The Department for Business Innovation and Skills, today released Small and Medium-sized Enterprise (SME) Statistics for the UK and Regions 2008, according to arrangements approved by the UK Statistics Authority.

A dataset containing detailed information for each UK industry, region and country is available on the BIS website: [http://stats.bis.gov.uk/ed/sme](http://stats.bis.gov.uk/ed/sme)

**Summary**

There were an estimated 4.81 million private sector enterprises\(^1\) in the UK at the start of 2008, an increase of 104,000\(^3\) (2.2 per cent) since the start of 2007. These levels are the highest since the time series began in 1994.

These enterprises employed an estimated 23.1 million people, and had an estimated combined annual turnover of £3,000 billion\(^4\).

Small and medium-sized enterprises (SMEs) together accounted for 99.9 per cent of all enterprises, 59.4 per cent of private sector employment and 50.1 per cent of private sector turnover.

Employment in SMEs is estimated at 13.7 million, 287,000 (2.1 per cent) higher than in 2007.

Turnover in SMEs is estimated at £1,500 billion, £61 billion (4.2 per cent) higher than 2007.

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\(^1\) This figure is rounded to the nearest 100,000.

\(^2\) The definition of private sector used in this publication excludes the non-profit sector, but includes nationalised bodies which are not in the private sector. This is different to the ONS definition which includes the non-profit sector.

\(^3\) The size of this change is affected by improvements in accuracy resulting from a new methodology to calculate the number of partnerships. The overall impact of this change has been to reduce the 2008 estimate of the number of enterprises. The total number of enterprises at the start of 2008 is approximately 35,000 (0.7 per cent) lower than it would have been using the 2007 methodology. For a full explanation see the associated methodology note.

\(^4\) Turnover data throughout this release excludes SIC2003 Section J (financial intermediation), where turnover is not available on a comparable basis.
More industries experienced growth in the number of enterprises between the start of 2007 and the start of 2008, than experienced a fall. In percentage terms, the biggest increases were in the Mining and Quarrying; Electricity, Gas and Water Supply (19.3 per cent) and Financial Intermediation (10.2 per cent) sectors and the biggest falls in the number of enterprises were in the Manufacturing (-6.9 per cent) and Other Community, Social and Personal Service Activities (-4.7 per cent) sectors.

A quarter (25 per cent) of all UK private sector enterprises operate in the Business Services sector (SIC2003 Section K).

One fifth (21 per cent) of all UK private sector employment is from enterprises operating in the Wholesale, Retail and Repairs sector (SIC2003 Section G).

More regions and countries experienced growth in the number of enterprises between the start of 2007 and the start of 2008, than experienced a fall. In percentage terms, the biggest increases were experienced by Scotland (10.2 per cent) and the South West (9.2 per cent) and the biggest falls in the number of enterprises were experienced by the East of England (-4.7 per cent) and Northern Ireland (-4.1 per cent).

33 per cent of all UK enterprises are in London and the South East\(^5\). Both these regions have over 700,000 enterprises each.

\(^5\) Where enterprises have more than one site in the UK, the data for the whole of that enterprise are reported for the region where the enterprise is registered.
The stock of enterprises, employment and turnover

At the start of 2008, the 4.8 million UK private sector enterprises employed an estimated 23.1 million people, and had an estimated combined annual turnover of £3,000 billion (see Table 1).

