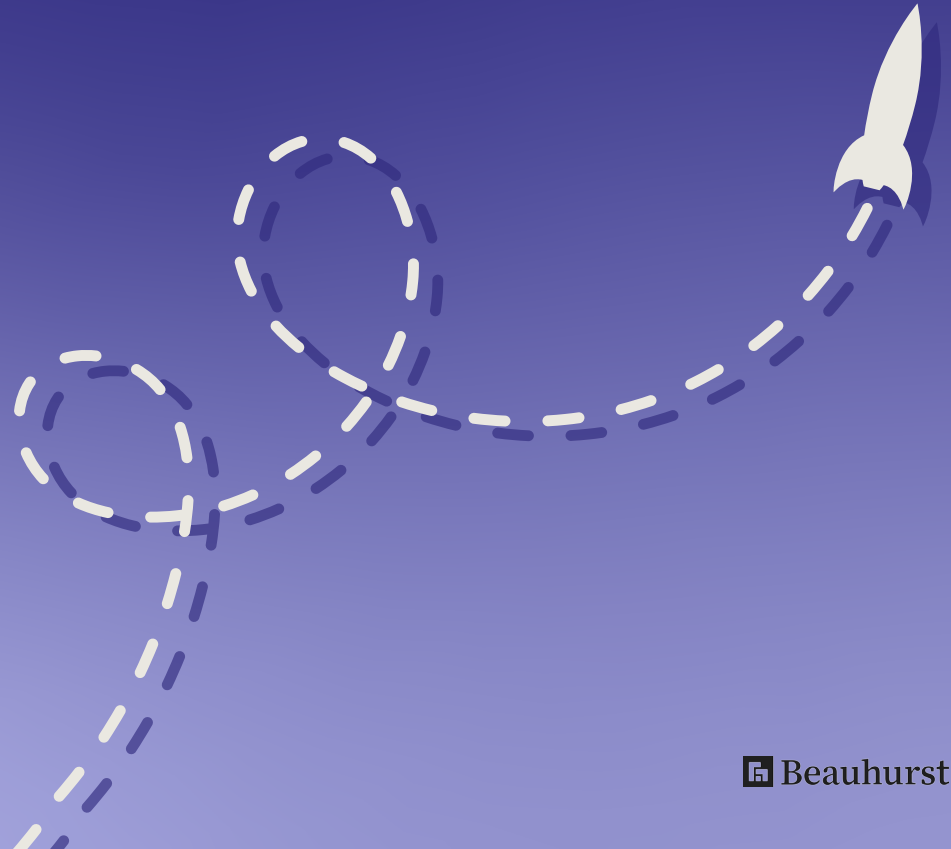


New Startup Index 2024

Business and Venture
Creation in the UK



NatWest Group

 Beauhurst

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Foreword



NatWest Group

**James Holian,
Head of Business Banking
at NatWest Group**

It's a testament to the resilience of the UK's business owners and their entrepreneurial spirit that at the end of 2024 the number of active companies operating in the UK stood at a record high of 5.63 million. This report by NatWest and Beauhurst shows that entrepreneurs are still starting lots of new businesses, with 846,000 new limited companies joining the UK's corporate register over the course of last year.

NatWest, as the UK's biggest business bank, has a key role to play in unlocking business owners' potential. Through our national network of relationship managers and our suite of top quality digital tools, we enable our customers to access great business banking, and get the support and guidance they need – no matter what business environment they find themselves in.

In terms of the numbers, historically, the rate of new business incorporations typically peaks in the first quarter and gradually falls as the year progresses. This pattern continued in 2024, although the decline over subsequent quarters was more pronounced than usual. This could be attributed to businesses facing greater headwinds, but also to changes at Companies House designed to improve the accuracy and integrity of the register. What it does show is that there is still more to be done to give ambitious business owners the confidence and tools to start and grow their businesses.

This year we will celebrate the tenth anniversary of the NatWest Accelerator. Since we founded the first NatWest accelerator in Birmingham back in 2015, our network has grown to 12 hubs across the UK. Data from

the Accelerator shows that the programme plays an impactful role in giving start-ups the tools to scale and succeed – significantly boosting businesses' turnover, investment and chances of survival, with 75% of our support concentrated outside of London and the South East.

To achieve sustained growth, we firmly believe the public and private sector must work together to enable businesses to maximise success, through programmes like the Accelerator. With a record number of active businesses now in the UK, we look forward to continuing our collaboration with government and industry partners to provide the local support needed for regional economic growth – benefiting people and communities in every corner of the country.

Executive summary

Beauhurst

In 2024, the UK witnessed a slight decline in the rate of new business incorporations, totalling 846k — a decrease of 3.75% from the previous year's high of 879k. Despite this downturn, the total volume of incorporations remained significantly higher than the three years preceding 2023.

