

Scottish Annual Business Statistics 2018

Methodology Notes

BUSINESS AND ENERGY

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Introduction

This methodology note provides details about the strengths, limitations, definitions and uses of the Scottish Annual Business Statistics (SABS) publication.

Background

Scottish Annual Business Statistics (SABS) is based on data from the Annual Business Survey (ABS) (formerly Annual Business Inquiry (ABI)) conducted by the Office for National Statistics (ONS).

The statistics have been produced under partnership procedures agreed between ONS and the Scottish Government (SG). These have resulted in an improvement in the quality of the underlying data and consistency in the figures used by ONS and SG.

The ABS is the UK's key resource for understanding the detailed structure and performance of businesses across the UK, classified to the UK [Standard Industrial Classification \(SIC\)](#) system. Estimates, by industry (using SIC codes), are published for:

<i>Local unit counts</i>	<i>Increase in Stocks</i>
<i>Employment</i>	<i>Gross Wages and Salaries</i>
<i>Employee Jobs</i>	<i>Total Labour Costs</i>
<i>Turnover</i>	<i>Total Output at basic prices</i>
<i>Purchases of goods and services</i>	<i>GVA per Head</i>
<i>Approximate Gross Value Added (GVA) at basic prices</i>	<i>Gross Wages and Salaries per Head</i>
<i>Taxes</i>	<i>Total Labour Costs per Head</i>

Within SABS, estimates by industry sector are published for Scotland, Scottish local authority areas and business ownership groups. These estimates are presented as monetary values, and give a snapshot of business activity that can be used to understand the level of contributions to the Scottish economy from different industry sectors, local authority areas and ownership groups.

Coverage

The ABS is an annual survey of registered¹ businesses covering the primary industries, manufacturing, construction and service industries (including distribution) which represent the UK Non-Financial Business Economy. This is about two thirds of the UK's whole economy in terms of Gross Value Added. The statistics do **not** cover the whole economy, omitting the financial sector, parts of agricultural sector and parts of the public sector.

Exclusions

The following sub-classes of SIC 1 (Crop and animal production, hunting and related service activities) are omitted:

- 01.1 – Growing of non-perennial crops
- 01.2 – Growing of perennial crops
- 01.3 – Plant propagation

¹ Businesses registered for Value Added Tax (VAT) and/or Pay As You Earn (PAYE)

01.4 – Animal production

01.5 – Mixed farming

Within SABS, the services sector is defined as division codes 45 to 96 of SIC 2007 (SIC07). Although the publication refers to the services sector for simplicity, it should be noted that the figures quoted do **not** relate to the entire services sector, but only to those sectors covered by the ABS. The main industries **excluded** from the services sector are:

- Financial and Insurance activities (Section K);
- Public Administration and defence (Section O);
- Education (**public provision** in Section P); and
- Health (SIC 86.2, **public provision** in SIC 86.1 and 86.9 in Section Q).

Oil & Gas

ABS data relating to Oil & Gas extraction (SIC 6) is allocated to UK regions (including Scotland) according to the address at which the business is registered - onshore and offshore Oil & Gas extraction and activities are allocated in this way. GVA associated with off-shore activity, under UK regional accounts procedures, is normally allocated to a separate 'Extra Regio' category rather than allocated to a region within the UK.

Removal of Insurance and Reinsurance data (covers SIC 65.1 & 65.2)

In line with Office for National Statistics (ONS) ABS releases, data for the Insurance and Reinsurance sector (SIC 65.1 and 65.2) continues to be removed from the SABS results for all years from 2008 onwards. The previously published ABS data for the Insurance and Reinsurance sector has been excluded due to on-going volatility while ONS carry out a more detailed quality assessment. This does not affect any other industry sectors and, as the Insurance and Reinsurance sector data has been removed for all years in the series, this does not affect time series analysis.

Background history is that data for this small part of the Financial and insurance sector (Insurance & reinsurance only) has been collected by the ABS since 2008 and was previously included in results. This was the only part of Financial and Insurance Activities (Section K) covered by the survey. As with any new time-series, estimates for these industries remained experimental while ongoing quality assurance has taken place. This quality assurance led to data for this sector being revised substantially with a break in the series between 2009 and 2010. Following discussions with key users, ONS decided to remove this experimental series from ABS releases due to the continued volatility of the data and to allow for a more detailed quality assessment to be undertaken. Updates on this will be made available when known. As previously stated, removal of these series does not affect other industries published as part of this release and also has no impact on any other financial statistics published by ONS.

Although the estimated total for the UK Business Economy in the regional ABS results is constrained to equal that in the corresponding national ABS results produced by ONS, the published totals for the UK Non-Financial Business Economy will not now be the same following the removal of data for the Insurance & reinsurance industries (65.1 and 65.2) from the regional results after apportionment has taken place. For example an enterprise contributing wholly to Insurance & reinsurance at a national level (and therefore removed from the national totals) may have local sites in other industries which will still contribute to

the regional totals. Likewise, an enterprise contributing wholly to the Distribution sector (and therefore included in the national totals) may have a local site in Insurance & reinsurance whose contribution will be removed from the regional totals.

Additional Pay-As-You-Earn (PAYE) Units – Impact on SABS Results 2015-16

As described in [Improving the Coverage of the Standard Business Survey Population](#), published by the Office for National Statistics on 21 December 2015, the coverage of the ONS Standard Business Survey Population has been expanded to include a population of solely Pay-As-You-Earn (PAYE) based businesses.

These businesses were included for the first time in the population for the Annual Business Survey (ABS) 2016². At the UK level, there was an increase of approximately 92,000 solely PAYE-based businesses represents an approximate 4% increase in the number of businesses in the overall population, with nearly all (99.3%) in employment size-band one (zero to nine employees). For Scotland, there was an increase of 6,875 solely PAYE-based businesses, which similarly represents an approximate 4% increase in the number of businesses in the Scottish population.

To assess the impact of the additional businesses on the results for Scotland, new estimates for 2015 have been calculated using the new extended population (referred to as 2015paye). These results have been compared with the 2015 results published in the SABS 2016 publication.

Users should note that these additional businesses will not be included in historic SABS data. The new 2015paye estimates have been calculated so users can see year-on-year changes on a consistent basis – note that that these are only provided in the impact table (by division) available in this historic document [here](#), all other 2015 figures in the SABS 2016 publication exclude these additional businesses.

In the SABS estimates published in June 2018, the level of approximate gross value added at basic prices (aGVA) of the Scottish non-financial business economy for 2015 was estimated to be £87,374.5 million. The impact of the addition of solely Pay-As-You-Earn (PAYE) based businesses into the population would have increased the estimated aGVA by £734 million to £88,108.5 million; an increase of 0.8%.

The SIC 2007 divisions that have been most affected by the change are:

96 - Other Personal Service Activities

82 - Office Administrative, Office Support and Other Business Support Activities

74 - Other Professional, Scientific and Technical Activities

Combined, these three divisions would have seen an increase in estimated aGVA of £319.6 million; an increase in the level of aGVA from £2,846.0 million to £3,165.6 billion.

² Please note that calculations referred to below were carried out on (final) 2015 and (provisional) 2016 data. The 2016 data has since been revised in SABS 2017 published in June 2019.

Use

The Annual Business Survey (ABS) is a valuable source dataset which is used alongside a number of other datasets in the production of macro-economic statistics for Scotland and the UK as a whole. It is important to note that overall growth rates associated with the ABS are **not** comparable to the official growth rates for the whole economy given that significant sectors of the economy are **not** included in the ABS and the results have **not** been balanced with other datasets. The SABS statistics are therefore best suited to analyses of individual industries rather than the economy as a whole.

The SABS data allows analysis of business structure, ownership and location within detailed sectors of the Scottish business economy. SABS figures are used extensively, by the Scottish Government, to inform sectoral policy (including the growth sectors) and regional/local economic development.

The SABS results can be used to answer questions such as:

- how much value has been created in a particular industry, and how many people are employed by it?
- has there been a shift in activity from one industrial sector to another, and which sub-industries are driving the change?
- are any industries particularly dominant in specific local authority areas?
- how productive is a particular industry and what is it that is having an impact on productivity?

Links to some examples of how the Scottish Annual Business Statistics results have been used are provided below:

A range of statistics from the SABS publication broken down by industry sector are used to monitor change within the growth sectors (covering Food & Drink, Creative Industries, Sustainable Tourism, Energy, Financial & Business Services and Life Sciences) of the Scottish economy. The **Growth Sectors statistics database** is available at:
<https://www.gov.scot/publications/growth-sector-statistics/>

Scotland's Marine Economy - sectors that depend on the marine environment. Sectoral data for this topic is mainly derived from SABS at:

<https://www.gov.scot/publications/scotlands-marine-economic-statistics-2017-corrected-april-2020/>

Scottish Enterprise – The “Tourism industry in Scotland” statistics includes GVA from SABS at: <https://www.scottish-enterprise.com/learning-zone/research-and-publications/components-folder/research-and-publications-listings/scotlands-tourism-facts>

Change in Purchases apportionment methodology

Data on purchases for 2012 onwards has been produced using a new Purchases Apportionment Methodology (PAM) for the apportionment from the reporting unit purchases to the local unit level. This new method was introduced to preserve the additivity of purchases components values to the total purchases. This has introduced a

discontinuity in the purchases and GVA data series with 2008 to 2011 still calculated using the original method.