Table 1
Number of enterprises, employment and turnover by number of employees, UK private sector, start of 2008

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Enterprises ( / 1,000)</th>
<th>Employment ( / 1,000)</th>
<th>Turnover1 ( / £ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All enterprises</td>
<td>4,783,280</td>
<td>23,128</td>
<td>2,994,978</td>
</tr>
<tr>
<td>All employers</td>
<td>1,237,560</td>
<td>19,239</td>
<td>2,763,280</td>
</tr>
<tr>
<td>With no employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-9</td>
<td>3,545,720</td>
<td>3,888</td>
<td>231,698</td>
</tr>
<tr>
<td>10-49</td>
<td>1,032,775</td>
<td>3,857</td>
<td>420,282</td>
</tr>
<tr>
<td>50-249</td>
<td>172,055</td>
<td>3,332</td>
<td>442,396</td>
</tr>
<tr>
<td>250 or more</td>
<td>6,020</td>
<td>2,665</td>
<td>406,450</td>
</tr>
</tbody>
</table>

1: "All Industries" turnover figures exclude Section J (financial intermediation) where turnover is not available on a comparable basis.

2: "With no employees" comprises sole proprietorships and partnerships comprising only the self-employed owner-manager(s), and companies comprising only an employee director.

Almost all of these enterprises (99.3 per cent) were small (0 to 49 employees). Only 27,000 (0.6 per cent) were medium-sized (50 to 249 employees) and 6,000 (0.1 per cent) were large (250 or more employees)

Figure 1
Share of enterprises, employment and turnover by size of enterprise
UK private sector, start of 2008.

Small and medium-sized enterprises (SMEs) together accounted for more than half of the employment (59.4 per cent) and turnover (50.1 per cent) in the UK.

Small enterprises alone (0 to 49 employees) accounted for 47.9 per cent of employment and 36.5 per cent of turnover (see Figure 1).
Changes in stock of enterprises, employment and turnover over time

The estimated number of private sector enterprises at the start of 2008 is 4,783,000, 104,000 (2.2 per cent) more than at the start of 2007. These levels are the highest since the time series began in 1994.

UK private sector enterprises employed an estimated 23.1 million people at the start of 2008, an increase of 394,000 (1.7 per cent) since the start of 2007.

Estimated employment in SMEs has risen from 13.5 million at the start of 2007 to 13.7 million people at the start of 2008, or from 59.2 to 59.4 per cent of all private sector employment.

At the start of 2008, UK enterprises had an estimated combined annual turnover of £3,000 billion, an increase of £200 billion (7.2 per cent) since the start of 2007.

Turnover in SMEs is estimated at £1,500 billion, £61 billion (4.2 per cent) higher than 2007. As a proportion of all private sector turnover, this has decreased from 51.5 per cent to 50.1 per cent.

Legal status

There were an estimated 3.0 million sole proprietors in the UK at the start of 2008, and 306,000 (10.1 per cent) of them had employees (see Figure 2).

There were an estimated 462,000 partnerships and 177,000 of them (38.2 per cent) had employees.

There were 1.3 million companies and 755,000 of them (58.2 per cent) had employees.

Table 2 below shows that the number of companies has gone up by 109,000 (9.2 per cent) during 2007 to 1.3 million, with increases for companies both with and without employees. This is the eleventh successive year that companies have increased in number.

Figure 2

Number of enterprises with employees, by legal status, UK private sector, start of 2008

<table>
<thead>
<tr>
<th>Legal status</th>
<th>Number of enterprises ( / millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole proprietorships</td>
<td>3.0</td>
</tr>
<tr>
<td>Partnerships</td>
<td>0.4</td>
</tr>
<tr>
<td>Companies</td>
<td>1.3</td>
</tr>
</tbody>
</table>

With employees | No employees

0 0.5 1 1.5 2 2.5 3 3.5

6 For legal reasons most companies are run by employees. However, in the SME statistics companies with a single employee are treated as having no employees.
The number of sole proprietorships has increased by 40,000, or 1.3 per cent, to 3.0 million, the sixth successive annual increase. The number of partnerships has gone down by 45,000, or 8.9 per cent, to 462,000.\(^7\)

Registered enterprises (those enterprises registered for VAT and / or PAYE) and unregistered enterprises have both increased. Registered enterprises have increased by 4.0 per cent and unregistered enterprises have increased by 0.8 per cent since the start of 2007. Most of the change in the number of enterprises between 2007 and 2008 was due to an increase in the number of registered companies.