By the end of 2024, the number of active companies in the UK rose to a record 5.63m, marking a growth of 3.11% compared to the end of 2023. The number of active companies has grown between 2023 and 2024, with incorporation rates outpacing dissolution rates.

The first quarter of 2024 saw the highest number of company formations for any quarter in the past five years, peaking at 248k. This initial surge set the rolling quarterly average to a record 229k incorporations per quarter. Despite a robust start, the end-of-year rolling average decreased to 200k

due to a significant drop in Q4 incorporations, decreasing to levels last seen in 2021.

Regionally, London continued to lead in business formations with 286k new incorporations, though this was a slight decline from 2023. In contrast, Northern Ireland demonstrated remarkable growth with a 26.4% increase in new businesses. Other regions, such as Wales, saw more significant reductions, with a year-on-year drop of 21.7% in new company formations.

Sector-wise, real estate-related activities showed the largest increase in new incorporations, with sectors like “Other letting and operating of own or leased real estate” and “Buying and selling of own real estate” leading in growth rates. The technology and professional services sectors also exhibited notable increases, reflecting the rising demand for digital and professional expertise.

5.63m

active companies at the end
of 2024

846k

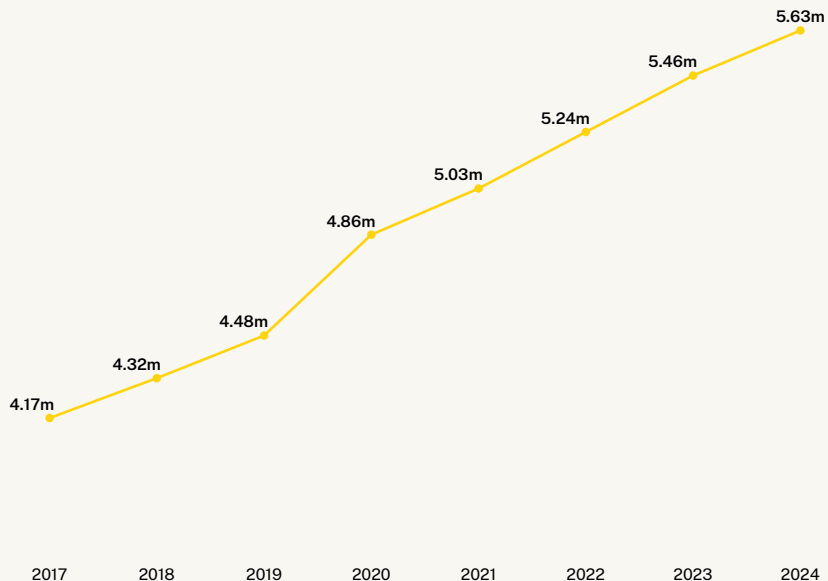
companies incorporated
in 2024

286k

companies incorporated in London
in 2024

Summary of active companies

Active companies in the UK by year (2017 - 2024)



Despite a slight decline in business formations in 2024, the overall number of active companies in the UK saw a steady increase, closing the year at a record high of 5.63m — a 3.11% rise from 2023. Notably, incorporation activity was particularly high in the first quarter of the year, with 248k new companies. However, this figure gradually declined to 184k by Q4, indicating a 25.8% drop in new business formations as the year progressed.

184k

companies incorporated in Q4 2024

In 2024, gender distribution among the directors of newly incorporated companies continued to highlight ongoing disparities, yet also showed

areas of progress. Companies with all-male directorship teams still represented a majority, but there was a noticeable shift towards more gender-balanced boards. Companies with mixed-gender directorship teams saw a slight increase, growing from 10.4% of all incorporations in 2023, to 11.3% in 2024.

3.11%

increase in number of active companies compared to 2023

Moreover, all-female directorship teams maintained their presence, holding steady at 20.9% of the total incorporations — the same rate as in 2023. This stability came about despite a general decrease in the number of new companies.

Annual incorporations

At the end of 2024, the UK had 5.63m active companies, a 3.11% increase from the 5.46m recorded at the end of 2023. Despite this growth in active entities, the rate of new incorporations decreased by 3.75% to 846k in 2024, down from the 879k recorded the previous year.

846,325

companies incorporated in 2024

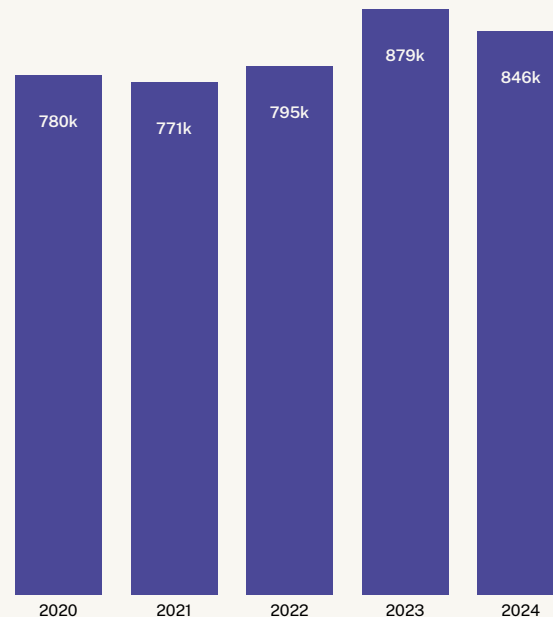
Of the companies incorporated in 2024, 1.93% — approximately 16.4k — did not survive past their founding year, being dissolved within the same calendar year. Companies founded in 2022 had a median first-year survival rate of 78.8%, which declined to 56.2% by the end of the second year of operations. Similarly, companies incorporated in 2023 reported a median first-year survival rate of 78.7%.