The change in the calculation of purchases (and hence GVA) has minimal impact for the large majority of sectors. However, the industry affected to the greatest extent is 'Gambling and Betting (SIC 92)' where there is volatility for a small number of multi-site businesses. The sampled businesses within this Division provide details of the "amounts payable to winning customers" as part of their purchases. The new apportionment method has led to volatile local estimates of payments to winning customers which then also affects other associated variables, like total purchases and GVA. Additional work and analysis is required by ONS to identify further improvements to the methodology, and estimates, to reduce this impact while maintaining the additivity. Until this is completed, regional Purchases and GVA figures for Division 92 (Gambling and betting activities) should be viewed **with caution**.

More detail of PAM change can be found in this [Information Paper](#). A detailed 2012 region by [industry impact assessment](#) has also been published by ONS.

Major Time Series Analysis Caveats

SABS 2018

Continuing impact of Purchases Apportionment Methodology (PAM) on purchases variables as detailed below under **SABS 2013 to 2017**.

SABS 2016

As described in [Improving the Coverage of the Standard Business Survey Population](#), published by the Office for National Statistics on 21 December 2015, the coverage of the ONS Standard Business Survey Population has been expanded to include a population of solely Pay-As-You-Earn (PAYE) based businesses.

These businesses were included for the first time in the population for the Annual Business Survey (ABS) 2016. At the UK level, there was an increase of approximately 92,000 solely PAYE-based businesses represents an approximate 4% increase in the number of businesses in the overall population, with nearly all (99.3%) in employment size-band one (zero to nine employees). For Scotland, there was an increase of 6,875 solely PAYE-based businesses, which similarly represents an approximate 4% increase in the number of businesses in the Scottish population.

To assess the impact of the additional businesses on the results for Scotland, new estimates for 2015 have been calculated using the new extended population (referred to as 2015paye). These results have been compared with the 2015 results published in the SABS 2016 publication.

Users should note that these additional businesses will not be included in historic SABS data. The new 2015paye estimates have been calculated so users can see year-on-year changes on a consistent basis – note that that these are only provided in the impact table (by division) available in this historic document [here](#) all other 2015 figures in the SABS 2016 publication exclude these additional businesses.

In the SABS estimates published in June 2018, the level of approximate gross value added at basic prices (aGVA) of the Scottish non-financial business economy for 2015 was estimated to be £87,374.5 million. The impact of the addition of solely Pay-As-You-Earn (PAYE) based businesses into the population would have increased the estimated aGVA by £734 million to £88,108.5 million; an increase of 0.8%.

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SABS 2013 to 2017

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The change in the calculation of purchases (and hence GVA) has minimal impact for the large majority of sectors. However, the industry affected to the greatest extent is 'Gambling and Betting (SIC 92)' where there is volatility for a small number of multi-site businesses. The sampled businesses within this Division provide details of the "amounts payable to winning customers" as part of their purchases. The new apportionment method has led to volatile local estimates of payments to winning customers which then also affects other associated variables, like total purchases and GVA. Additional work and analysis is required by ONS to identify further improvements to the methodology, and estimates, to reduce this impact while maintaining the additivity. Until this is completed, regional Purchases and GVA figures for Division 92 (Gambling and betting activities) should be viewed **with caution**.

More detail of PAM change can be found in this [Information Paper](#). A detailed 2012 region by [industry impact assessment](#) has also been published by ONS.

SABS 2012

In line with Office for National Statistics (ONS) ABS releases, data for the **Insurance and Reinsurance sector (SIC 65.1 and 65.2)** has been removed from the SABS results for all years from 2008 to 2012. The previously published ABS data for the **Insurance and Reinsurance sector** has been excluded due to on-going volatility while ONS carry out a more detailed quality assessment. This does not affect any other industry sectors and, as the **Insurance and Reinsurance sector** data has been removed for all years in the series, this does **not** affect time series analysis.

SABS 2011 (impact on 2008-09 data)

Please note that validation of data returns for 2011 highlighted that a small number of businesses within the **Insurance and Reinsurance sector (SIC 65.1 and 65.2)** were returning global figures rather than UK only. A revised 2010 estimate (together with new 2011 data) are now available in this publication. However, any global figures reported will remain in 2008 and 2009 published data in line with current Annual Business Survey (ABS) revisions policy. This can have a significant impact on Insurance, reinsurance, professional, scientific and technical activities (Section KM) time series data, as well as overall Totals, in particular local authority areas. Results for this sector are experimental and any comparisons between years should be undertaken with caution.

SABS 2010

Further Education (FE) Colleges were reclassified as Central Government entities on 13 October 2010, transferring FE Colleges from the private/business sector to the public sector. This change brings FE Colleges out with scope of ABS survey from 2010 onwards, which represents a step change in the 2010 results for SIC 85 compared to data for earlier years.

SABS 2009

The data, from 2008 onwards, are published on a Standard Industrial Classification (SIC) 2007 basis – data pre-2008 were published on a SIC 2003 basis. Updates to the SIC are required to enable it to more accurately reflect the structure of the modern economy - SIC 2003 was replaced by SIC 2007 in January 2008. The revision was motivated by the need to adapt the classification to changes in the world economy. The revised classification reflects the growing importance of service activities in economies over the last fifteen years, mainly due to the developments in information and communications technologies.

More information on SIC (2007) is available at:

<https://www.ons.gov.uk/methodology/classificationsandstandards/ukstandardindustrialclassificationofeconomicactivities/uksic2007>

The employee/employment data published in SABS, from 2008 onwards, are based on Business Register and Employment Survey (BRES) – previous years SABS employee data were based on the employment part of the Annual Business Inquiry (ABI/1). The BRES replaced and integrated the Business Register Survey (BRS) and the ABI/1 in 2009 (note that there was a pilot of BRES in 2008 which allowed 2008 BRES estimates to be produced). For businesses that are surveyed by BRES, the regional and local estimates of employment are more accurate (than those from the ABI/1) because, rather than producing data by a headquarter-based apportionment model, they are obtained directly from data reported at site level (shop, office, factory, etc). More information on BRES is available on the ONS website at:

<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/businessregisterandemploymentsurveybresprovisionalresults/previousReleases>

The 2008 and 2009 ABS followed a similar sample selection criteria (see Sample Design section below) and were both sampled on a SIC 2007 basis. It is important to note that 2009 marked the full introduction of the BRES, this and the change to SIC 2007 may lead to some discontinuity with businesses moving from one SIC to another between years. It

is not unusual for some businesses to change SIC code over time, but there are some particular movements between 2008 and 2009 that users should be aware of e.g. a large number of landscape business sites have moved from SIC 01 (Crop and animal production, hunting and related service activities) to SIC 81 (Services to Building and Landscape Activities) between 2008 and 2009 – this is a result of the change from SIC03 (where landscape businesses were included with the agricultural sectors) to SIC07 (where landscape businesses fall under the services sector).

Insurance and Reinsurance (SIC 65.1 and 65.2) data is published for 2008 onwards – this is the first time that these data have been included in SABS. Please note that SIC 65.3 (Pension funding) is still omitted from the SABS results.

SABS 2008

ONS improved the sample design for the 2008 survey which means that the results for 2008 onwards cannot be compared with historical trends. Although this temporary loss of comparability over time is a downside - it means that the results for 2008 onwards are more accurate, and comparisons can still be made between sectors across the UK. More details are provided below on the change in sample design due to SIC 2007 and the complete re-allocation of the sample.

Notwithstanding, the change in sampling, the high energy prices in 2008 have had a significant impact on the "Remaining Sectors" results for Scotland in 2008.

Rounding of Figures

Where necessary, figures have been rounded to the nearest final digit shown. Consequently, there may be slight discrepancies within a table between totals and the sums of constituent items.

Symbols and Abbreviations

The following symbols and abbreviations are used within the ABS data:

.. not available

- nil

* Information suppressed to avoid disclosure

Inter Departmental Business Register

The sampling frame used for the ABS is the Inter Departmental Business Register (IDBR), which consists of companies, partnerships, sole proprietorships, public authorities, central government departments, local authorities and non-profit making bodies. The main administrative source for updating the IDBR is the HM Revenue and Customs (HMRC) for VAT and PAYE details.

Each legal unit is classified to a single activity, whether it is wholly or mainly engaged in that activity. The nature of a business can change with time, possibly because another business has been absorbed in a take-over. Some businesses have a very significant secondary activity, perhaps completely different from their main activity, and a small

change of direction can lead to a new main activity and to the reclassification of the business. Other changes may arise from improvements to classification data held on the IDBR as a result of new information received about individual businesses. The reclassification of businesses for reasons such as these contributes to the year on year changes in the figures published.