**Table 2:**

Changes in the number of enterprises between start-2007 and start-2008

<table>
<thead>
<tr>
<th>Sole proprietorships</th>
<th>Partnerships</th>
<th>Companies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered enterprises(^1)</td>
<td>-13,000</td>
<td>-13,000</td>
<td>109,000</td>
</tr>
<tr>
<td>Of which with employees</td>
<td>-10,000</td>
<td>-10,000</td>
<td>39,000</td>
</tr>
<tr>
<td>Without employees</td>
<td>-3,000</td>
<td>-3,000</td>
<td>71,000</td>
</tr>
<tr>
<td>Unregistered enterprises(^2)</td>
<td>53,000</td>
<td>-32,000</td>
<td>N / A(^3)</td>
</tr>
<tr>
<td>All private sector enterprises</td>
<td>40,000</td>
<td>-45,000</td>
<td>109,000</td>
</tr>
</tbody>
</table>

1. Registered enterprises are those enterprises registered for VAT and/or PAYE but exclude Composite Managed Service Companies. 2. Unregistered enterprises do not exclude Composite Managed Service Companies. 3. Not applicable - the SME Statistics assumes all companies are registered.

**The number of enterprises with and without employees**

At the start of 2008, the number of enterprises with employees was 1.2 million, an increase of 19,000 (1.5 per cent) on the start of 2007. They had an estimated combined turnover of £2,763 billion at the start of 2008.

At the start of 2008, the number of enterprises with no employees was 3.5 million, an increase of 85,000 (2.5 per cent) on the start of 2007. Enterprises with no employees accounted for 74.1 per cent of all private sector enterprises, at the start of 2008. However this proportion varies by industry, from 92.2 per cent for Mining and Quarrying; Electricity, Gas and Water Supply (SIC2003 Sections C and E), to 28.8 per cent for Hotels and Restaurants (SIC2003 Section H).

Enterprises with no employees are either sole proprietorships and partnerships comprising only the self-employed owner-manager(s), or companies comprising only an employee director. They had an estimated combined turnover of £232 billion.

\(^7\) Approximately 35,000, or 77 per cent of this fall is due to improvements in the methodology for estimating the number of partnerships.
Industry patterns

More industries experienced growth in the number of enterprises between the start of 2007 and the start of 2008, than experienced a fall. In percentage terms, the biggest increases were in the Mining and Quarrying; Electricity, Gas and Water Supply (19.3 per cent) and Financial Intermediation (10.2 per cent) sectors and the biggest falls in the number of enterprises were in the Manufacturing (-6.9 per cent) and Other Community, Social and Personal Service Activities (-4.7 per cent) sectors.

At the start of 2008 1,207,000 enterprises were in operating in Business Services (SIC2003 Section K). This represents a quarter (25 per cent) of all UK private sector enterprises.

These enterprises accounted for 4,502,000 in employment (19 per cent of the UK private sector employment) and £454 billion (15 per cent of the UK private sector turnover, excluding SIC2003 Section J).

Wholesale, Retail and Repairs (SIC2003 Section G) was the biggest employer in 2008. The 583,000 enterprises in SIC2003 Section G had a combined employment of 4,963,000, representing 21 per cent of all UK private sector employment.
Figure 3

Small enterprise\(^1\) share of employment within each industry section based on SIC2003, for the UK private sector, start of 2008.

\(^1\): Small enterprises defined as those with 0 to 49 employees.

Small enterprise employment and turnover share

At the start of 2008, 47.9 per cent of private sector enterprise employment was in small enterprises (0-49 employees).

But this varied between industries (see Figure 3, which uses the Standard Industrial Classification (SIC2003)).

In Agriculture, Fishing and Forestry (SIC2003 section AB), 94.4 per cent of employment was in small enterprises.

