

New Startup Index H1 2024

Business and Venture
Creation in the UK



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Foreword



NatWest Group

Paul Thwaite, CEO of NatWest Group

The UK's potential for growth is made clear by the findings of this report on new company incorporations. 468,000 companies have been established in the first half of 2024, a testament to the UK's enduring entrepreneurial spirit. And when we look back at 2023, another 879,000 new businesses started up.

Across the UK, NatWest Group is helping more businesses get started than any other bank,* which is why I believe our role is so important. Small businesses are the lifeblood of our economy, accounting for three-fifths of employment and about half of the private sector's turnover. If these new businesses are given the right conditions to succeed, they could significantly boost the UK economy. Leveraging our capabilities as a bank to support entrepreneurs is vital to our aim to accelerate regional growth and offer better economic opportunities to people across the UK.

Almost ten years ago, NatWest launched a free business accelerator programme to give ambitious businesses the support they needed to grow. In our 12 accelerator hubs across the UK, entrepreneurs are given a strong start with access to expert coaching, networking opportunities and events, as well as use of our dedicated office space. This simple formula of support has become the fuel which seeks to drive these businesses forward — helping them to secure investment, grow their teams and move into new markets.

Alongside the publication of this report, I am proud to share new analysis which has found that businesses on the NatWest accelerator programme are more likely to benefit from higher turnover growth, raise more investment and have increased chances of survival.* These figures demonstrate the role NatWest plays in driving growth by giving businesses the tools to scale and succeed.

To achieve sustained economic growth, there is still more that needs to be done to improve company survival rates, with access to finance and funding consistently being cited as a barrier to business growth. We look forward to continuing our close collaboration with government and industry to provide the localised support needed for regional economic growth, including working together to deploy funds at a local level.

This September we are taking our commitment to small businesses up a level by over doubling the amount of free places on our accelerator programme in our 12 hubs across the country — now offering the opportunity to up to 2,500 businesses. I know our colleagues in our accelerator hubs will give them an incredibly warm welcome — because when small businesses succeed, the UK succeeds.

*See [page 9](#) for source

Executive summary

Beauhurst

The rate of new business formations has seen a remarkable increase in recent years, reaching a peak of 879k incorporations in 2023. This growth trend has persisted into the first half of 2024, which saw a record high in the observed period with 468k new company incorporations — a 6.36% increase from the 440k companies incorporated in the first half of 2023. As of H1 2024, there are 5.47m active and dormant firms in the UK, with new businesses primarily operating in wholesale, retail, and professional services.

Quarterly incorporations rose from 173k in Q1 2020 to 248k in Q1 2024 — a 43.4% increase — driving the rolling average to 229k. Q1 2025 is

anticipated to set another record, potentially exceeding 250k incorporations.

Regionally, London led with 161k new incorporations in the first half of 2024. Northern Ireland saw the highest year-on-year growth at 92.0%, primarily driven by a surge of new business formations in April 2024. The regions of the West Midlands (10.1%), and Yorkshire and the Humber (8.15%), also experienced a significant increase in incorporations. Wales and the South West saw declines of 9.99% and 0.85%, respectively, but still registered 17.9k and 23.0k new businesses.

5.47m

active and dormant companies as of H1 2024

879k

companies incorporated in 2023

10.4k

companies incorporated in Northern Ireland in H1 2024

“
Our mission is to bring economic growth and make the UK the best place to start-up and scale-up business. However, we can only achieve this by working in partnership with the private sector.

That is why it's good to see accelerator schemes like this play a positive role in giving businesses the boost they need to invest and grow, and it's exciting to see these figures show signs of optimism for our start-up sector.

Jonathan Reynolds, Business and Trade Secretary

“
Certain aspects of the economy are firing on all cylinders. UK entrepreneurs are still starting lots of new businesses — the first two quarters of 2024 were record quarters. This may mark the beginning of a new normal with higher rates of entrepreneurship in the UK economy than known previously.

It will be interesting to watch how these companies develop: some will die, some will survive and others will thrive, creating jobs and wealth for the UK.