Further information on the IDBR can be found at: [http://www.ons.gov.uk/ons/about-
ons/products-and-services/idbr/index.html](http://www.ons.gov.uk/ons/about-ons/products-and-services/idbr/index.html)

Sample Design

The ABS sample is designed as a stratified random sample of UK businesses from the IDBR. The survey population or universe is stratified by Standard Industrial Classification, employment, and country using the information from the IDBR. The sampling scheme is designed to give best estimates of the population totals for a given sample size and involves selecting all the largest businesses with a progressively reducing fraction of smaller businesses. This method ensures the sample size is kept to a minimum.

The inquiry results are grossed up to the register population, so that they relate to all active UK businesses on the IDBR for the sectors covered.

Scottish sample

Since 1998, the Scottish Government has funded an enhanced ABS sample in Scotland, to improve the quality of Scottish figures. In 2018, around 2,600 **extra** firms in Scotland were sampled as a result of this "boost", giving a total sample size in Scotland of around 8,300 firms.

Changes to the sample

From 2008 onwards, the sampling stratification (using the Neyman methodology) and resultant estimation has been carried out on a SIC 2007 basis.

Please note that a sample re-optimisation has been included in the estimates for 2016. This is carried out every five years by ONS to improve the efficiency of the sample estimation and reduce sampling variability as part of the regular process to improve estimates. Please see Table below for 2018 Sampling figures:

2018 Sampling Table			
Sample Size	Sample Proportion	Universe/ Population	Sampling Fraction
2,100	26%	137,500	2%
1,500	18%	10,700	14%
1,700	21%	5,600	31%
1,300	16%	1,800	71%
1,000	12%	1,000	96%
600	8%	700	99%
8,300	100%	157,300	5%

Response

Details of UK-wide ABS response rates are made available by ONS [here](#).

Confidentiality

The Statistics of Trade Act 1947 prohibits the disclosure of any information relating to an individual undertaking without the consent of the person carrying on that undertaking. Rigorous checks have been made to ensure that information relating to individual businesses has not been disclosed, either directly or by deduction, in any of the figures released. Similar precautions will be taken in safeguarding the confidentiality of returns in the preparation of any ad-hoc analyses.

Estimation

Factors are produced to enable estimates for all businesses classified to each SIC(2007) to be compiled from data provided by responding businesses. These factors are calculated for each employment size-band within each SIC(2007) and are equivalent to the ratio of responding businesses to the total number of businesses. Northern Ireland and Scotland are sampled and estimated for separately, England and Wales are sampled separately but are combined for the estimation procedure.

Returns for the few large non-responders are estimated for individually. This estimation is normally based on summary data received from the business, or on the business's return to the survey in the previous year adjusted to take account of the likely change in the value of trading over the period.

Regional Estimation

The business unit to which ABS questionnaires are sent is called the reporting unit. For ABS, the reporting unit represents an enterprise, which may consist of one or more sub-units (called local units). For example, an enterprise might be the head office for a group of shops. An enterprise may therefore have local units at different locations, and may carry out more than one type of economic activity.

To produce the regional estimates, the reporting unit data returned by each business are divided amongst its local units. Each local unit's allocation depends on the size of its employment, the industry it is in and its geographical location. This is achieved using a standard statistical modelling technique called regression analysis.

Local unit employment is obtained from the Business Register and Employment Survey (BRES), which collects data from local units, rather than enterprises. Results are then aggregated for each region /country and industry, using the industry classification of the local units. Each local unit is assigned a single SIC code, which corresponds to the unit's principal activity. Where more than one type of economic activity is carried out by a local unit or enterprise, its principal activity is the activity which contributes most to the value of the unit. Hence, although the sum of the regional results for the whole business economy will match the total for the national results, the sum of the regional results by industry will not necessarily match the UK industry totals, as local units might not all share the same industry classification as their parent units.

Changes to the regional weighting methodology were introduced to ABS from the 2009 regional results onwards. Further information on the methodology of the approach and analysis of the impact can be found in the ONS published note, 'Weighting in the Regional System - September 2011', available at: <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/business-and-energy/annual-business-survey/quality-and-methods/weighting-in-the-regional-system.pdf>

Note that, as BRES is not carried out at the same time as ABS, differences in the timing of responses from ABS and BRES can lead to some reduction in the quality of the apportionment method.

For more information on the methodology used to compile regional ABS statistics, please consider the ONS background document (which includes links to technical information) available on-line at:

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/methodologies/annualbusinesssurveyabs#annual-business-survey-abs-quality-and-methods>

Business Ownership

Within SABS, business ownership is defined as:

- UK (Scotland registered)
- UK (registered in RUK)
- Abroad

Country of ownership is either UK or Abroad (outside the UK). Business country of ownership is determined by the nationality of the ultimate parent of the business (i.e. the institutional unit, proceeding up a business' chain of control, which is not controlled by another institutional unit). Where control of the business is shared, country of ownership is determined by the country of residence of the majority ultimate owner. Enterprise groups with foreign ownership are identified using data provided by Dun & Bradstreet. All businesses that do not belong to an enterprise group, and are therefore not under the control of another institutional unit, are classified as UK-owned.

Once it is determined that an enterprise is UK owned, the next step is to classify businesses into whether they are Scotland registered or registered in the Rest of the UK (RUK). Enterprises, and their associated local units, are classified as Scotland registered if the enterprise's VAT/PAYE registered office address is in Scotland. Enterprises, and their associated local units, are classified as registered in RUK if the enterprise's VAT/PAYE registered office address is, outside Scotland, elsewhere in the UK.

Total Employees/Employment and Per Head variables

For 2008 data onwards, Scottish Government analysts have merged BRES (employment survey) and ABS (financial survey) results in order to produce consistent "per employment" totals (e.g. GVA per Head). However, the BRES and ABS are sampled at different times of the year so where a BRES employee/employment estimate cannot be found or is significantly different for a business within the ABS, employee/employment totals are set to their values from the Inter-Departmental Business Register (IDBR).

The Total Employees/Employment variables included in SABS are based on a head count and **not** a Full Time Equivalent (FTE) measure. This distinction is particularly important for sectors with high levels of part time employment (e.g. Retail and Accommodation & Food Service activities) especially when comparing Per Head figures ³.

Employees in BRES are defined as: An employee is anyone aged 16 years or over that an organisation directly pays from its payroll(s), in return for carrying out a full-time or part-time job or being on a training scheme. It excludes voluntary workers, self-employed, working owners who are not paid via PAYE.

Employment in BRES is defined as: Employees + Working owners who are not paid via PAYE.

Please note that SABS now provides just “per employment” figures for the productivity measures – older SABS publications led with “per employee” figures. Change was made due to a change in the [treatment of working owners](#), in the underlying BRES data (used in SABS). From the 2011 survey, BRES treats working owners of limited companies as employees rather than working owners (as was previously the case) – and as part of this change in the BRES survey it was identified that in the past there was some double counting of working owners of limited companies (i.e. they were being counted as working owners and employees). The BRES employment and employee data from 2010 onwards used in SABS have been adjusted to take account of these changes – however, this presents a break in the series with the employee/employment data for 2010 onwards not being strictly comparable to the 2008-09 employee/employment data. Although the employee and employment data have both been affected by these changes, the impact was larger for the employee data than it was for the employment data - and therefore to maintain as consistent a time series as possible the SABS publication now just provides “per employment” measures of productivity.

[3] The ONS publish sub-regional labour productivity figures in terms of GVA per hour worked and GVA per filled job. Both sets of figures are published at a NUTS 2 and NUTS 3 sub-regional geographies. Data is available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/regionalandsubregionalproductivityintheuk/previousReleases>

Data Reliability

SABS figures are based on an annual survey of businesses. In the context of overall Scottish figures, year-on-year differences are sometimes less obvious as they can be compensated for by other changes. However, at a more disaggregate level, such as sectoral or local authority area, changes in a small number of large companies can have a very marked effect on figures from one year to the next.

Structural changes

The business economy is constantly evolving as businesses merge, are taken over, or simply change the main focus of their business. These changes can result in the industry classification of a business changing. For example, if a business undertakes both manufacturing and wholesale activities, but most of its employment is within manufacturing, it will be classified to manufacturing. If the employment were to change substantially so that the majority worked in wholesale then the industry classification would change and the whole of the businesses turnover, for example, would move from

manufacturing to wholesale. In industries where movements are common, or where large businesses are involved, these changes can themselves sometimes cause large changes in ABS estimates. This should be taken in to consideration when changes over time are being assessed.

Quality Measures

Estimates derived from samples invariably produce results which differ from those that would have been obtained from a complete census of all businesses. If a number of different samples were selected then each would produce a different result. Sampling errors measure the extent to which these estimates can be expected to differ from the 'true' value. The standard error is the estimated value of the sampling error – the closer the standard error to zero, the more reliable the estimate.