But in Financial intermediation (SIC2003 section J) only 16.3 per cent of employment was in small enterprises.

The share of turnover in small enterprises also varies between industries.

Overall, 36.5 per cent of turnover was in small enterprises. Again, there are variations by industry, ranging from 5.3 per cent in Mining, Quarrying and Utilities (SIC2003 sections C and E) to 86.0 per cent in Agriculture, Fishing and Forestry (SIC2003 section AB).
Enterprises in the English Regions, Scotland, Wales and Northern Ireland

Of the estimated 4.8 million enterprises in the UK at the start of 2008, 4.1 million (86.4 per cent) are in England. The number of enterprises in England increased by 73,000 between 2007 and 2008 (a rise of 1.8 per cent).

With 800,000 enterprises in 2008, London had more enterprises than any other region or country in the UK.

33 per cent of all UK enterprises are in London and the South East. Both these regions have over 700,000 enterprises each (see Figure 4).

Figure 4

Enterprises in each region and country, UK private sector, start of 2008.

For each region and country in the UK, no more than 0.2 per cent of enterprises are large (250 or more employees), and at least 99.1 per cent of enterprises are small (0 to 49 employees). The proportions of enterprises that are medium-sized (50 to 249 employees) range from 0.5 per cent (in the East of England, London, South East, South West and Wales) to 0.8 per cent (in Northern Ireland).

Changes since 2007

The number of UK enterprises was 4.7 million at the start of 2007, and was 4.8 million at the start of 2008. More regions and countries experienced growth in the number of enterprises between the start of 2007 and the start of 2008, than experienced a fall. In percentage terms, the biggest increases were experienced by Scotland (10.2 per cent) and the South West (9.2 per cent) and the biggest falls in the number of enterprises were experienced by the East of England (-4.7 per cent) and Northern Ireland (-4.1 per cent).

Employment in UK enterprises was 22.7 million at the start of 2007, and was 23.1 million at the start of 2008. Most regions and countries saw increases in employment over the period, but two regions (East Midlands and West Midlands) saw small decreases. London had the largest increase in employment of all the regions and countries, from 4,046,000 to 4,213,000, an increase of 167,000 (4.1 per cent).
Employment in SMEs

Enterprises that have employees in more than one region or country are counted here only in the region where they are registered. These estimates may therefore differ from actual employment in a region, since some employees in one region will work for enterprises that are registered in another region.

In the UK as a whole, SMEs account for over half of employment (59.4 per cent). Out of all the UK regions and countries London had the lowest share, where SMEs only account for 48.0 per cent of employment. For the South West, Wales and Northern Ireland, this figure exceeds 70 per cent.

Industry patterns

The differences in employment patterns between regions can be explained partly by differing industry compositions. Thirty two per cent of businesses in London are in SIC2003 Section K (Real Estate, Renting and Business Activities), the highest proportion of all regions and countries (see Figure 5), but less than one per cent of enterprises in London are in SIC2003 Sections A and B (Agriculture, Hunting, Forestry and Fishing), the lowest of all regions.

Figure 5

Share of enterprises in the Real Estate, Renting and Business Activities sector (SIC2003 Section K), by region

Northern Ireland has the lowest proportion of enterprises in SIC2003 Section K, out of all regions and countries (15 per cent – see Figure 5) and the highest proportion of enterprises in SIC2003 Section F (Construction, 27 per cent – see Figure 6) and SIC2003 Sections A and B (Agriculture, Hunting, Forestry and Fishing, 15 per cent).
Profiles of the English Regions, Scotland, Wales and Northern Ireland

North East

- There were 136,000 private sector enterprises in the North East at the start of 2008 (2.8 per cent of the UK total), an increase of 3,000 (2.0 per cent) since the start of 2007.

- There were 685,000 people employed in the private sector in the North East at the start of 2008 (3.0 per cent of the UK total), an increase of 10,000 (1.5 per cent) since the start of 2007. SMEs employed 422,000 people (61.8 per cent of the regional total).