Henry Whorwood, Managing Director, Research and Consultancy at Beauhurst

NatWest's Accelerator

70.5%

average investment increase over three years for businesses supported by NatWest's Accelerator

This increase is 47.0% higher compared to a control group of similar businesses

49.0%

average turnover growth, over a 12 month period, for businesses supported by NatWest's Accelerator

This turnover growth is 35% higher compared to a control group of similar businesses

90.0%

survival rate of businesses supported by NatWest's Accelerator

Just over half of start-ups typically survive the first three years in business

*See [page 9](#) for source

New company formations

The pace of new business formations has significantly accelerated in recent years, with 2023 recording a total of 879k incorporations, up from 780k in 2020. This marks a notable 10.6% increase from the 795k registrations in 2022, reflecting a resilient entrepreneurial climate amid ongoing global macroeconomic uncertainty. Of the 879k companies registered in 2023, 11.8k, or 1.33%, were dissolved within the same year.

468k

companies incorporated in H1 2024

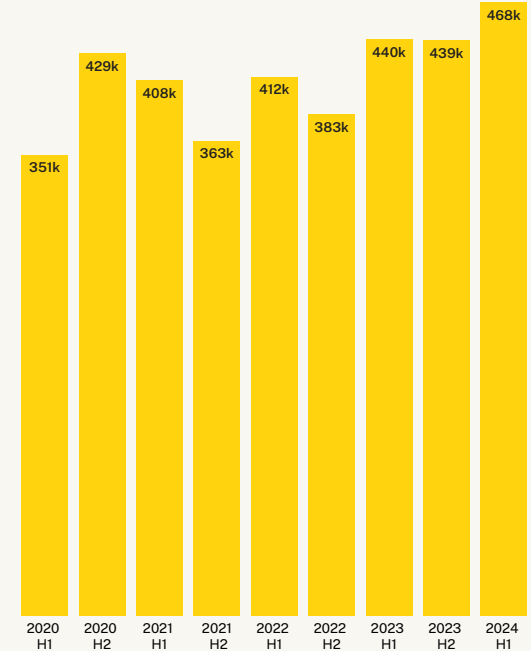
The first half of 2024 has set a record for business incorporations in the UK, with 468k new firms. This figure represents an increase of 6.61% from the second half of 2023 and a 6.36% increase from H1 2023. Despite the surge being accompanied by over 323k company cessations, this is still lower than the 342k cessations in the first half of 2023, which marked the highest rate in the past five years.

This recent surge of incorporations has contributed to a record number of companies in the UK, with data from July 2024 reporting 5.47m active and dormant firms. Of the 468k new business formations in the first half of 2024, 24.4% were classified under the SIC code group¹ for “Wholesale and retail trade; repair of motor vehicles and motorcycles”. This category includes businesses engaged in the distribution and sale of goods. The surge in e-commerce and online retail has significantly boosted the number of businesses in this sector, as highlighted in the [New Startup Index](#), published in February 2024.