From July 2014, Standard Errors and Coefficients of Variation for **regional** (includes Scotland) ABS data at 2-digit SIC level have been published by the Office for National Statistics (ONS). Please see link to latest Table [here](#)

From August 2015, in order to provide Standard Errors at **Local Authority area level**, the Scottish Government purchased this ad-hoc analysis from ONS. To find resulting Tables, please see link to Tables published under **Scottish Annual Business Statistics (SABS) 2018** heading [here](#)

Note that quality measures have **not** been provided for the employment or employee variables. The employment and employee estimates are largely based on Business Register and Employment Survey (BRES) data, and sampling errors for BRES estimates are provided at a regional and local level, by ONS, at:

<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/businessregisterandemploymentsurveybresprovisionalresults/previousReleases>

Please note that Standard Errors Tables at links above replace alternative quality measures tables previously produced by the Scottish Government.

In addition to sampling errors there is the potential for non-statistical errors which cannot be easily quantified. Examples where these errors may occur are deficiencies in the sampling frame (IDBR) and errors made by respondents in completing the inquiry forms.

For more information on ABS data reliability, please consider the ONS background document (which includes links to technical information) available on-line at:

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/methodologies/annualbusinesssurveyabs#annual-business-survey-abs-quality-and-methods>

Revisions Policy

In general, SABS follows the Revisions Policy for the ONS ABS results i.e. the latest results are provisional until the following year when they may be revised as a result of late returns or information received in the course of the following year's inquiry. So, for example, within SABS 2018 the latest results for 2018 are provisional and will be made final when they are re-published within SABS 2019 - at which point they may be revised due to late returns. Likewise the results for 2017 within SABS 2018, have been revised since SABS 2017 and are now final.

Although the general rule is to only revise back one year, if revisions have a significant impact on estimates for Scotland, then we may revise back the entire time series. Significant revisions of this sort, and their treatment within SABS, will be highlighted at the time of the release.

Major Historical Revisions

SABS 2013

Change in Purchases apportionment methodology – Data on purchases for 2012 and 2013 has been produced using a new method for the apportionment from the reporting unit purchases to the local unit level. This new method was introduced to preserve the additivity of purchases components values to the total purchases. This has introduced a discontinuity in the purchases and aGVA data series with 2008 to 2011 still calculated using the original method. This change in the calculation of purchases (and hence GVA) has minimal impact for the large majority of sectors. The industry affected to the greatest extent is 'Gambling and Betting (SIC 92)' which falls within the services sector. And therefore the fall in purchases and subsequent increase in GVA, between 2011 and 2012, for SIC 92 and the wider services sector should be considered alongside this methodological change. More detail of this change can be found in this [Information Paper](#). A detailed region by [industry impact assessment](#) has been published by ONS.

SABS 2012

In line with Office for National Statistics (ONS) ABS releases, data for the **Insurance and Reinsurance sector (SIC 65.1 and 65.2)** has been removed from the SABS results for all years from 2008 to 2012. The previously published ABS data for the **Insurance and Reinsurance sector** has been excluded due to on-going volatility while ONS carry out a more detailed quality assessment. This does not affect any other industry sectors and, as the **Insurance and Reinsurance sector** data has been removed for all years in the series, this does **not** affect time series analysis.

SABS 2011

Please note that validation of data returns for 2011 highlighted that a small number of businesses within the **Insurance and Reinsurance sector (SIC 65.1 and 65.2)** were returning global figures rather than UK only. A revised 2010 estimate (together with new 2011 data) are now available in this publication. However, any global figures reported will remain in 2008 and 2009 published data in line with current Annual Business Survey (ABS) revisions policy. This can have a significant impact on Insurance, reinsurance, professional, scientific and technical activities (Section KM) time series data, as well as overall Totals, in particular local authority areas. Results for this sector are experimental and any comparisons between years should be undertaken with caution.

SABS 2010

Within industry 46.3 (Wholesale of food, beverages and tobacco), there has been a significant revision to the 2009 data. This revision was expected as it was identified in the analysis of SABS 2009 that there was an under-reporting of data within the Scottish results for 2008 and 2009. This under-reporting was a result of business data being inadvertently excluded from the Scottish results in both years. This error has now been corrected in the 2009 results contained in SABS 2010 – but the 2008 data remain

erroneous given the overarching ABS revisions policy of revising back the previous year only.

SABS 2009

Within industry 20.14 (Manufacture of other organic basic chemicals), a significant downwards revision has been made to the 2008 data, which has an impact on turnover and GVA for this group. This revision was required as it became apparent that previous data submitted was incorrect as it included turnover generated in other European countries. This error has been corrected for the 2008 data onwards.

Within industry 46.3 (Wholesale of food, beverages and tobacco), there is a significant under-reporting of data within the Scottish results for 2008 and 2009. This under-reporting is a result some business data being inadvertently excluded from the Scottish results in both years. This data is included in the overall UK results but not the Scottish results. This error in the Scottish results cannot be amended until the 2010 data and revised 2009 data are published in summer 2012.

Comparable Data

Statistics for the UK, English Government Office Regions, Scotland, Wales and Northern Ireland are available [here](#).

Other Sources of Economic and Business Statistics

Gross Value Added (GVA)

The SABS results include approximate GVA at 'basic prices'. There are differences between the ABS approximate measure of Gross Value Added and the GVA measures published in UK and Scottish National Accounts data. It is important to emphasise that ABS GVA does **not** cover the whole economy and that it does **not** include all the National Accounting adjustments that reconcile the ABS data with other data sources (especially taxes and subsidies, margins and the 'mixed income' economies).

The quarterly GDP index is the Scottish Government's preferred source for measuring real (inflation-adjusted) GVA change over time – for the Scottish economy as a whole and for broad sectors of the Scottish economy can be found under this heading:

<https://www.gov.scot/collections/economy-statistics/>

Quarterly National Accounts Scotland (QNAS) published data series is the Scottish Government's preferred source for current price (non-inflation-adjusted) GVA change over time - for the Scottish economy as a whole and for broad sectors of the Scottish economy can be found under this heading:

<https://www.gov.scot/collections/economy-statistics/>

Detailed information of the differences between ABS approximate GVA at 'basic prices' and National Accounts/Regional Accounts GVA is available in Section 9.1 in the ABS Technical Report published by ONS

at: <https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/methodologies/annualbusinesssurveytechnicalreportaugust2018>

ONS has also published an article on **A Comparison between Annual Business Survey and National Accounts Measures of Value Added** at: <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/business-and-energy/annual-business-survey/quality-and-methods/a-comparison-between-abs-and-national-accounts-measures-of-value-added.pdf>

Business Register and Employment Survey

Employee jobs/employment data, largely sourced from the Business Register and Employment Survey (BRES), are provided in the SABS results. These employment estimates are provided in SABS to enable consistent productivity measures to be calculated. The employee jobs/ employment estimates in SABS will tend to be lower than those published in BRES since BRES has wider industrial coverage than the ABS. There will also be differences between the employment estimates in BRES and the employment estimates as published in SABS as a result of differences in the samples selected for each survey.

If employee jobs/employment data by industry only is required (and so not to construct labour productivity measures), then the BRES is the preferred source for Scotland and local areas within Scotland. The latest BRES data is available [here](#).

Businesses in Scotland

Businesses in Scotland (formerly Scottish Corporate Sector Statistics) is another annual business statistics publication, released by the Scottish Government – the source of which is the IDBR. The main purpose of this publication is to provide information about the number of enterprises operating in Scotland. Like SABS, Businesses in Scotland provides estimates of employment and turnover by industry, local authority area and ownership. However, the employment and turnover estimates are provided in Businesses in Scotland publication as auxiliary variables that enable users to determine what proportion of employment/turnover generated in the economy can be attributed to businesses of different size. Employment and turnover, as published via Businesses in Scotland, do **not** relate to a single point in time and can be out of date for some small firms. For this reason, it is **not** the preferred the source for comparing employment and turnover estimates over time.

Regional Capital Expenditure

It has been established that the estimation of regional capital expenditure is unreliable, and therefore Net Capital Expenditure figures are **not now available** on Scottish Annual Business Statistics website.

Please see **Future Developments** section below for on-going developments on this topic.

Office for National Statistics (ONS) has provided the following information:

Regional Capital Expenditure

Figures on regional capital expenditure are no longer made available on the ABS website pages. Accurate estimation of regional capital expenditure is dependent on there being a strong correlation between the variable on which any estimation is based, in this case local employment, and the variable for which we are attempting to produce estimates, here

regional capital expenditure. It has been established that the relationship between regional employment and regional capital expenditure is, in fact, unreliable.

It will still be possible to obtain regional capital expenditure figures by requesting either standard extracts, for which there is no charge, or special analyses, for which a charge will be made. ONS does not recommend the use of these regional capital expenditure figures but recognises that some users will, nevertheless, wish to have them.

For more information about either of these services, please email ABS@ons.gov.uk

If you require Scottish Capital Expenditure figures only, you can alternatively contact the [Scottish Government](#).

National Statistics Status

This is a National Statistics publication. National Statistics status means that our statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.