- Of all businesses in the North East, 25 per cent are in the Construction sector (higher than the proportion in the UK as a whole - 21 per cent). Twenty per cent of all businesses in the North East are in the Real Estate, Renting & Business Activity sector (compared with 25 per cent of all businesses in the UK as a whole).

North West

- There were 454,000 private sector enterprises in the North West at the start of 2008 (9.5 per cent of the UK total), an increase of 9,000 (2.1 per cent) since the start of 2007.

- There were 2,162,000 people employed in the private sector in the North West at the start of 2008 (9.3 per cent of the UK total), an increase of 53,000 (2.5 per cent) since the start of 2007. SMEs employed 1,403,000 people (64.9 per cent of the regional total).

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8 Enterprises that have employees in more than one region or country are counted here only in the region where they are registered. These estimates may therefore differ from actual employment in a region, since some employees in one region will work for enterprises that are registered in another region.
• Of all businesses in the North West, nine per cent are in the Transport, Storage and Communications sector (higher than the proportion in the UK as a whole - six per cent). Nine per cent of all businesses in the North West are in the Other Community, Social and Personal Service Activities sector (compared with 11 per cent of all businesses in the UK as a whole).

Yorkshire and the Humber

• There were 346,000 private sector enterprises in Yorkshire and the Humber at the start of 2008 (7.2 per cent of the UK total), a fall of 4,000 (-1.2 per cent) since the start of 2007.

• There were 1,893,000 people employed in the private sector in Yorkshire and the Humber at the start of 2008 (8.2 per cent of the UK total), an increase of 7,000 (0.4 per cent) since the start of 2007. SMEs employed 1,070,000 people (56.5 per cent of the regional total).

• Of all businesses in Yorkshire and the Humber, 24 per cent are in the Construction sector (higher than the proportion in the UK as a whole - 21 per cent). Nineteen per cent of all businesses in Yorkshire and the Humber are in the Real Estate, Renting & Business Activity sector (compared with 25 per cent of all businesses in the UK as a whole).

East Midlands

• There were 319,000 private sector enterprises in the East Midlands at the start of 2008 (6.7 per cent of the UK total), a fall of 8,000 (-2.4 per cent) since the start of 2007.

• There were 1,721,000 people employed in the private sector in the East Midlands at the start of 2008 (7.4 per cent of the UK total), a fall of 15,000 (-0.9 per cent) since the start of 2007. SMEs employed 974,000 people (56.7 per cent of the regional total).

• Of all businesses in the East Midlands, 14 per cent are in the Wholesale and Retail Trade; Repairs sector (higher than the proportion in the UK as a whole - 12 per cent). Twenty two per cent of all businesses in the East Midlands are in the Real Estate, Renting & Business Activity sector (compared with 25 per cent of all businesses in the UK as a whole).

West Midlands

• There were 365,000 private sector enterprises in the West Midlands at the start of 2008 (7.6 per cent of the UK total), a fall of 12,000 (-3.1 per cent) since the start of 2007.

• There were 1,902,000 people employed in the private sector in the West Midlands at the start of 2008 (8.2 per cent of the UK total), a fall of 36,000 (-1.9 per cent) since the start of 2007. SMEs employed 1,131,000 people (59.5 per cent of the regional total).

• Of all businesses in the West Midlands, eight per cent are in the Other Community, Social and Personal Service Activities sector (lower than the proportion in the UK as a whole - 11 per cent). Twenty two per cent of all
businesses in the West Midlands are in the Real Estate, Renting & Business Activity sector (compared with 25 per cent of all businesses in the UK as a whole).

East of England

- There were 488,000 private sector enterprises in the East of England at the start of 2008 (10.2 per cent of the UK total), a fall of 24,000 (-4.7 per cent) since the start of 2007.