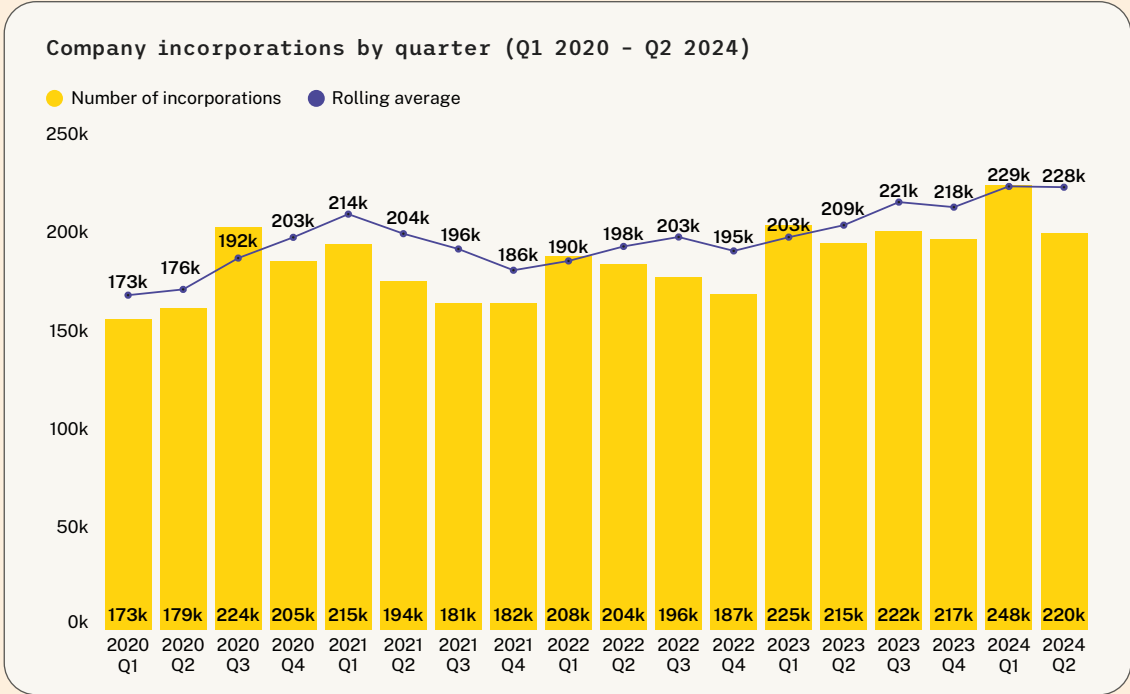
Another prominent SIC code group was “Professional, scientific, and technical activities”, which accounted for 11.6% of new companies. This group encompasses a wide range of businesses providing specialised knowledge and professional services, reflecting the growing importance of expertise and innovation in the current business landscape.

¹Standard Industrial Classification (SIC) codes are used to group companies in the UK based on their business activities. A SIC code group further collates similar industries together.

Company incorporations by year
(H1 2020 - H1 2024)



Quarterly incorporations



The UK has experienced a significant upward trajectory in business incorporations, with numbers growing from 173k in the first quarter of 2020 to 248k in the first quarter of 2024—marking a 43.4% increase. This surge in Q1 2024 set a new record, driving the rolling average to an unprecedented 229k. Despite an 11.3% decline in the following quarter, the 220k companies incorporated in Q2 2024 were comparable to the levels observed throughout 2023, which also averaged 220k.

228k
 rolling quarterly average at the end
 of Q2 2024

Each year, new business formations surge at the start, making Q1 consistently the busiest quarter. Given this trend, it is anticipated that Q1 2025 will set another record, potentially exceeding 250k incorporations.

Regional incorporation analysis

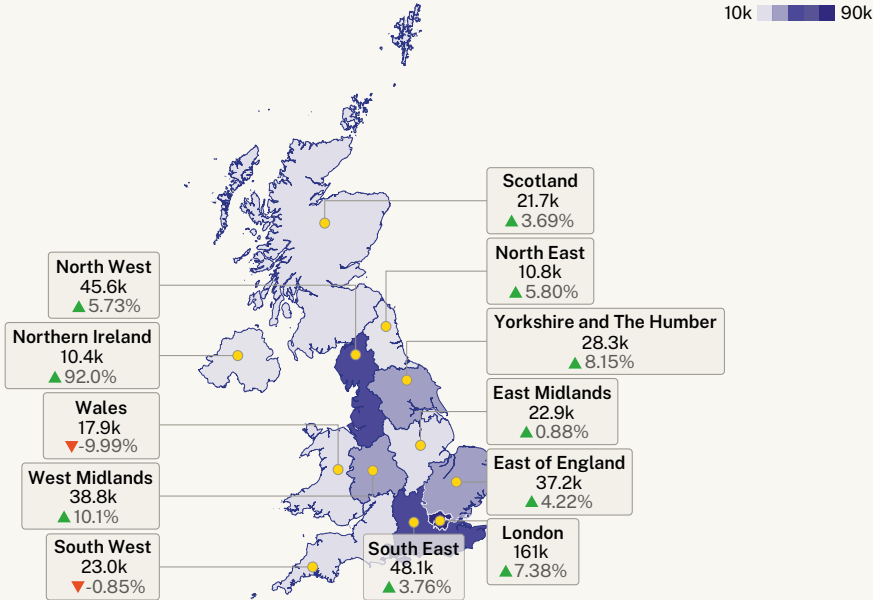
In the first half of 2024, London led the way with 161k new business incorporations, the highest across all regions. Northern Ireland experienced the most significant growth, with incorporations nearly doubling from 5.42k in H1 2023 to 10.4k in H1 2024, many of which were in the “Retail sale via mail order houses or via Internet” SIC code.