These statistics last underwent a full assessment against the [Code of Practice](#) in 2012. Details of the assessment are available at: [Assessment Report 189 - Statistics on Scottish Businesses and Research and Development \(96.4 Kb, Pdf document\)](#)

Since the last assessment, we have continued to comply with the Code of Practice for Statistics and have made improvements to the statistical release - for example by:

- Providing more detailed breakdowns e.g. Purchases, Growth Sectors;
- Improving the timeliness of the release;
- Providing more information on the quality of the estimates e.g. Standard Errors;
- Improving accessibility e.g. Local Authority Area tables available in multiple formats.

To find these Tables, please see link to Tables published under **Scottish Annual Business Statistics (SABS) 2018** heading [here](#)

Future developments

Regarding the quality of the ABS data and up-coming SABS data releases are as follows:

- The Scottish Government continues to work with ONS to explore what could be done to improve the methodology used to estimate regional net capital expenditure. The historical methodology for estimating regional net capital expenditure is known to be unreliable, leading to its continued exclusion from the ABS regional publications. ONS has carried out a high level feasibility study to assess the viability of collecting capex data at different geography levels. Findings from this exercise can be found here: <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/business-and-energy/annual-business-survey/quality-and-methods/capturing-regional-capex-on-the-abs---feasibility-study---october-2015.pdf>. The results of the feasibility work continue to be assessed by ONS and the Scottish Government.
- One of the key actions following the UKSA assessments, of the SABS and the ONS ABS publications, was to improve the timeliness of the ABS publications. Please

note that SABS 2016 publication was brought forward by two months and published in June 2018, whilst subsequent SABS publications have also published in June each year. This is around 18 months after the reference period covered by the data.

The Scottish Government continues to work with the ONS on changing the publication process to reduce the time lag for future SABS releases. ONS have previously published a progress note (written prior to 2018 publication timescale changes) on this work available at: <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/business-and-energy/annual-business-survey/quality-and-methods/review-of-abs-timeliness.pdf>.

User Engagement

If you would like to be kept informed about ongoing developments with regards to the SABS publication and future releases of SABS data, please register to receive updates via [Scotstat](#) (under Economy topic pick Business and Industry and/or Productivity).

There is also the Scottish Economic Statistics Consultation Group (SESCG) and the Sub-Scotland Economic Statistics Group (SSESG) – more information on the groups is available under this heading at: <https://www.gov.scot/collections/economy-statistics/> If you would like to join either Group or provide feedback on the SABS publication, please contact us at:

Business & Innovation Statistics
Office of the Chief Economic Adviser
5 Atlantic Quay
150 Broomielaw
Glasgow G2 8LU

Telephone: 0131 244 6802

e-mail: industrystatistics@gov.scot

Survey Questionnaires

The Annual Business Survey (ABS) questionnaires were addressed to the individual legal unit, i.e. the individual company, partnership, sole proprietorship, etc.

The forms are designed to ensure the burden on the individual contributor has been kept as low as possible. A number of different form-types are used in the survey:

- Long form-types were sent to all businesses with an employment of 250 or more and also to a proportion of selected businesses with lower employment.
- Short form-types were sent to the remaining selected businesses.

The forms differ in that long form-types ask for a detailed breakdown of purchases; employment costs; taxes, duties and levies, whereas short form-types just ask for the totals of these variables.

For a list of ABS forms and an example of a Standard Long form for Production industries, please see Annex A at end of this document.

Definitions

Number of Units

This relates to the number of individual business sites e.g. a plant, factory, shop etc.

Total Employment

This is the point in time estimate of full and part time employees on the payroll plus the number of working proprietors employed on a set day in September.

Please note that Total Employment is a head count and **not** a Full Time Equivalent (FTE) measure. This distinction is particularly important for sectors with high levels of part time employment (e.g. Retail and Accommodation & Food Service activities) especially when comparing Per Head figures.

Total employees

This is the point in time estimate of full and part time employees on the payroll on a set day in September.

This is also a head count and **not** a Full Time Equivalent (FTE) measure (see employment explanation above).

Total turnover

Turnover is defined as the total value of sales. This is calculated by adding together the values of:

- sales of goods produced
- goods purchased and resold without further processing
- work done and industrial services rendered
- non-industrial services rendered

Purchases of goods & services

This is the value of all goods and services purchased during the year.

Gross Value Added at Basic Prices

Approximate gross value added (aGVA) represents the amount that individual businesses, industries or sectors contribute to the economy.

Generally, this is measured by the income generated by the business, industry or sector less their intermediate consumption of goods and services used up in order to produce their output, labour costs (for example, wages and salaries) and an operating surplus (or loss). The latter is a good approximation for profits, from which the cost of capital investment, financial charges and the payment of dividends to shareholders are met.

aGVA = output at basic prices – intermediate consumption =
total turnover + *movement in total stocks* + *work of a capital nature carried out by own staff* + *value of insurance claims received* + *other subsidies received* + *amounts paid in business rates* + *amounts paid in vehicle excise duty* + *acquisitions from computer*

*software programs and databases, developed by own staff for business use - **total purchases** - amounts received through the Work Programme - total net taxes (note: for service industries, this is total taxes, not total net taxes)*

There are differences between the approximate measure of aGVA calculated by ABS and the measure of gross value added (GVA) used in the national accounts (NA). NA carry out coverage adjustments, conceptual adjustments and coherence adjustments. The NA estimate of GVA uses inputs from a number of surveys and covers the whole UK economy. Some industry sectors are not included in the ABS.

Detailed information of the differences between ABS approximate GVA at 'basic prices' and National Accounts/Regional Accounts GVA is available in Section 9.1 in the ABS Technical Report published by ONS at:

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/methodologies/annualbusinesssurveytechnicalreportaugust2018>

ONS has also published an article on **A Comparison between Annual Business Survey and National Accounts Measures of Value Added** at: <http://www.ons.gov.uk/ons/guide-method/method-quality/specific/business-and-energy/annual-business-survey/quality-and-methods/a-comparison-between-abs-and-national-accounts-measures-of-value-added.pdf>

Total Taxes

These are the amounts payable to the government for taxes, levies and duties. Included are rates relating to industrial and commercial property which are payable to the government via local authorities.

Increase in Total stocks

This represents the increase during the year for materials, stores and fuel and goods on hand for sale. Amounts for materials which have been partially processed but which are not usually sold without further processing are also included.

Gross Wages & Salaries

This represents the amount paid to employees (in cash or kind). This includes gross wages and salaries and redundancy and severance payments to employees. Payment to working proprietors, travelling expenses etc. are excluded.

Total Labour Costs

This represents the total cost to employers of employing staff. This includes all gross wages & salaries (see above), overtime payments, bonuses, commissions, payments in kind, benefits in kind, holiday pay, employer's national insurance contributions, payments into pension funds by employers and redundancy payments less any amounts reimbursed for this purpose from government sources. No deduction is made for income tax or employee's national insurance contributions. Payment to working proprietors, travelling expenses and lodgings allowances are excluded.

Total Output at Basic Prices

Output is essentially the measure of productive activity and covers - market output, output produced for own final use and other non-market output.

Glossary

ONS have published an [Annual Business Survey technical report](#), providing detailed quality and methodology information. There is also a historic [ABS Glossary of terms](#) which may still be of interest to help interpret technical descriptions and abbreviations associated with the Annual Business Survey.

Links

Links to areas within the Scottish Government

statistics.gov.scot

You can access a range of official statistics about Scotland for information and re-use at statistics.gov.scot. You can explore the data by theme, organisation, or geography. You can also search for datasets, places or enter your postcode to find data about your local area. The data can be viewed as tables, maps and charts or downloaded in various formats. This website replaced Scottish Neighbourhood Statistics (SNS).

[Growth Sector Statistics Database](#)

The Growth Sector statistics database provides economic statistics for the growth sectors (also known as key sectors) as set out in [Scotland's Economic Strategy 2015](#).

[Input-Output Tables and Multipliers for Scotland](#)

Input-Output tables provide a complete picture of the flows of goods and services (products) in the economy for a given year. They detail the relationship between producers and consumers and the interdependencies of industries.

[Businesses in Scotland](#)

Businesses in Scotland (formerly Scottish Corporate Sector Statistics) provide information on enterprises operating in Scotland. The main purpose of the publication is to provide an estimate of Scotland's business stock. Within the publication the Scottish business stock is broken down by various dimensions including industry, business size, local authority area, urban/rural area and country of ownership.

[Export Statistics Scotland](#)

Export Statistics Scotland produces estimates of the cash value of exports by destination and industry sector for all sectors of the Scottish economy, including the primary, manufacturing and service sectors.

[Links to websites outside the Scottish Government](#)

Please note that when accessing the following links you will leave the Scottish Government website. The Scottish Government and its staff are not responsible for content external to this website.

[UK and Regional Annual Business Survey](#) - From 2017
(this is now a joint ONS National & Regional publication)

[Regional Annual Business Survey](#) - For Regional releases - Up to 2016 *provisional*
(data for 2016 has since been revised, see top link above)

[UK Annual Business Survey](#) - For National releases - Up to 2017 *provisional*
(data for 2017 has since been revised, see top link above)

[UK and Regional Annual Business Inquiry](#) - Up to 2008

Four links above cover - UK and Regional Annual Business Survey (formerly Annual Business Inquiry) statistics produced by the Office for National Statistics.

