



# UK Business Performance Report 2019



# Introduction

The UK has faced some challenging times over the past 12 months with an uncertain economic future, recruitment issues and politics all playing an important part. Furthermore, recent reports predict the British economy to fall to 7th place in the GDP rankings in 2019, with India subsequently rising above.

Despite this, the British economy had actually reached a two year high in 2018, showing that even in an adverse economic climate, British businesses are determined to create opportunities, grow their offerings, and contribute to society now more than ever.

With Brexit on the horizon, businesses are having to tackle novel challenges when it comes to recruitment, stock management and a volatile currency, making the last 12 months an extremely challenging year for all. With all of this in mind, how have UK businesses fared? Creditsafe is one of the UK's most used sources of business data, providing companies of all sizes with live credit information across the globe. We have pulled this information together into the UK Business Performance Report for 2019, which analyses each dataset to gain a sample snapshot of business finances including liabilities, assets, cash and network for companies across the UK.

**This report analyses 912,974 businesses, and is broken up into the following sections:**

- The number of limited businesses in the UK
- Average network across regions
- Investments and liabilities
- Business assets
- Cash in the bank
- Credit scores

**It also contains specific focus sections looking at noteworthy developments in the following sections:**

- Strong growth for Slough
- Yorkshire and the Humber's development
- Polar opposites: Scotland and the South East
- London's continued financial power

## Number of limited businesses in the UK

Whilst official data indicates there are around 4.2m businesses registered in the UK, for the purpose of this report, we analysed a sample of active, limited companies (912,974) that have provided information on networth, liabilities, net assets and cash within their business throughout the UK during 2018.

As you might expect, London is home to the most limited businesses in the UK, with 217,684 providing information, however, to encourage a proportional view against the rest of the UK we have split the capital into smaller regions. From further analysis, we can see that West London holds the most businesses that fitted our sample criteria at 27,035, with Birmingham (23,052) and Central London (22,461) following closely behind. Manchester (17,676) and Bristol (14,382) are the next two cities after London with large business hubs, indicative of the correlation between population size and business frequency.

When this is analysed on a regional level, however, the South East boasts 134,988 businesses in our sample followed by the North West with 98,578. Government discussions often centre around trying to move business hubs out of the South East and London, but this does not appear to be changing anytime soon, despite the North West's growing economic success.



Region	Number of Businesses (Total)
Greater London	217,684
Scotland	53,651
North East	20,345
Yorkshire & Humberside	63,282
Northern Ireland	13,926
West Midlands	69,539
South East	134,988
East of England	94,112
North West	98,578
East Midlands	48,095
South West	73,937
Wales	24,837

## Strong growth for Slough

Looking at the average total networth for businesses analysed in each location, Twickenham and Central London top the rankings in first and second place respectively with just over £35 million each. In third place, however, we have 2018's rising star in the form of Slough. The town also places 8th in terms of average total liabilities in the country, while also placing third for average net assets per business.

Commenting on Slough's success, Entrepreneur Gilles Baudet, said:



London, naturally is expensive and as time has gone on, surroundings areas such as Slough have cottoned on to a very real opportunity to offer a more realistic and affordable way to do business and without being geographically too far removed from the London bubble. Cheaper commercial property prices both for rent and purchase can save a business hundreds of thousands of pounds in some cases and cheaper running costs make Slough an increasingly attractive location for businesses to operate from.

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Area	Slough
Number of Businesses (Total)	7,969
Net Worth*	£24,505,094
Total Liabilities*	£20,061,694
Net Assists*	£25,285,676
Cash*	£536,744
Credit Score*	77

\*Average

## Networth across the UK

While Slough is showing strong signs of development with it's growing average network, Edinburgh and Reading also fared well, finishing in 4th and 5th place at just over £19.7m and £18m respectively.

Regionally, Greater London is understandably out in front with just under £10.2m average network, followed by the South East at just shy of £6m and Scotland behind that at just over £5m.

Region	Number of Businesses (Total)	Networth (Average)
Greater London	217,684	£10,193,363
South East	134,988	£5,997,737
Scotland	53,651	£5,072,552
Yorkshire & Humberside	63,282	£2,538,313
West Midlands	69,539	£2,335,750
North East	20,345	£2,053,829
South West	73,937	£2,039,506
North West	98,578	£1,823,662
East of England	94,112	£1,812,665
East Midlands	48,095	£1,651,418
Northern Ireland	13,926	£1,331,421
Wales	24,837	£1,097,492