Despite the decline in new business formations, the total number of incorporations in 2024 remained significantly higher than in the three years prior to

2023. However, several macroeconomic challenges may have contributed to the reduced rate of incorporations compared to 2023. Additionally, the implementation of the Economic Crime and Corporate Transparency Act, alongside other regulatory changes, may have improved the integrity of data in the corporate register. Changes include stronger checks on company names, new rules for registered office addresses, and greater powers to remove factually inaccurate information. These changes may have reduced the number of new companies on the register, aiming to ensure more legitimate and secure business incorporations.

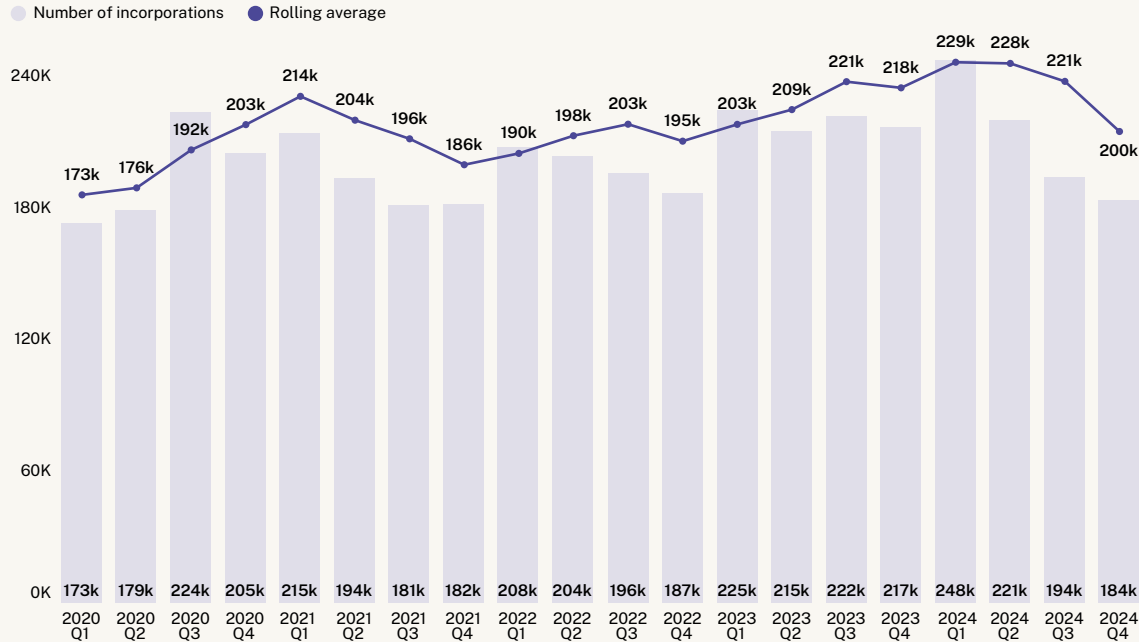
It's important to note that the act of incorporating a company does not correspond directly to the launch of new ventures. Often, companies are formed in preparation for a future business, or as strategic registrations within larger corporate structures. This can involve changes like reorganising existing businesses or creating subsidiaries within larger groups. For instance, in 2024, 32.2k or 3.80% of companies that incorporated were subsidiaries of larger businesses.

Companies incorporated by year
(2020 - 2024)



Quarterly incorporations

Companies incorporated by quarter (2020-2024)



The first quarter of 2024 recorded the highest number of company formations observed in any quarter over the past five years, with a total of 248k incorporations.

Historically, the first quarter has topped each calendar year in new incorporations, followed by a gradual decrease in subsequent quarters. This pattern is expected to continue into 2025, though incorporation rates for the year are projected to fall from the highs observed in 2023 and 2024.

200k

rolling quarterly average at the end of 2024

However, 2024 exhibited a striking contrast, as Q4 registered one of the lowest numbers of new incorporations seen over the past five years. This drop brought the number of incorporations down to levels last observed in 2021, subsequently reducing the rolling quarterly average to 200k. This decline may be attributed to the intensified efforts made by Companies House to combat fraud and enforce stricter compliance measures.

