The most recent decline in the Great Britain Effective register occurred in 2008/09 (157,700) and a year later for the Great Britain Total register (132,800). 2009/10 was a year of significant change for the Register:

- the Northern Ireland Register was included to create a UK Register;
- there was a change in the administrative system that forms the register; and,
- there was a purge to remove companies that had spent an extended period in the process of dissolution or liquidation.

These changes may have had an impact on the size of the Total and Effective Register.

### Company insolvencies

In February 2016, there were 2,055 company liquidations in the UK. Almost 40% (39.0%, 801) of these liquidations were creditors' voluntary liquidations and a further 45.2% (928) were members' voluntary liquidations. In addition, there were 211 insolvency proceedings notifications, of which 65.9% (139) had administrators appointed closing the month with 83,053 companies in the UK that were in the process of insolvency.

More detail about insolvency statistics is provided by the [Insolvency Service](#)<sup>3</sup>, including information on company liquidations and individual insolvencies.

### Other Companies House statistics

A range of other statistics are included in the tables that accompany this release, including:

- Companies House workload statistics:
  - Documents accepted by Companies House by type.
  - Disputes and complaints.
  - Proportion of documents filed electronically.
- Filing compliance rates.
- Volume of searches of the register.

Annual numbers of Incorporations, Dissolutions and Total and Effective Register Size from 1939.

In addition monthly and weekly time series statistics from April 2011, have been published and are available from Companies House's [statistics](#) page.

This includes:

- Register Activity—All Companies
- Register Activity—Public Companies Register Activity—Limited Liability Partnerships

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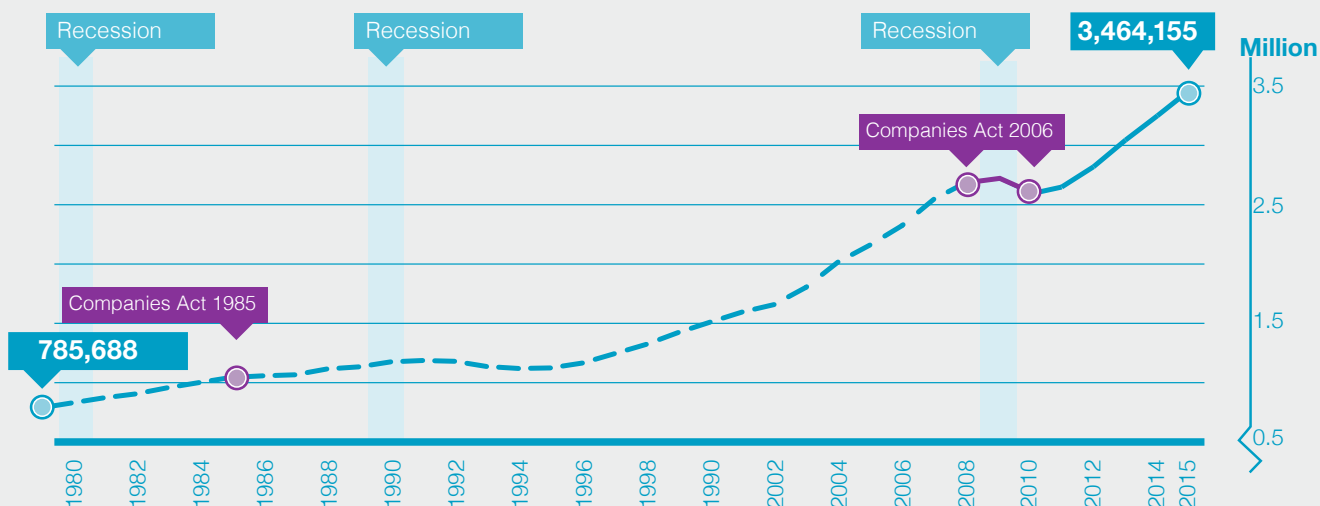
1. Statistics for 1979 are for Great Britain. In October 2009 the Northern Ireland Register merged with the register for Great Britain to create a UK Register. UK figures are from 2009/10 onwards. In Great Britain in 2009/10, incorporations and dissolutions were 362,317 and 508,512 respectively. In Northern Ireland in 2009/10, incorporations and dissolutions were 3,332 and 1,199 respectively. Reporting periods from 1986/87 to 2014/15 are reporting financial years (1 April - 31 March). Earlier years 1979 - 1986 are reporting calendar years (1 January - 31 December).