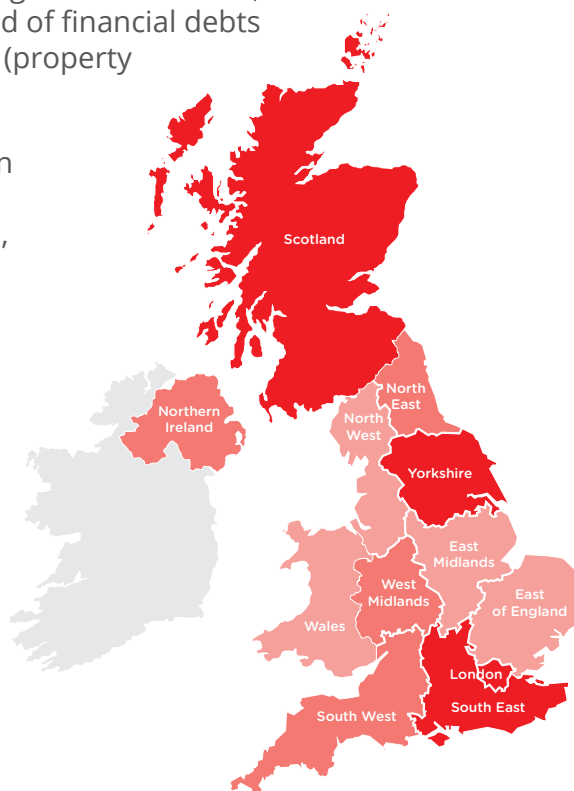


## Average liabilities per business across the UK

It's to be expected that Central London leads the way with average liabilities at over £154.6m, being the biggest city in our sample set. However, outside of London, York places 3rd with over £44.1m, with Edinburgh being Scotland's highest at £30.3m - 5th in the UK. At the other end of the table, Wales' Llandrindod Wells had the lowest average liabilities per business at just over £315k with Dorchester having £20k more and Kirkwall 3rd from the bottom with £352k. With a small number of businesses in the area filing this information, this is to be expected, but is still very positive. Liabilities are comprised of financial debts and obligations and include elements such as mortgages (property investment), loans and insurance.

When analysing these statistics on a regional level, we can see where the success of York has influenced the data. In first place is Greater London with a large £27.9m average, followed by Scotland (£7.3m) and Yorkshire and the Humber (£7.2m) a fraction behind that. The South East sits in 4th position with an average of £6.5m average liabilities per business.

Looking at the other end of the spectrum, Wales takes the last spot being the only region not to push past the £2m barrier with average business liabilities of £1.3m, with the East Midlands ahead at just over £2.3m.



Region	Number of Businesses (Total)	Total Liabilities (Total)	Total Liabilities (Average)
Greater London	217,684	£6,078,373,635,003	£27,922,923
Scotland	53,651	£395,396,211,517	£7,369,782
Yorkshire & Humberside	63,282	£457,684,396,631	£7,232,457
South East	134,988	£884,258,444,746	£6,550,644
West Midlands	69,539	£337,412,861,875	£4,852,138
North East	20,345	£86,907,628,671	£4,271,694
South West	73,937	£313,242,181,031	£4,236,609
Northern Ireland	13,926	£43,217,816,261	£3,103,390
North West	98,578	£286,604,708,069	£2,907,390
East of England	94,112	£269,391,134,688	£2,862,452
East Midlands	48,095	£111,233,782,957	£2,312,793
Wales	24,837	£33,486,690,805	£1,348,258

# Business assets across the UK

We've already touched on how Slough is performing well as the highest area outside of London in terms of average net assets per business, but it is important we see the bigger picture. Greater London once more is the region with the highest figures here, at just over £10.4m, with the South East following behind at £6.1m. This is the typical picture you would expect to see given the number of multinational businesses based in these regions.

Scotland holds the third place with over £5.1m average net assets, whilst Yorkshire and the Humber again shows financial stability in 4th with just under £2.6m. With recent government funding into the Northern Powerhouse initiative, it's positive to see secure economic growth in the area as well as Scotland's continued strength. Wales, once more comes out in last place with just over £1.1m in assets, with Northern Ireland (£1.9m) and the East Midlands (just under £1.4m) only slightly ahead.