Regional incorporation analysis

Due to a drop in incorporation levels between 2023 and 2024, there has been an overall decrease in year-on-year incorporations. Out of all the regions in the UK, only Northern Ireland experienced a rise in the rate of number of new business formations in 2024, with a 26.4% growth from the 14.0k recorded in 2023 to 17.7k in 2024. A total of 4.53k of these businesses incorporated under the “Retail sale via mail order houses or via Internet” SIC code in 2024.

286k

companies incorporated in London in 2024

The region that saw the biggest decline in yearly incorporations was Wales, which recorded a 21.7% drop and fell to 40.1k from the 51.2k companies incorporated the year prior.

The decline in company incorporations in 2024 follows an exceptional surge in 2023, which set record-high numbers for Welsh companies. The 2024 data indicates a return to the sustained growth in new business formations seen before 2023.

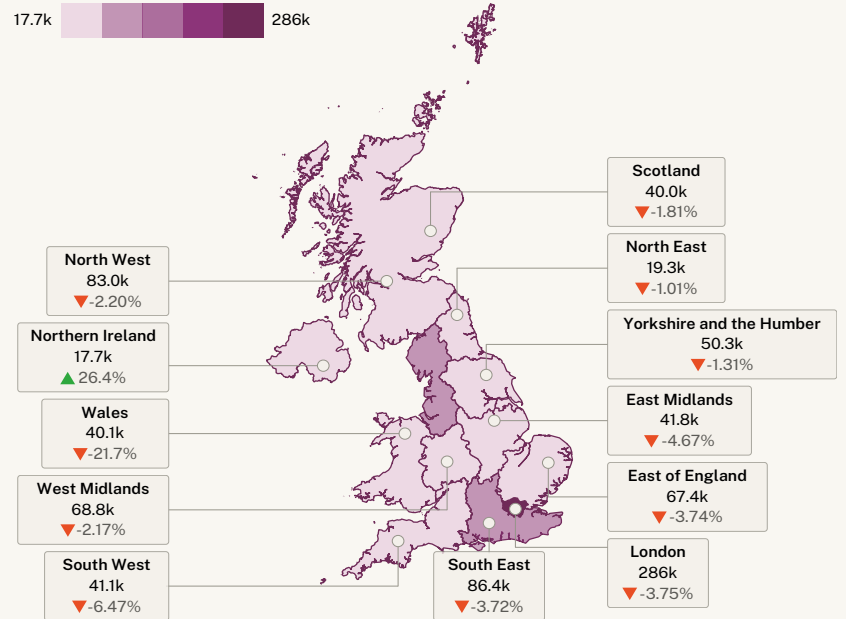
50.3k

companies incorporated in Yorkshire and the Humber in 2024

London, while seeing a decrease of 3.75% in new business formations since 2023, continued to dominate the landscape with 286k new businesses in 2024. Despite this slight contraction, London's sheer volume of business activity sustained its position as the UK's most populous region, with a total of 1.59m active businesses by year-end.

Regional distribution of 2024 figures, annual change from 2023

17.7k 286k



Local authority incorporation analysis

In 2024, local authorities within London claimed seven of the top ten spots for new business incorporations across the UK. Camden retained its ranking as the top local authority by number of incorporations in the UK, with a total of 43.7k new businesses by the end of 2024. This number however marks a 33.5% decrease from the 58.3k businesses recorded at the end of 2023.

23.4k

companies incorporated in Cardiff in 2024

Outside of London, Cardiff nearly doubled its number of new business formations year-on-year, with an increase from 11.8k in 2023, to 23.4k in 2024. This surge pushed Cardiff up from eighth to fifth place in this year's local authority ranking.

In Northern Ireland, Ards and North Down showed the most impressive increase across the UK, with new business registrations jumping by 84.2%. This growth likely played a key role in boosting Northern Ireland's overall business landscape in 2024.

Top local authorities by number of company incorporations (2024)

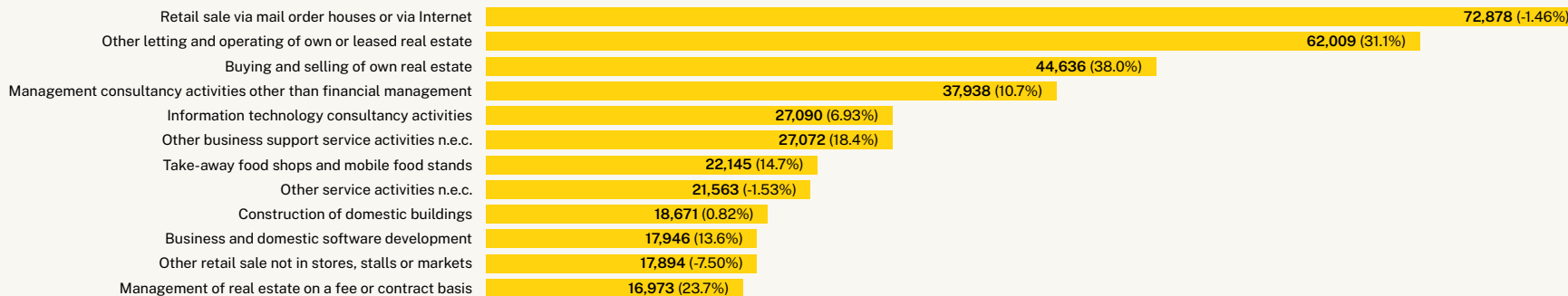
Camden	43,653
Hackney	27,734
Islington	27,448
Westminster	25,918
Cardiff	23,428
Birmingham	19,646
Manchester	13,661
Newham	11,526
Barnet	10,472
Tower Hamlets	9,872