2. Statistics for 1979 are for Great Britain. In October 2009 the Northern Ireland Register merged with the Register for Great Britain to create a UK Register. UK figures are from 2009/10 onwards. In March 2009, the Total Register and Effective Register for Northern Ireland were 40,003 and 34,706 respectively. For Great Britain, as at 31 March 2010, the Total Register and Effective Register were 2,589,881 and 2,324,392 respectively.

3. [www.gov.uk/government/collections/insolvency-service-official-statistics](http://www.gov.uk/government/collections/insolvency-service-official-statistics)



# TOTAL REGISTER Over 36 Years

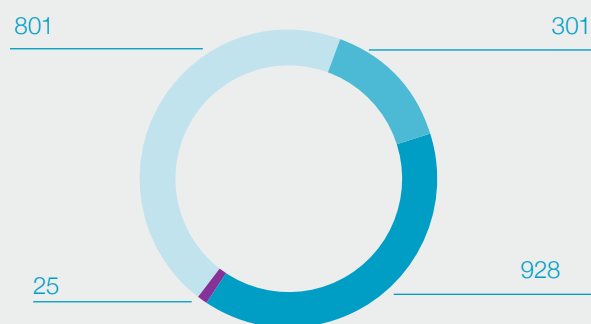


Statistics for 1979 are for Great Britain. In October 2009 the Northern Ireland Register merged with the register for Great Britain to create a UK Register. UK figures are from 2009/10 onwards. Total Register numbers are a snapshot of the Register from 1979 to 2016. 1979 to 1986 are calendar years (1 January – 31 December) and 1987 onwards are financial years (1 April – 31 March).

## Total Register size 1979 - 2016, UK (Chart 3)

- GB Register size
- UK Register size

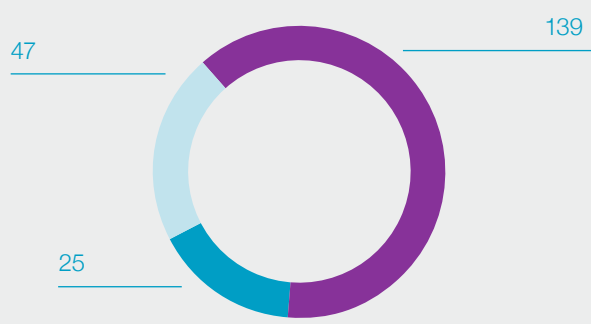
Source: Incorporated companies in the United Kingdom February 2016 Companies House.



## Company liquidations February 2016, UK (Chart 4)

- Creditors' voluntary liquidations
- Compulsory liquidations
- Members' voluntary liquidations
- Administration Orders converted To Creditors Voluntary Liquidations

Source: Incorporated companies in the United Kingdom February 2016 Companies House.



## Other insolvency proceedings February 2016, UK (Chart 5)

- Administrator appointments (Enterprise Act)
- Company voluntary arrangements
- Receiverships notified

Source: Incorporated companies in the United Kingdom February 2016 Companies House.

## 3. Background notes

This section provides a range of information designed to provide the user with more information about the statistics.

### Definitions

#### Corporate Body types

Companies Act 2006 companies include: Public Limited; Private Limited; Private Limited By Guarantee / No Share Capital; Private Limited by Guarantee / No Share Capital (exempt); Private Limited (s.30); Private Unlimited; Private Unlimited / No Share Capital Companies.