161k

companies incorporated in London
in H1 2024

Conversely, Wales and the South West were the only regions to report a decline in new company registrations, with decreases of 9.99% and 0.85%, respectively. Despite these declines, Wales still registered 17.9k new businesses, while the South West reported 23.0k new businesses in the first half of the year.

Companies incorporated by region (H1 2024, change from H1 2023)



Company spotlight



Foudys

Helen Hardy, founder and CEO
of Foudys

Helen Hardy set up the online women's football kit merchandise store Foudys in 2020 from her bedroom in Manchester. When Foudys launched, it was not possible to purchase Women's Super League shirts with the correct letters and badging specific to the women's game directly from clubs. The only option was to wear men's league shirts.

An avid football fan, Helen was determined to change this. It was then that she decided to set up the first and only official retail platform in the world dedicated to women's football merchandise. Within months, Helen had quit her full-time job and became a full-time entrepreneur.

Helen was grappling with the demands of her young business when in 2021, she received an email about joining the NatWest accelerator. It seemed like a “no brainer” at the time — a unique opportunity to network, gain a mentor, and move her business forward. It was there that she met Jess Grocutt, an acceleration manager at the Manchester hub, who became her mentor and what she calls the ‘biggest catalyst’ for achieving her goals.

Helen explained: “Being an entrepreneur is a bit like being an elite sportsperson — it requires an incredible amount of mental resilience. Having people around who encourage you to keep moving towards your goals is really important. The belief that Jess showed in me was a massive confidence boost.”

Joining the NatWest accelerator programme in Manchester was also the turning point for Foudys, with Helen securing her first round of investment. Within a year, she had a contract with Nike. Helen said: “I needed investment to grow my business and NatWest was a huge part of that process. Jess supported me figure out how much I would need and then said ‘let’s do a mock pitch with real investors’. I pitched Foudys to three investors and one of the investors in the room was ‘the one’”.

Foudys has since secured a second round of investment and has grown its staff to nine. Helen's sights are set on the Women's Euros championships next year. “You will be seeing us as the go-to brand for women's football, there is no doubt in my mind” she said.

Data sources and limitations

Data source

This document is a Beauhurst authored and published report, supported by NatWest Group.

Data Sources:

Beauhurst data is the primary data source for this report. This data includes data from public sources (inc. from Companies House) which includes self-reported data by companies.

NatWest Group Accelerator Investment, Turnover and Survival data are provided by NatWest Group based on customer data. These metrics cover businesses that took part in NatWest's programme in 2020 over the subsequent three years. This data has not been independently verified by a third party.

Data on new company incorporations is derived from public records from Companies House. The dataset encompasses new company incorporations in the U.K. over a five-year period from 2020 to 2024.

The quote “NatWest Group is helping more businesses get started than any other bank” is based on: 20% of those operating for less than two years identified NatWest Group as their main bank. This data comes from the Savanta MVBB survey Q2 2024 based on 559 Start-Ups. The survey results have been weighted to reflect the regional distribution and turnover of businesses across the U.K.

Data 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.

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Beauhurst is the ultimate source of UK private company data.

Through our data platform, we provide data on every UK private company – from investments and hiring status, to patents and trade data – identifying hidden growth, innovation, risk, and ESG signals across UK companies.

Our Research and Consultancy team can provide powerful insights, thought leadership, and data-led reports. Please get in touch if you would like to talk about a project.



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To find out more about NatWest's Accelerator, visit the [website](#).



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