- There were 2,474,000 people employed in the private sector in the East of England at the start of 2008 (10.7 per cent of the UK total), an increase of 28,000 (1.1 per cent) since the start of 2007. SMEs employed 1,351,000 people (54.6 per cent of the regional total).

- Of all businesses in the East of England, 22 per cent are in the Construction sector (slightly higher than the proportion in the UK as a whole - 21 per cent). Twenty five per cent of all businesses in the East of England are in the Real Estate, Renting & Business Activity sector (the same as the proportion for the UK as a whole – 25 per cent).

London

- There were 800,000 private sector enterprises in London at the start of 2008 (16.7 per cent of the UK total), an increase of 42,000 (5.6 per cent) since the start of 2007.

- There were 4,213,000 people employed in the private sector in London at the start of 2008 (18.2 per cent of the UK total), an increase of 167,000 (4.1 per cent) since the start of 2007. SMEs employed 2,022,000 people (48.0 per cent of the regional total).

- Of all businesses in London, 16 per cent are in the Construction sector (lower than the proportion in the UK as a whole - 21 per cent). Thirty two per cent of all businesses in London are in the Real Estate, Renting & Business Activity sector (compared with 25 per cent of all businesses in the UK as a whole).

South East

- There were 769,000 private sector enterprises in the South East at the start of 2008 (16.1 per cent of the UK total), an increase of 28,000 (3.8 per cent) since the start of 2007.

- There were 3,412,000 people employed in the private sector in the South East at the start of 2008 (14.8 per cent of the UK total), an increase of 70,000 (2.1 per cent) since the start of 2007. SMEs employed 2,066,000 people (60.6 per cent of the regional total).

- Of all businesses in the South East, two per cent are in the Agriculture, Hunting and Forestry; Fishing sector (lower than the proportion in the UK as a whole - four per cent). Twenty nine per cent of all businesses in the South East are in the Real Estate, Renting & Business Activity sector (compared with 25 per cent of all businesses in the UK as a whole).
South West

- There were 456,000 private sector enterprises in the South West at the start of 2008 (9.5 per cent of the UK total), an increase of 38,000 (9.2 per cent) since the start of 2007.

- There were 1,732,000 people employed in the private sector in the South West at the start of 2008 (7.5 per cent of the UK total), an increase of 16,000 (0.9 per cent) since the start of 2007. SMEs employed 1,269,000 people (73.3 per cent of the regional total).

- Of all businesses in the South West, six per cent are in the Agriculture, Hunting and Forestry; Fishing sector (higher than the proportion in the UK as a whole - four per cent). Four per cent of all businesses in the South West are in the Transport, Storage and Communications sector (compared with six per cent of all businesses in the UK as a whole).

England

- There were 4,133,000 private sector enterprises in England at the start of 2008 (86.4 per cent of the UK total), an increase of 73,000 (1.8 per cent) since the start of 2007.

- There were 20,193,000 people employed in the private sector in England at the start of 2008 (87.3 per cent of the UK total), an increase of 298,000 (1.5 per cent) since the start of 2007. SMEs employed 11,714,000 people (58.0 per cent of the regional total).

- Of all businesses in England, three per cent are in the Agriculture, Hunting and Forestry; Fishing sector (lower than the proportion in the UK as a whole - four per cent). Twenty six per cent of all businesses in England are in the Real Estate, Renting & Business Activity sector (compared with 25 per cent of all businesses in the UK as a whole).

Wales

- There were 201,000 private sector enterprises in Wales at the start of 2008 (4.2 per cent of the UK total), an increase of 7,000 (3.5 per cent) since the start of 2007.

- There were 756,000 people employed in the private sector in Wales at the start of 2008 (3.3 per cent of the UK total), an increase of 19,000 (2.6 per cent) since the start of 2007. SMEs employed 585,000 people (77.1 per cent of the regional total).