Fastest growing local authorities in 2024, annual change from 2023

Ards and North Down	84.2%
Herefordshire, County of	82.8%
Derry City and Strabane	45.5%
Belfast	38.4%
Calderdale	35.0%
East Hampshire	28.0%
Na h-Eileanan Siar	21.1%
Lisburn and Castlereagh	16.6%
Orkney Islands	16.2%
Mid Ulster	15.5%

Sectoral incorporation analysis

Fastest growing SIC codes in 2024, annual change from 2023



There was a significant increase in new company formations for companies operating in real estate-related SIC codes, such as “Other letting and operating of own or leased real estate” and “Buying and selling of own real estate.” This trend highlights the continued use of private companies for property management and trading. Notably, the number of companies in the “Buying and selling of own real estate” SIC code rose by 38.0% over the past year,

reaching 44.6k incorporations. Similarly, “Other letting and operating of own or leased real estate” grew by 31.1% to 62.0k new companies.

Incorporations in the “Retail sale via mail order houses or via Internet” SIC code highlight the importance of e-commerce, with online shopping remaining central to consumer habits. Although there was a slight decline (-1.46%) in new incorporations compared

to 2023, this SIC code remains the most prominent among newly established companies.

Professional services SIC codes also displayed notable growth. “Management consultancy activities other than financial management” saw a 10.7% increase, while “Information technology consultancy activities” grew by 6.93%, indicating the rising demand for expertise in management and technology consulting.

Sector spotlight: Information technology consultancy

Between 2020 and 2024, the number of yearly company incorporations in the “Information Technology Consultancy Activities” sector experienced fluctuations, with an overall increase.

27.1k

companies incorporated in 2024

From 2020 to 2021, incorporations fell by 2.49%, from 20.1k to 19.6k. This drop likely reflects economic uncertainty caused by the COVID-19 pandemic, which may have delayed new business formations. By 2022, the sector showed signs of recovery, with incorporations rising to 22.7k — a notable 15.8% increase. This rebound was likely driven by growing demand for digital tools and remote working technologies.

By 2024, the number of incorporations reached 27.1k, a 6.69% increase from the previous year and the highest level within the period. Although

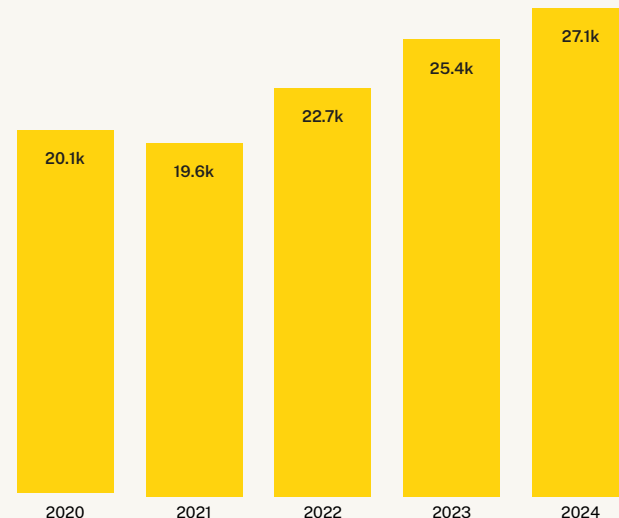
growth continued, the slower rate compared to earlier years may indicate a stabilising market, with businesses focusing on consolidating their digital operations rather than forming new ventures. The North East experienced significant growth in the number of new companies under this SIC code, growing by 30.1% between 2023 and 2024.

Businesses under this SIC code typically engage in activities such as software development, IT infrastructure design, and advising on technology integration. These companies range from individual consultants and small IT firms to those specialising in fields like cloud computing, cybersecurity, and data analytics.