Corporate Bodies include Companies Act 2006 companies, plus: Old Public Companies; Converted/Closed; Limited Liability Partnerships; Limited Partnerships; Overseas, European; European Economic Interest Groupings; Newspaper Libel and Registration Act 1881; Principal establishment in GB, European Public Limited Liability Companies (Societas Europaea); Industrial & Provident Societies; Incorporated by Royal Charter; Investment Companies with Variable Capital; Investment Companies with

Variable Capital (Securities); Investment Companies with Variable Capital (Warrant); Investment Companies with Variable Capital (Umbrella); Unregistered Companies; Not Used; Other Types of Companies. For the purpose of Companies Act 2006 and related legislation, the Channel Islands and the Isle of Man are not regarded as integral parts of the UK company register.

#### Incorporated companies

All companies<sup>1</sup> to which the Companies Act 2006 relates, which are registered at Companies House.

#### Dissolved companies

All companies<sup>1</sup> to which the Companies Act 2006 relates, which have been removed from the Companies House Register.

#### Total Register

All companies<sup>1</sup> to which the Companies Act 2006 relates, which are registered with Companies House regardless of trading status (including dormant and actively trading companies). It includes all companies required to file documents at Companies House and includes those in liquidation; in the course of dissolution; and in receivership.

#### Effective Register

All companies<sup>1</sup> to which the Companies Act 2006 relates, which are registered with Companies House regardless of trading status (including dormant and actively trading companies). Companies in liquidation and companies in the course of dissolution are excluded from the Effective Register; companies in receivership are included.

#### Release timetable

March 2016 statistics will be published in April 2016.

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1. See definition of Companies Act 2006 companies contained in the Corporate Body type definition.

## Revisions to these statistics

Revisions to these statistics will be mainly due to changes in methodologies and source data. The statistics are derived from administrative data. Changes to the underlying methods will cause revisions. These include changes in statistical methods, definitions, classifications and geographic coverage. Although Companies House has robust procedures in place to minimise errors in the methods used to create these statistics, errors may occasionally occur. If errors are found after the publication, their impact will be assessed. If these changes are significant, a corrigendum will be issued as soon as practicable, while minor corrections will be included in the next planned release. Any misleading or erroneous figures will be corrected, a footnote added to indicate that the figures have been corrected. The nature and reason for the correction will be explained. Revisions in this release: No revisions. Planned revisions: No planned revisions

## Accessibility

The publication is available through the [Companies House statistics on GOV.UK website](#)<sup>1</sup>.

## Publication schedule and timeliness

These statistics are published on a monthly basis. Statistics are published within a month of the end of the period being reported on; this is the earliest publication date which allows the compilation of the statistical release ready for publication.

## Coverage

This release provides information on the size and change of the company population and the changes that have occurred within the month. The release includes statistics for the United Kingdom, England & Wales, Northern Ireland and Scotland. A company is a specific legal form of business that is registered at Companies House. The statistics do not include information on sole proprietorship, partnerships and charities<sup>2</sup>.

1. [www.gov.uk/government/organisations/companies-house/about/statistics](http://www.gov.uk/government/organisations/companies-house/about/statistics)

2. See definition of Companies Act 2006 companies contained in the Corporate Body type definition.

## Use and users

Companies House statistics are used extensively by government, the public, public bodies and businesses. For example, they are used by:

- government in understanding the likely impact of policy changes and monitoring the impact of economic changes on companies;
- businesses in understanding their market share and planning marketing strategies;
- by banks in developing an understanding of their customer base;
- by foreign firms in making UK location decisions;
- by academics to inform research into businesses at local and national level; and,
- by a range of public bodies in decision making and in evaluating business-related policies.

## Quality

These statistics are taken from the Companies House Register. Companies House has strict quality and audit procedures around making amendments, additions and removals to the Register. The compilation of these statistics has been quality assured.

These statistics are not seasonally adjusted and should be interpreted with this in mind. To remove seasonal effects, we recommend that users make comparisons with the same period twelve months ago.

## Coherence

This section provides brief information on how these statistics relate to selected business statistics. More detailed information can be found in '[Guide to the Business Population and Demographics statistics publications](#)'<sup>1</sup>, which explores the similarities and differences between business statistics. It focuses on the differences between estimates of the business population and includes a range of related statistics.