[Business Register and Employment Survey \(BRES\)](#)

Business Register and Employment Survey (BRES) data and sampling errors are produced by the Office for National Statistics at a UK and regional level.

*Please see headings **Business Register and Employment Survey (under Other Sources of Economic and Business Statistics) & Total Employees/Employment and Per Head** in notes above for information on how BRES is used in Scottish Annual Business Statistics publication.*

[Secure Research Service \(SRS\)](#) - formerly known as Virtual Microdata Laboratory (VML)

The Secure Research Service (SRS) is an Office for National Statistics (ONS) facility for providing secure access to sensitive detailed data for statistical research purposes that serve the public good. Access is provided for Approved Researchers working on defined and approved projects. Available data sources include business surveys, earnings data, social surveys and Census samples. SRS data can't be downloaded, but users can access the data at their desk if they are part of a government organisation (subject to connection criteria being met), or in an ONS approved Safe Setting if not. Safe Settings are located in London, Newport (Gwent), Titchfield as well as locations in Belfast and Glasgow.

[UK Data Service](#)

The UK Data Service is funded by the Economic and Social Research Council (ESRC) to meet the data needs of researchers, students and teachers from all sectors, including academia, central and local government, charities and foundations, independent research centres, think tanks, and business consultants and the commercial sector. The UK Data Service collection includes major UK government-sponsored surveys, cross-national surveys, longitudinal studies, UK census data, international aggregate, business data, and qualitative data.

[UK Creative Industries data sourced to DCMS](#)

Department for Digital, Culture, Media & Sport (DCMS) publishes UK and Regional Creative Industries data. Please note that there are some methodology differences between DCMS publication and Scottish Creative Industries data published in Scottish Government's [Growth Sector Statistics Database](#). The Growth Sector definition is based on specific analysis of the Creative Industries in Scotland.

Annex A:

ANNUAL BUSINESS SURVEY 2018 – LIST OF FORMS

FORM TYPE	INDUSTRY
1801	Motor Trades Long form
1802	Motor Trades Short form
1803	Wholesale Long form
1804	Wholesale Short form
1805	Retail Long form
1806	Retail Short form
1807	Catering Long form
1808	Catering Short form
1809	Property Long form
1810	Property Short form
1811	Transport Long form
1812	Transport Short form
1813	Commission Industry Long form
1814	Commission Industry Short form
1815	Betting and gaming
1817	Computer Industry Long form
1818	Computer Industry Short form
1819	Standard Services Long form
1820	Standard Services Short form
1821	Sports Activities - clubs
1823	Postal Activities Long form
1824	Postal Activities Short form
1825	Non-market Organisations Long forms
1826	Non-market Organisations Short forms

1827	Insurance Organisations
1829	Advertising
1831	Employment Agencies
1833	Legal
1835	Accountancy
1837	Management Consultancy
1839	Market Research
1841	Architecture
1843	Engineering
1845	Technical Testing
1847	Computer Services
1861	Duty Long forms
1862	Duty Short forms
1863	Standard Production Long forms
1864	Standard Production Short forms
1865	Gas and Electricity
1867	Shipbuilding long
1869	Water
1871	Mineral Oil
1873	Construction Long form
1874	Construction Short form
1875	Fishing
1877	Forestry
1879	Animal Husbandry and Hunting

Form Types marked in blue were absent from selection for 2017 and were added to rotation for 2018.

Form Types marked in yellow were absent from selection for 2018 and will be added to rotation for 2019.



Annual Business Survey 2018

Please do not discard this important document - your response is legally required

00001 22140
CONTACT NAME
OFFICE FOR NATIONAL STATISTICS
GOVERNMENT BUILDINGS
CARDIFF ROAD
NEWPORT
NP10 8XG
***** EXAMPLE PRINT *****

Please write any changes to your name and address in the box below, using black ink

To be completed for: THE BUSINESS NAMED ABOVE

**Please complete and return by 3 May 2019
or within 2 months of your business year end
Your reporting period should cover 2018 - See section A**

Dear Sir or Madam,

Please find the 2018 questionnaire for the Annual Business Survey (ABS) attached. If actual figures are not available, please provide informed estimates. Once complete, the questionnaire can be returned by post or fax using the details in the box below.

The ABS, produced by the Office for National Statistics (ONS), is the key resource for understanding the detailed structure, conduct and performance of businesses across the UK. The information you supply contributes to the National Accounts, which measure the state of the UK economy and are used by government to determine economic policy. The data also influences decisions on company and personal taxation and on interest rates. They affect our contributions to and from the European Union and our regional policies.

We guarantee that while your employment is less than 10, you will receive no more than 1 questionnaire for this ONS business survey. You must complete and return this questionnaire on time, after which you will be excluded from all business surveys for at least 3 years. The Annual Survey of Hours and Earnings is not covered by this guarantee.

You are required by law to complete this questionnaire. If you do not complete and return this questionnaire, penalties may be incurred (under section 4 of the Statistics of Trade Act 1947). All the information you provide is kept strictly confidential. It is illegal for us to reveal your data or identify your business to unauthorised persons.

Thank you for your co-operation,
Office for National Statistics

Questionnaire return details

To return via fax: 01633 652707

To return via post: Please use the prepaid envelope provided which is addressed to:
Office for National Statistics, Government Buildings, Cardiff Road, Newport, NP10 8XG

Contact numbers

Er mwyn gwneud cais am ffurflen Gymraeg (To request a questionnaire in Welsh) 0300 1234 921

If you would like to use our Minicom service for the Deaf 01633 815 044

To complete the questionnaire in Euros 0300 1234 937

For any other queries, please contact the **ABS Survey Team** 0300 1234 937
or go to www.ons.gov.uk/surveys

When contacting the office you may be asked for the following information

Survey code: 202 **Reference number:** 4990 0000 000 **Period:** 201812

- Telephone calls may be recorded for training and quality purposes

202 1863 22140

49900000000 S 00000000 A 202 201812 001

F P G 2 0 2

ABS



Introduction to the Annual Business Survey (ABS)

Purpose of this survey

The Annual Business Survey (ABS) samples UK businesses and other related establishments according to their employment size and industry sector. The statistics produced help to improve the overall quality of National Accounts and the measurement of Gross Domestic Product (GDP).

In addition to the National Accounts, the ABS is also the main source of data to enable the requirements of the European Structural Business Statistics Regulation (SBS) to be met and the financial information is also used by the Scottish Government and Welsh Government in the compilation of both regional country specific Input/Output tables and Indices of Production.

What your Annual Business Survey questionnaire should cover

This survey asks for information on business activity in England, Scotland and Wales but excludes Northern Ireland, the Channel Islands and Isle of Man.

Information required

This questionnaire is divided into nine sections, which ask for information about:

- Section A** - return period
- Section B** - income
- Section C** - expenditure
- Section D** - value of stocks held
- Section E** - capital assets
- Section F** - international trade in services
- Section G** - international trade in goods
- Section H** - research and development
- Section I** - comments and contact details

How to Complete the Questionnaire

This questionnaire will be scanned, therefore please:

- Read accompanying notes before completing your return
- Complete in **black ink**
- Ensure letters and numbers are PRINTED and centred within each box
- Do not use commas ,
- Do not cross sevens 7 or zeros 0
- Please round your figures to the nearest £1,000
- For example £16,805 = £ 17000

You may find it useful to take a copy of this questionnaire for future reference or to answer any queries that may arise.



Please give values to the nearest £ thousand

2.4 Environmental Turnover

(a) Does your business **produce** good(s) and/or service(s) that protect the environment?

Include: goods and/or services produced by your business

- eg the production or installation of solar panels
- eg waste collection, treatment and disposal services
- eg environmental consultancy and training services

Exclude: goods and/or services used by your business

- eg the use of energy saving light bulbs
- eg the consumption of recycled materials

Yes → Go to question **2.4 (b)**

No → Go to **Section C** 80

(b) What proportion of your total turnover relates to the environmental good(s) and/or service(s) produced?

Please one box only

0 - 9%

10 - 24%

25 - 49%

50 - 74%

75 - 100% 81

Section C - Expenditure (see note C)

(excluding deductible VAT but including non-deductible VAT)

Employment

An employee is anyone aged 16 or over that your organisation pays directly from its payroll(s), in return for carrying out a full-time or part-time job or being on a training scheme.