6.69%

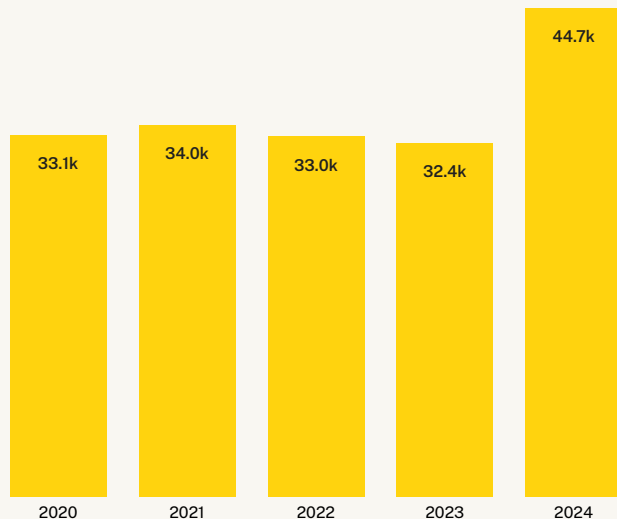
increase in incorporations
compared to 2023

Annual incorporations of companies operating in the “Information technology consultancy activities” sector (2020 - 2024)



Sector spotlight: Buying and selling of own real estate

Annual incorporations of companies operating in the “Buying and selling of own real estate” sector (2020 - 2024)



The “Buying and selling of own real estate” SIC code refers to companies that primarily purchase, own, and sell properties. These may include property developers, investment companies, and individuals or firms managing real estate portfolios for resale or profit. Between 2020 and 2024, the number of incorporations in this sector varied due to economic conditions.

44.7k
companies incorporated
in 2024

In 2022, incorporations dropped to 33.0k and further to 32.4k in 2023. This decline might have resulted from economic pressures, such as rising interest rates and inflation, which likely reduced confidence in real estate as a viable short-term venture. These factors may have led

to hesitation in entering a market that requires significant capital investment, especially for businesses viewing property as an asset class for longer-term returns rather than immediate profit.

37.9%
increase in incorporations
compared to 2023

By 2024, incorporations rose sharply to 44.7k, a 37.9% increase from the previous year. This growth suggests renewed confidence in real estate as an attractive asset class, possibly driven by stabilising economic conditions and growing demand for property investments. Yorkshire and the Humber witnessed a significant rise in the number of new companies operating under this SIC code, growing by 46.2% year-on-year.

Sector spotlight: Take-away and mobile food shops

The SIC code “Take-away food shops and mobile food stands” covers businesses selling prepared food and drinks for quick consumption, often without table service. This includes takeaway restaurants, food trucks, and other mobile vendors catering to fast food.

Between 2020 and 2024, the number of yearly incorporations in this sector steadily increased. In 2020 and 2021, the number of incorporations remained constant at 17.7k. This period of stability may reflect the challenges of the COVID-19 pandemic, which significantly impacted the food industry. Many businesses may have paused plans due to uncertainty and lockdown restrictions.

22.1k

companies incorporated in 2024

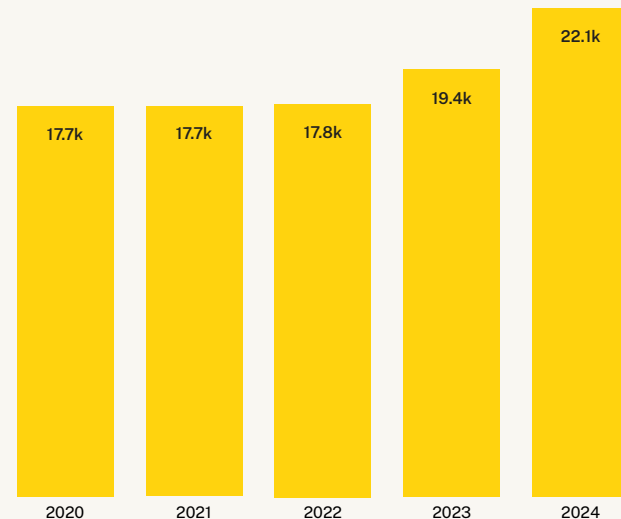
By 2022, incorporations edged up slightly to 17.8k, suggesting a gradual recovery as restrictions eased and demand for take-away options began to pick up again. The growth became more pronounced in 2023, with incorporations increasing to 19.4k, representing a 9% rise from the previous year. By 2024, the number reached 22.1k, a significant 14% increase compared to 2023 and a 25% rise from 2020.

London experienced the most significant year-on-year growth in the number of take-away business incorporations. This number grew by 23.7% from 4,219 in 2023 to 5,219 in 2024.

13.9%

increase in incorporations
compared to 2023

Annual incorporations of companies operating in the “Take-away shops and mobile food stands” sector (2020 - 2024)



Founding director gender

Over the past five years, the majority of newly incorporated companies in the UK have featured all-male director boards. In 2024, 67.8% of these companies started with exclusively male directorship teams. Although there have been fluctuations across categories, gender representation on these boards has remained largely consistent between 2020 and 2024.