## Company incorporations and business creation.

There is a range of official data sources available to monitor business creation, but each has a slightly different coverage. Taken together, they provide a good overall picture of the trend in business creation activity. Individually, each source will be suitable for different specific purposes. Sources include:

- [Business Demography](#)<sup>2</sup>, which provides information for businesses registering for VAT or PAYE. An annual release that provides information on Business 'births' defined as new registrations for VAT or PAYE. Business Demography does not capture the smallest, non-employed business start-ups which do not register for VAT or PAYE.
- Companies House Incorporations – new company registrations, including those not actively trading. Incorporations are one source of statistics on business creation. They provide information on newly formed companies that are added to the Companies House Register. Incorporated companies can go on to trade actively, but some will be dormant companies that do not trade actively. Companies House Incorporations do not capture business start-ups of other business types such as those starting up as an unincorporated sole proprietorship or partnership.

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1. [www.ons.gov.uk/ons/guide-method/method-quality/specific/business-and-energy/business-population/guide-to-the-business-population-and-demographics-statistics-publications---download.pdf](http://www.ons.gov.uk/ons/guide-method/method-quality/specific/business-and-energy/business-population/guide-to-the-business-population-and-demographics-statistics-publications---download.pdf)

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2. [www.ons.gov.uk/ons/rel/bus-register/business-demography/index.html](http://www.ons.gov.uk/ons/rel/bus-register/business-demography/index.html)

## Business population

There are a number of official statistics that provide information on the size of the business population. Each source will be suitable for different specific purposes. Sources include:

- [Business Population Estimates](#)<sup>1</sup> provide the only estimate of the total UK business population. It includes information on incorporated companies and unincorporated sole proprietorships and partnerships.
- [UK Business](#)<sup>2</sup> provides more detail on the business population that has registered for VAT or PAYE.
- Companies House provides information on the total number of incorporated companies that are filing documents to Companies House. Two figures are provided: the 'Total' Register which includes companies that are trading, dormant and in the process of liquidation or dissolution; and, the 'Effective' Register which includes those trading and dormant, but excludes those companies in the process of liquidation or dissolution, but includes companies in receivership.

## Company insolvency and company dissolutions

Company insolvency proceedings are formal measures taken when a company becomes insolvent<sup>3</sup>. The [Insolvency Service](#)<sup>4</sup> reports the most complete picture on Insolvency statistics, including

company liquidations and individual insolvencies, as it has policy responsibility for all forms of corporate insolvency in England and Wales. Compulsory liquidations published in this release differ from those published by the Insolvency Service. The Insolvency Service's compulsory liquidations' statistics are sourced from their administrative systems. All other forms of company insolvency published by the Insolvency Service are on the same basis as those published by Companies House.

There are many different types of company insolvencies including compulsory liquidations and creditors' voluntary liquidations (both of which are procedures resulting in the final winding-up of a company); and receiverships, administrations and company voluntary arrangements (which are aimed at company rescue and/or restructuring). Another form of company liquidation, members' voluntary liquidation, is not included in the Insolvency Service's statistics, as it does not involve insolvency.

Dissolution is the act of removing an incorporated company from the Companies House Register. There are many ways in which a [company can be dissolved](#); these include the final outcome of the insolvency procedures<sup>5</sup>. Once a company has been dissolved, it is removed from the Companies House Register and can only be restored under certain circumstances.

1. [www.gov.uk/government/collections/business-population-estimates](http://www.gov.uk/government/collections/business-population-estimates)

2. [www.ons.gov.uk/ons/publications/all-releases.html?definition=tcm%3A77-21554](http://www.ons.gov.uk/ons/publications/all-releases.html?definition=tcm%3A77-21554)

3. More on the Company Insolvency and liquidations can be found on Companies House's website: [www.gov.uk/government/publications/liquidation-and-insolvency](http://www.gov.uk/government/publications/liquidation-and-insolvency)

4. [www.gov.uk/government/organisations/insolvency-service](http://www.gov.uk/government/organisations/insolvency-service)

5. More on Company Dissolutions can be found on Companies House's website: [www.gov.uk/government/publications/company-strike-off-dissolution-and-restoration](http://www.gov.uk/government/publications/company-strike-off-dissolution-and-restoration)

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