Include:

- All workers ie permanent, temporary, casual and seasonal workers, paid directly from this business's payroll(s)
- Those temporarily absent but still being paid, for example on maternity leave

Exclude:

- Voluntary workers
- Former employees only receiving a pension
- Self-employed workers
- Working owners who are **not** paid under PAYE
- Subcontractors

3. What was your expenditure on the following?

(a) Gross wages and salaries (in cash or kind) (excluding National Insurance contributions and contributions to other pension and welfare schemes)	£	<input style="width: 100%; height: 15px;" type="text"/>	4 4 6	
(b) Employers' National Insurance contributions	£	<input style="width: 100%; height: 15px;" type="text"/>	4 4 8	
(c) Contributions to pension funds (including lump sum contributions). Employers' pension contributions should represent actual net amounts rather than notional values	£	<input style="width: 100%; height: 15px;" type="text"/>	4 4 9	
(d) Amounts payable to employees through redundancy and severance	£	<input style="width: 100%; height: 15px;" type="text"/>	4 4 7	
(e) Total employment costs	£	<input style="width: 100%; height: 15px;" type="text"/>	4 5 0	



Please give values to the nearest £ thousand

Rates, Duties, Levies and Taxes Paid to the Government

Include:

- National non-domestic (business) rates
- Vehicle excise duty (also known as road, car or vehicle tax)
- Climate change levy

Exclude:

- VAT
- Tax already included in the purchase of goods, materials and services
- Corporation tax
- Income tax
- Capital gains tax

5. What was your expenditure on the following?

(a) Amounts payable in national non-domestic (business) rates	£	<input style="width: 100%; height: 15px;" type="text"/>	4 1 2	EFG
(b) Amounts payable for vehicle excise duty (also known as road, car or vehicle tax)	£	<input style="width: 100%; height: 15px;" type="text"/>	4 3 1	EFG
(c) Amounts payable directly to government under the Climate Change Levy (net of any agreed reductions). Exclude any charge recorded on your gas, electric or other fuel bills	£	<input style="width: 100%; height: 15px;" type="text"/>	4 5 5	EFG
(d) Other amounts paid for rates, duties, levies and taxes	£	<input style="width: 100%; height: 15px;" type="text"/>	4 1 3	EFG
(e) Total rates, duties, levies and taxes paid	£	<input style="width: 100%; height: 15px;" type="text"/>	4 0 0	EFG

Subsidies Receivable

6. Total amounts received in subsidies from UK government sources and the EU	£	<input style="width: 100%; height: 15px;" type="text"/>	4 1 4	EFG
Of which:				
(a) Subsidies received under The Work Programme	£	<input style="width: 100%; height: 15px;" type="text"/>	4 3 2	EFG

Section D - Value of Stocks Held (see note D)

Value of stocks held **including** Work in Progress but **excluding** VAT and progress payments on long-term contracts

The figures for the beginning and the end of the period should be on the same basis in terms of valuation and business units covered.

7. Total value of all stocks at the <u>beginning</u> of the period	£	<input style="width: 100%; height: 15px;" type="text"/>	5 0 0	EFG
(a) Of which: stocks of goods/energy bought for resale without further processing (merchanted or factored goods)	£	<input style="width: 100%; height: 15px;" type="text"/>	5 0 3	EFG
8. Total value of all stocks at the <u>end</u> of the period	£	<input style="width: 100%; height: 15px;" type="text"/>	5 9 9	EFG
(a) Of which: stocks of goods/energy bought for resale without further processing (merchanted or factored goods)	£	<input style="width: 100%; height: 15px;" type="text"/>	5 0 4	EFG



Please give values to the nearest £ thousand

Section F - International Trade in Services; Exports and Imports (excluding Goods) (see note F)

Include:

- Transactions with branches or subsidiaries of UK businesses that are located outside the UK
- Transactions with a subsidiary or parent of your company located outside the UK

Exclude:

- Transactions with branches or subsidiaries of foreign businesses that are located within the UK

10. What was your income from services provided to individuals, enterprises or other organisations based outside the UK? £ 000 1 6 3 EFG

11. What was your expenditure on services provided by individuals, enterprises or other organisations based outside the UK? £ 000 1 6 4 EFG

Section G - International Trade in Goods; Exports and Imports (excluding Services) (see note G)

Include:

- Transactions with branches or subsidiaries of UK businesses that are located outside the UK
- Transactions with a subsidiary or parent of your company located outside the UK

Exclude:

- Transactions with branches or subsidiaries of foreign businesses that are located within the UK

12. Did your business export goods to individuals, enterprises or other organisations based outside the UK? eg raw materials, semi or finished manufactured goods

Yes

No 15

13. Did your business import goods from individuals, enterprises or other organisations based outside the UK? eg raw materials, semi or finished manufactured goods

Yes

No 16

Section H - Research and Development

What is R&D?

Research and Development covers **three** types of activity:

1. Basic research
2. Applied research
3. Experimental development

R&D comprises creative and systematic work undertaken in order to increase the stock of knowledge, and in order to devise new applications of available knowledge. R&D activity **must** have elements of **all of these five** criteria:

1. **Novel** - To be aimed at new findings
2. **Creative** - To be based on original, not obvious, concepts and hypotheses
3. **Uncertain** - To be uncertain about the final outcome
4. **Systematic** - To be planned and budgeted
5. **Transferable/reproducible** - To lead to results that could possibly be reproduced

14. Did the business carry out any in-house research and development in this reporting period or intend to do so in the next?

Yes

No 9



Section I - Comments and Contact Details

Any Relevant Comments

Please use this box if you wish to make any comments regarding the information provided on this return.

Please include details of any significant impacts upon your data resulting from changes in the accounting approaches you have taken.

1 4 6

LMN

PLEASE GIVE DETAILS OF THE PERSON WE SHOULD CONTACT WITH ANY QUESTIONS ABOUT THIS RETURN

Please use BLOCK CAPITALS

Contact name

Position in business

Name of business

Telephone Number Ext.

Fax Number

Signature

Date

Thank you for completing this questionnaire.



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NOTES TO HELP YOU COMPLETE THE QUESTIONNAIRE

Please read these notes before completing this questionnaire

WHAT YOUR ANNUAL BUSINESS SURVEY QUESTIONNAIRE SHOULD COVER

Any activity outside the UK lasting for more than one year should be **excluded** from this questionnaire - **except** all installation activities outside the UK, which should be **included** regardless of the length of period of the work carried out. Any work done in connection with overseas contracts where employees travel abroad regularly for short periods should be **included** and any overseas activity which is deemed to be capital expenditure in that country should be **excluded**.

NOTE A: RETURN PERIOD

If you commenced trading during 2018, then your return should cover the period from the commencement of your business until 31 December 2018 or, alternatively, any date up to 5 April 2019.

If you ceased trading during 2018, then your return should cover the period 1 January 2018 to the date you ceased to trade or, alternatively, from the beginning of your last business year up to the cessation date.

NOTE B: INCOME (EXCLUDING VAT)

2.1 TURNOVER

Give the value of all sales made in the year of this return whether or not the goods were produced in the year. The values given should be the 'net selling' value (**ie** the amount charged to customers whether valued 'ex-works' or 'delivered', less VAT, trade and cash discounts etc and allowances on returned goods).

Figures should be given gross of indirect taxes, duties and levies (**except** VAT) invoiced to the customer.

Include	Exclude
<ul style="list-style-type: none"> ● Provision of goods and/or services to other parts of your company or organisation which are not covered by this return. These should be valued as if sold to an independent customer. If you are unable to supply figures on this basis, please value them at transfer cost; ● Transport, insurance and packaging charges (less amounts for returnable containers) invoiced by your business (even if invoiced separately). 	<ul style="list-style-type: none"> ● Output for own final use; ● Income recorded as extra-ordinary income in your accounts; ● The sale of vehicles previously treated as capital assets during the period. Include these in section E; ● Interest payments received and other similar income; ● Amounts received from the sale of fixed capital assets; ● Amounts received from the sale of patents, trademarks, copyrights etc; ● Subsidies from UK public authorities and the European Union (EU); ● Value of insurance claims received. Include these in 2.2 (a); ● Income recorded as "Other Operating Income" in your accounts. Include this in 2.2 (b); ● All trade, cash or other discounts and rebates (ie record turnover net of these); ● Income derived from the renting of land (if recorded separately within your accounts). Include this in 2.2 (b); ● Sales by other businesses operating on your premises (as well as any commission received on such sales); ● For those in the nuclear fuel industry, exclude any receipts received for fossil fuel premiums; ● Dividends received; ● Amounts arising from donations and fundraising activities; ● The full value of any transfer fees received.

(a) VALUE OF SALES OF GOODS OF OWN PRODUCTION

Include	Exclude
<ul style="list-style-type: none"> ● Sales of goods made by you or for you by others from materials supplied by you; ● Sales of waste products, residues and scrap. 	<ul style="list-style-type: none"> ● Output for own final use; ● Export rebates received under the EU's Common Agricultural Policy; ● Income recorded as "Other Operating Income" in your accounts. Include these in 2.2 (b).

2.1 TURNOVER (Continued)

(c) VALUE OF INDUSTRIAL SERVICES PROVIDED BY YOU

Include	Exclude
<ul style="list-style-type: none"> • Payments received for entry, exit, system and infrastructure charges; • Option fees and net amounts receivable under contracts for differences; • Waste management and remediation services. 	