85.5k

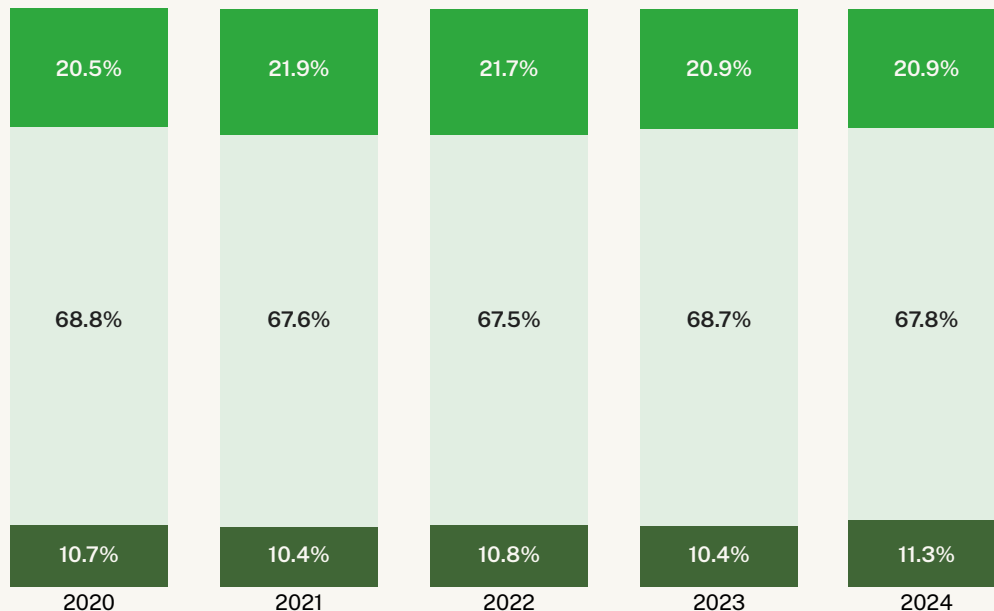
companies with mixed director boards incorporated in 2024

Specifically, the percentage of all-female directorship teams at the time of incorporation has not changed year over year, maintaining a rate of 20.9% for both 2023 and 2024. However, there has been a noticeable improvement in gender diversity within mixed directorship teams. These teams have slightly increased from 82.2k (representing 10.4% of the total) in 2023 to 82.5k (11.3%) in 2024, indicating a gradual but positive shift towards more gender-balanced boards.

The data used for this analysis excludes companies with directors of unknown gender, which account for less than 10% of total incorporations each year.

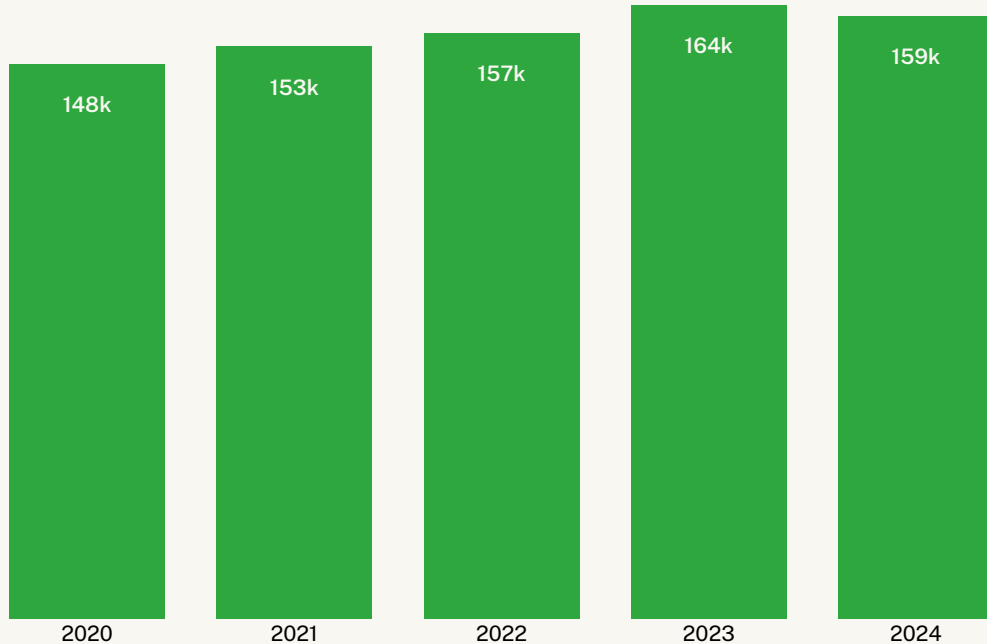
Incorporation rates by gender of founding directors (2020 - 2024)

● All female ● All male ● Mixed



All-female founding directors

Annual incorporations by companies with all-female directors (2020 - 2024)



Of the 846k companies incorporated in 2024, 159k of them had all-female directorship teams. This represents a slight decrease from the record 164k in 2023. Despite this dip, the number of company formations with entirely female leadership teams has been on the rise over the past five years. While there was a 3.05% decrease year-on-year, this should not be interpreted as a decline in female leadership but rather as a reduction in the overall number of incorporations.