- Of all businesses in Wales, nine per cent are in the Agriculture, Hunting and Forestry; Fishing sector (higher than the proportion in the UK as a whole - four per cent). Eighteen per cent of all businesses in Wales are in the Real Estate, Renting & Business Activity sector (compared with 25 per cent of all businesses in the UK as a whole).

Scotland
- There were 322,000 private sector enterprises in Scotland at the start of 2008 (6.7 per cent of the UK total), an increase of 30,000 (10.2 per cent) since the start of 2007.

- There were 1,626,000 people employed in the private sector in Scotland at the start of 2008 (7.0 per cent of the UK total), an increase of 56,000 (3.6 per cent) since the start of 2007. SMEs employed 1,005,000 people (61.9 per cent of the regional total).

- Of all businesses in Scotland, seven per cent are in the Agriculture, Hunting and Forestry; Fishing sector (higher than the proportion in the UK as a whole - four per cent). Twenty three per cent of all businesses in Scotland are in the Real Estate, Renting & Business Activity sector (compared with 25 per cent of all businesses in the UK as a whole).

**Northern Ireland**

- There were 127,000 private sector enterprises in Northern Ireland at the start of 2008 (2.6 per cent of the UK total), a fall of 5,000 (-4.1 per cent) since the start of 2007.

- There were 552,000 people employed in the private sector in Northern Ireland at the start of 2008 (2.4 per cent of the UK total), an increase of 19,000 (3.6 per cent) since the start of 2007. SMEs employed 439,000 people (79.3 per cent of the regional total).

- Of all businesses in Northern Ireland, 15 per cent are in the Agriculture, Hunting and Forestry; Fishing sector (higher than the proportion in the UK as a whole - four per cent). Fifteen per cent of all businesses in Northern Ireland are in the Real Estate, Renting & Business Activity sector (compared with 25 per cent of all businesses in the UK as a whole).
Notes on this release

1. All figures in this document can also be found in the accompanying Excel tables published at http://stats.bis.gov.uk/ed/sme. All figures and percentages in this document are rounded, usually to two significant figures and one decimal place respectively. Therefore totals might not exactly match the sum of their parts.

2. 1 billion = 1,000 million.

3. In this release, and in the tables accompanying it, a small enterprise is defined as an enterprise with 0 to 49 employees, a medium-sized enterprise is an enterprise with 50 to 249 employees, and a large enterprise is an enterprise with 250 or more employees.

4. Within the scope of the SME Statistics companies with a single employee director are counted as zero employee businesses.

Timeliness

5. The 2008 edition of SME statistics was published over 20 months after the start of the reference year. This reflects lags in the recording of key information on the ONS administrative system. This year, there has been an additional two month delay to allow us to implement some of the recommendations from a methodological review (see ‘Sources and accuracy’ section below for further details).

Sources and accuracy

6. There is no single source of estimates of the number of enterprises in the UK. The main source for this publication is the Inter-Departmental Business Register (IDBR), administered by the Office for National Statistics (ONS), which is used to provide the number of registered enterprises in the UK.

7. This publication also includes estimates of very small enterprises that do not appear on the IDBR. These are estimated by BIS from the ONS Labour Force Survey and HM Revenue & Customs Survey of Personal Incomes. Since the estimates use survey data, the reliability of the SME statistics is lower for the smallest size class.

8. A document on methodology and accuracy accompanies this press notice at http://stats.bis.gov.uk/ed/sme. It is recommended that this document is read before interpreting these statistics.

9. The methodology used to produce this series is currently under review, following a public consultation earlier this year. Some small changes have been incorporated into this publication and further improvements will be made in future editions. Further details of the implications of the methodology review for this publication are listed in the methodological note that accompanies this release. Links to the public consultation and the government response can be found via the following link: http://www.berr.gov.uk/whatwedo/enterprise/enterprisesmes/page49415.html
A National Statistics publication

10. 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.

11. For enquiries, or to give feedback on this publication, contact the BIS Enterprise Directorate Analytical Unit:

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