Region	Number of Businesses (Total)	Net Assets (Total)	Net Assets (Average)
Greater London	217,684	£2,265,286,565,274	£10,406,307
South East	134,988	£827,101,394,674	£6,127,221
Scotland	53,651	£276,511,930,486	£5,153,900
Yorkshire & Humberside	63,282	£164,330,852,653	£2,596,802
West Midlands	69,539	£174,156,186,620	£2,504,439
North East	20,345	£42,755,679,960	£2,101,532
South West	73,937	£154,318,080,092	£2,087,156
Northern Ireland	13,926	£181,354,155,495	£1,927,003
North West	98,578	£183,269,659,658	£1,859,133
East of England	94,112	£85,480,157,974	£1,777,319
East Midlands	48,095	£19,270,763,936	£1,383,797
Wales	24,837	£27,827,080,786	£1,120,388

## Which regions hold the most cash in the bank?

The average amount of cash per business within our sample of data reached the highest at just over £9.5m in Central London, with Edinburgh (£9.1m) and York (£3.3m) behind the capital. At the other end of the table, Dorchester appears once more with just £118k below Romford (£127k) and Torquay (£127k). Regionally, the story remained almost identical to coincide with the region's larger cities indicative of their economic impact; with London (£2m), Scotland (£2m), the North East (£750k) and Yorkshire and the Humber (£631k) making up the top four.

Region	Number of Businesses (Total)	Cash (Total)	Cash (Average)
Greater London	217,684	£437,643,235,799	£2,010,452
Scotland	53,651	£107,811,039,567	£2,009,487
North East	20,345	£15,256,732,730	£749,900
Yorkshire & Humberside	63,282	£39,992,307,038	£631,969
Northern Ireland	13,926	£7,382,818,649	£530,146
West Midlands	69,539	£27,553,056,870	£396,224
South East	134,988	£50,315,685,621	£372,741
East of England	94,112	£33,801,289,980	£359,160
North West	98,578	£28,683,252,957	£290,970
East Midlands	48,095	£12,175,825,232	£253,161
South West	73,937	£16,967,698,400	£229,488
Wales	24,837	£5,522,024,181	£222,330

## Credit scores across the UK

Credit scores are based on many different variables and financial datasets, but ultimately, they are there to offer an overall performance score on a business of interest. They help to inform businesses as to who is creditworthy enough to work with, and potentially, who isn't. A Creditsafe company credit score deems a score of 30 and above as creditworthy; the higher the score is, the less chance of a company becoming insolvent. With this in mind, it makes sense to consider credit scores as an indication of stability in a business.

When analysed at a local level, businesses in Warrington came out on top with the highest average credit score in the UK at 78.8, followed by Kirkwall (78.4) and Aberdeen (78). On the other end of this scale, the bottom three is made up of Hull (71.7), Liverpool (71.9) and Walsall (72). Regionally, Greater London held the top spot for the highest credit score among its residential businesses with a good 75.7 average amongst our dataset, followed by the South East (75.6) and South West (75.3). The bottom three was made up of Northern Ireland (72.4), the North East (73.1) and the Yorkshire and the Humber (73.5).





Warrington is a very good place to be right now when it comes to business. Being situated so close to two major cities developing at a continuously impressive rate in Manchester and Liverpool, Warrington has transitioned into a real talent pool of entrepreneurs and business minds. Much like Slough for instance, Warrington has much cheaper running costs than what's on offer in the nearby major cities which keeps costs down and combats what can sometimes be an over-reliance on outside investment.

*Entrepreneur, Gilles Baudet*

Region	Number of Businesses (Total)	Credit Score (Average)
Greater London	217,684	75.7
South East	134,988	75.6
South West	73,937	75.3
Scotland	53,651	75.3
East of England	94,112	75.2
East Midlands	48,095	74.3
North West	98,578	73.8
Wales	24,837	73.7
West Midlands	69,539	73.6
Yorkshire & Humberside	63,282	73.5
North East	20,345	73.1
Northern Ireland	13,926	72.4



## Yorkshire and the Humber's development

With the government continuing to push the focus onto the Northern Powerhouse initiative, it's no surprise that regional comparisons show Yorkshire and the Humber as having strong financial growth and contributing well to the UK economy.

The region takes on the most liabilities per business in England in our dataset, outside of London, at an average of £7.23m. Alongside this, the area also has the fourth highest average cash in the bank at just under £632k and the fourth highest average net worth at £2.53m. The risk-taking of Yorkshire and the Humber businesses and its financial stability is indicative of its plans for growth and the region is expected to only develop further in the coming years.

## Scotland and the South East

Edinburgh is the powerhouse of the Scottish economy and makes significant contributions towards the UK's overall global economic authority. The South East has many financial contributors in the form of Slough, Reading and Guildford to name but three high ranking cities.

Both of these regions consistently pipped each other for the 2nd place in our rankings behind Greater London. For average net worth for example, the South East surpassed Scotland by over £900k, whereas for total liabilities, Scotland follows London at £7.3m, with the South East in 4th with £6.5m. In this instance, it could be a sign of more secure investments and less risks being taken - however, the South East still maintains over £1m more in average net assets compared to Scotland.

In terms of their respective average cash in the bank, Scotland claims over £2m whilst the South East scored nowhere near this amount - £372k to be precise. Despite this vast financial difference, the South East still performed better in our credit score analysis at 75.61 whilst Scotland was two places behind at 75.36.