159k

companies incorporated by
all-female directorship teams

As seen in the analysis of the gender of directors in the previous page, the proportion of companies incorporated by all-female directors has remained stable over time, consistently aligning with the overall growth in new company formations each year.

Of the 159k companies with all-female directorship teams, 141k, or 88.7%, were sole director companies. This proportion has remained stable, though it has slightly decreased from 88.8% in 2023.

Sole director companies

Sole director companies are companies with only one director at the time of incorporation. Over the past five years, the ratio of male to female representation has remained steady, with companies with female directors averaging 24.6% between 2020 and 2024.

141k

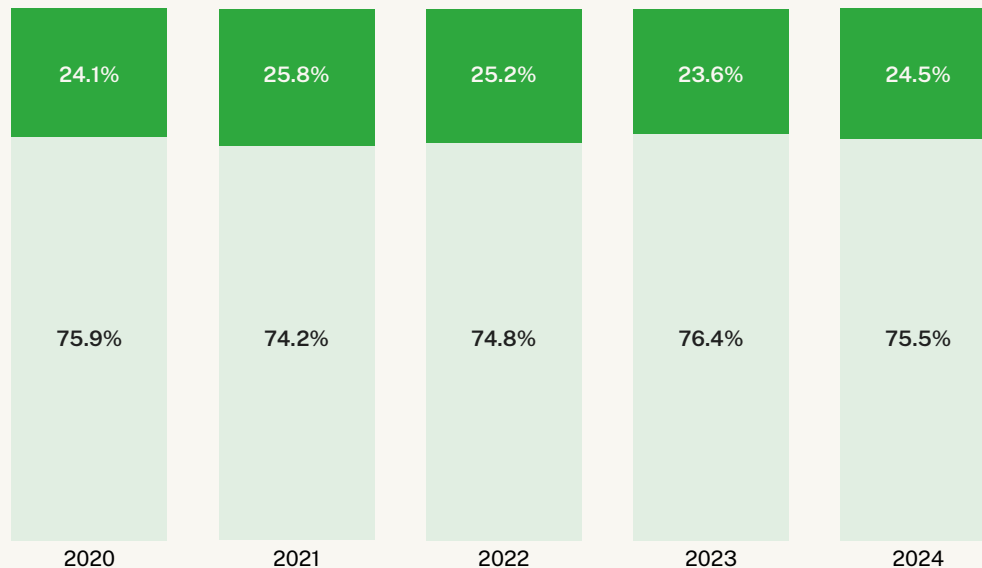
companies with female sole directors incorporated in 2024

In 2024, the proportion of female sole directors at incorporation increased to 24.5% from the 23.6% recorded in 2023. Despite this rise, the number of companies with female directors at incorporation has decreased by 2.95% since 2023, dropping from 146k to 141k. While the ideal scenario for gender equality in entrepreneurship would involve a higher proportion of female sole director companies, an absolute increase in the number of companies remains a positive indicator.

Companies with sole directors of unknown gender were not included in this analysis.

Proportion of sole-director companies by gender of founding directors (2020 - 2024)

● All female ● All male



Methodology

Data source

Beauhurst data is the primary data source for this report. Data on new company incorporations and the directors at these companies is derived from the official public records from Companies House. The dataset encompasses new company incorporations in the UK over a five-year period from 2020 to 2024.

Data integrity and limitations

- **Accuracy of self-reported data:** The report's findings are based on the accuracy of the information provided by companies to Companies House. Discrepancies or inaccuracies in self-reporting may influence the data analysis.
- **Dynamic nature of SIC Codes:** Companies may change their operational focus or expand into new sectors, leading to changes in SIC codes post-incorporation. The report captures the state of SIC codes at the time of incorporation.
- **Gender identification:** The analysis is based on

the gender information available at the time of incorporation in the form of titles and honorifics. It does not account for subsequent changes or non-binary gender identifications.

Key terms

- **All female founding directors:** This category includes companies where all listed directors were identified as female at the time of incorporation.
- **All male founding directors:** Similarly, this includes companies with solely male directors at incorporation.
- **Mixed gender teams or directors:** This category encapsulates companies where the founding team comprises both male and female directors.

Gender-based analysis

Companies lacking director information at the point of incorporation or with directors whose gender was not disclosed were omitted from gender-based analyses.

SIC code analysis

- **Self-nomination of SIC codes:** Companies self-report their Standard Industrial Classification (SIC) codes during the incorporation process with Companies House. These codes indicate the company's intended primary business activities, though activities can change over time. Individuals may also not necessarily select the SIC code that most reflects their planned activities.
- **Multiple SIC codes:** When incorporating a new company, individuals must select at least one SIC code; however, it is possible to select more than one. For this reason, companies will be counted multiple times in the SIC code analysis presented in this report.

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