## London's financial strength

As a global epicentre of large businesses, it's not surprising that Greater London performed well across all metrics measured within our sample, providing financial strength and stability to the UK consistently. The region has the highest average net worth, average cash in the bank and credit score. The region did however, claim the highest average liabilities at £27.9m which was over 3.7 times more than Scotland's average.

Our figures also show that the region's limited companies that we analysed hold more than £2.2 trillion in total net worth, a huge 119 times more than Northern Ireland as a whole. Despite the sheer number of businesses present in Greater London, the average credit score is not vastly higher than the rest of the UK with only 0.16 between London and the South East. Below is a full breakdown of all areas within London and their respective financial averages.

Area covered	Population	Number of Businesses (Total)	Net Worth*	Total Liabilities*	Net Assets*	Cash*	Credit Score*
Bromley	299,157	5,282	£601,856	£1,625,465	£656,396	£253,751	75.9
Croydon	405,236	5,843	£636,752	£628,098	£674,373	£169,785	76.5
East London	989,043	15,774	£17,257,634	£68,498,250	£17,406,553	£2,871,159	75.5
Central London (EC)	33,956	22,461	£35,129,817	£154,632,067	£35,747,026	£9,523,073	74.6
Enfield	344,780	7,434	£1,632,965	£4,657,940	£1,640,939	£415,751	74.9
Harrow	480,678	14,930	£586,240	£710,147	£594,728	£171,607	75.7
Ilford	335,693	7,328	£466,526	£558,428	£470,666	£131,953	74.5
Kingston upon Thames	529,633	10,713	£4,646,145	£5,480,596	£4,736,840	£550,202	77.3
North London	847,197	21,309	£1,401,428	£2,053,203	£1,416,781	£215,750	75.4
North West London	553,732	14,888	£4,052,906	£14,597,754	£4,116,548	£921,058	75.3
Romford	517,305	6,506	£514,083	£710,796	£530,203	£127,412	73.8
South East London	988,126	13,192	£5,897,691	£11,659,878	£6,276,774	£1,564,749	76.8
Sutton	217,171	3,393	£1,205,742	£2,272,972	£1,242,082	£461,459	76.5
South West London	877,183	19,537	£7,464,447	£13,435,380	£7,568,059	£1,353,424	77.2
Twickenham	491,918	8,294	£35,392,200	£41,551,560	£36,729,950	£2,989,740	77.2
Southall	371,413	4,457	£8,954,410	£6,718,092	£9,197,460	£626,942	73.6
West London	531,690	27,035	£11,192,694	£10,268,762	£11,433,217	£1,800,180	75.5
Central London	35,745	9,308	£12,822,757	£6,713,504	£12,955,679	£2,101,582	77.0

## How was the data collected and calculated?

The data comes from internal Creditsafe data as well as information obtained from Companies House. These are used alongside our internal algorithms to ensure credit scores are accurate and well informed. The data was split by postcodes across the UK to gather regional data, then the averages calculated against the number of businesses in the respective cities, towns and regions.

## Glossary

**Limited business (LTD):** A company organised so that the shareholders are limited to their liability depending on the amount of shares owned. This is the most common type of privately held companies in the UK.

**Networth:** Often referred to as the 'book value' of a business. This is calculated by looking at the Total Shareholders' Funds minus the Intangible Assets of the business.

**Liabilities:** Liabilities are comprised of financial debts and obligations and include elements such as mortgages (property investment), loans and insurance.

**Business assets:** Total assets minus total liabilities.

**Cash in the bank:** Cash in hand held at the business and cash held at the bank.

**Credit score:** The Creditsafe Credit Score, taking into account the current economic situation, calculates the probability of a company becoming insolvent in the next 12 months based on 15 different parameters. Creditsafe is one of the only companies within the industry to have taken the step of reviewing Credit Scores based on the downturn in the UK economy and we will continue to rigorously test and change our models to ensure that your company is protected against the threat of bad debt no matter what the economic circumstances.

**Regions:** Greater London, Scotland, North East, Yorkshire & Humberside, Northern Ireland, West Midlands, South East, East of England, North West, East Midlands, South West, Wales.

The data for this report was acquired from the internal Creditsafe system that collects company financial data from official sources such as Companies House, Registry's Trust and HM Treasury.

These are used alongside our internal algorithms to ensure credit scores are accurate and well informed. The data for this report was split by postcodes across the UK to gather regional data, then the averages calculated against the number of businesses in the respective cities, towns and regions.

With credit information on over 240 million businesses across the globe, Creditsafe delivers the most accurate and up-to-date information available in an easy to use format for businesses of all sizes.

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