(d) VALUE OF NON-INDUSTRIAL SERVICES PROVIDED BY YOU

Include	Exclude
<ul style="list-style-type: none"> • Management fees; • Income derived from the renting of property. Income derived from the renting of land (if recorded separately within your accounts) should be included in 2.2 (b); • Services provided to other organisations such as amounts charged for hiring out plant, machinery and other goods, the provision of transport, computer processing, technical research and studies; • Amounts received for the right to use patents, trademarks, copyrights etc, manufacturing rights, technical know-how and advertising revenue; • Royalty payments received; • Use of system charges. 	<ul style="list-style-type: none"> • Sales of patents, trademarks, copyrights etc.

2.2 OTHER INCOME

(a) VALUE OF INSURANCE CLAIMS RECEIVED

Include	Exclude
<ul style="list-style-type: none"> • Claims received from all forms of commercial insurance (eg fire, motor vehicle, accident, transit within the UK, loss of profit). Insurance companies should only record claims made on behalf of own business. 	<ul style="list-style-type: none"> • Claims received from sinking fund policies, policies providing pensions, superannuation or other retirement, sickness, personal, accident, disability or death benefits for employees or their dependants; • Any claims receivable from re-insurance business written.

(b) VALUE OF ANY "OTHER OPERATING INCOME"

Include	Exclude
<ul style="list-style-type: none"> • Income derived from the renting of land (if recorded separately within your accounts); • Interest and dividends; • All trade, cash or other discounts and rebates that are recorded in your profit and loss and/or income and expenditure accounts. 	

2.3 RETAIL TURNOVER

(Please give examples, in section I, of the main retail products sold)

Where exact figures for wholesale/retail split are not available, informed estimates should be used.

Include	Exclude
<ul style="list-style-type: none"> • Sales of food, confectionery, drinks, envelopes and other stationery, knitting wool, ornaments, toys and games etc; • Installation services on domestic and household appliances only when in combination with sale of goods; • Retail sale by commission agents; • For commission work (ie where you do not hold title to goods sold), the commission/fee is to be included but not the full transaction price. Also to be included here are costs incurred and passed on to the customer; • Service charges for credit provided (but not interest charges); • Receipts from government for goods and services supplied free (or at a subsidised rate) under the National Health Service and similar public services; • Income from retail sales over the Internet (where you hold title to the goods sold); • Commission received on sales by other businesses operating on your premises (excluding the total value of the sale). 	<ul style="list-style-type: none"> • Income (including repair and maintenance) from other businesses; • Sales of food and drink as a catering activity (including staff canteens, take-away food and bar sales); • Renting and hiring of goods; • Sales of services (eg holidays, cinema and other tickets, membership fees); • Sales and maintenance of land and buildings; • Installation services on domestic and household appliances when not in combination with sale of goods.

NOTE C: EXPENDITURE (EXCLUDING DEDUCTIBLE VAT BUT INCLUDING NON-DEDUCTIBLE VAT)**3. EMPLOYMENT****(a) GROSS WAGES AND SALARIES**

State the amount paid before deductions but less any amounts for which you are reimbursed from government sources.

Include	Exclude
<ul style="list-style-type: none"> ● All overtime payments, bonuses, commissions; ● Payments to those temporarily absent (eg on holiday, sick, or on maternity leave); ● The cost to the employer of all expenses and benefits in kind. These include: assets transferred to employees (ie cars, property, goods or other assets); payments made on behalf of employees; mileage allowances and fuel payments (unless the payments are in respect of travelling expenses), subsidies to staff canteens, sports club membership, nurseries and playschemes, health insurance etc. ● Employment costs paid to workers employed by the UK company and workers employed who are based overseas. [These costs should only reflect the installation services activity carried out outside the UK, included in section 2.1 (c)]; ● Any "signing on fees" paid to employees; ● Accrued holiday pay. 	<ul style="list-style-type: none"> ● Payments to working proprietors, partners and executive directors not in receipt of a regular salary, fee or commission; ● Travelling and subsistence expenses. Include these in 4 (o); ● Amounts paid to subcontractors. Include these in 4 (f); ● Payments to homeworkers on piecework rates. Include these in 4 (o); ● Payments to employment agencies for the services of agency staff. Include these in 4 (n).

(c) CONTRIBUTIONS TO PENSION FUNDS

Include	Exclude
<ul style="list-style-type: none"> ● Payments into pension funds providing retirement or death benefits for employees, including former employees or their dependants; ● Payments to Welfare Schemes. 	<ul style="list-style-type: none"> ● Top up of pension funds or withdrawals from pension funds; ● Contributions by employers for their own personal pension schemes; ● Expenditure on leisure, medical, crèche etc facilities for employees.

(d) AMOUNTS PAYABLE TO EMPLOYEES THROUGH REDUNDANCY AND SEVERANCE

Include	Exclude
<ul style="list-style-type: none"> ● Golden handshakes. 	<ul style="list-style-type: none"> ● Rebates received from National Insurance Redundancy Fund; ● Accrued holiday pay. Include this in 3 (a).

4. ALL OTHER EXPENDITURE (except employment costs)

State the net cost of purchases made during the period of this return whether or not they were used or resold during that period. Valuation should be at full delivered cost. In the case of imports the cost should **include** import and excise duties (less drawback).

ENERGY AND MATERIALS FOR BUSINESS USE**(b) WATER USED IN THE RUNNING OF YOUR BUSINESS**

Include	Exclude
<ul style="list-style-type: none"> ● Water abstraction application charges; ● Water rates including water used in open system water cooling and air conditioning. 	<ul style="list-style-type: none"> ● Bottled water; ● Water abstraction licence fees. These should not be recorded anywhere in this questionnaire.

4. ALL OTHER EXPENDITURE (except employment costs) (Continued)

ENERGY AND MATERIALS FOR BUSINESS USE (Continued)

(d) GOODS AND ALL RAW MATERIALS USED IN THE RUNNING OF YOUR BUSINESS

Include	Exclude
<ul style="list-style-type: none"> ● The cost of raw materials, components, semi-manufactures, workshop and office materials (eg stationery and consumables), machine spares and packaging materials charged to you; ● Any imports of goods should be valued Free on Board (FOB); ● Transfers of goods to your business from other parts of your company or organisation which are not covered by this return. These should be valued as if purchased from an independent supplier. If you are unable to supply figures on this basis, please value them at transfer cost; ● The cost of any materials you have supplied for work done by you as a subcontractor; ● The cost of materials purchased for use in the installation, repair or maintenance of customers' goods; ● Purchase of telephone handsets and modems; ● Food and drink used in the preparation of meals and drinks; ● Building materials you have purchased for your own use. 	<ul style="list-style-type: none"> ● Transport costs on purchases paid to a third party. Include these in 4 (j) or 4 (o) as appropriate; ● Amounts charged to capital account. Include these in section E.

GOODS BOUGHT FOR RESALE

(e) GOODS BOUGHT FOR RESALE WITHOUT FURTHER PROCESSING

Include	Exclude
<ul style="list-style-type: none"> ● Any goods bought for resale without further processing (ie merchanted goods, goods purchased and resold without modification); ● Any goods bought on a 'sale or return' basis which were subsequently sold but exclude the cost of those returned unsold; ● The purchase price paid for the goods for resale including any duties paid by the seller; ● The full purchase price of property bought and sold in the same financial period, without development. 	<ul style="list-style-type: none"> ● The cost of materials purchased for use in the installation, repair or maintenance of customers' goods. Include these in 4 (d); ● Food and drink requiring preparation before sale; ● Any other goods "sold" which are part of a service; ● The full value of any transfer fees paid out; ● Excise duties paid by yourselves. Include these in 5 (d).

SERVICES FOR BUSINESS USE

(f) AMOUNTS PAYABLE TO SUBCONTRACTORS

Payments to subcontractors are payments made by the business to a third party, in return for goods and services.

(g) VALUE OF INDUSTRIAL SERVICES PURCHASED

Include	Exclude
<ul style="list-style-type: none"> ● Amounts payable for waste management and remediation services; ● Amounts payable for repairs, installation and maintenance of plant, machinery and vehicles; ● Payments for hire of agricultural and forestry equipment and vehicles, with operator; ● Payments made in respect of entry, exit, system and infrastructure charges; ● External use of system charges; ● Option fees and net amounts payable under contracts for differences; ● Amounts paid for water abstraction or water discharge consent services. 	<ul style="list-style-type: none"> ● Payments to homeworkers on piecework rates. Include these in 4 (o); ● Building repairs, maintenance and cleaning. Include these in 4 (o); ● Amounts payable for repairs and maintenance of household and domestic equipment.

(h) AMOUNTS PAYABLE FOR HIRING, LEASING OR RENTING PLANT, MACHINERY AND VEHICLES

Include	Exclude
<ul style="list-style-type: none"> ● Rental of telephone handsets and modems; ● Car hire or other vehicle hire without drivers. 	<ul style="list-style-type: none"> ● Hire purchase repayments and finance leasing payments. See note E; ● Amounts payable for road vehicles hired with drivers. Include these in 4 (j).

4. ALL OTHER EXPENDITURE (except employment costs) (Continued)

SERVICES FOR BUSINESS USE (Continued)

(i) AMOUNTS PAYABLE FOR COMMERCIAL INSURANCE PREMIUMS

Include	Exclude
<ul style="list-style-type: none">• Premiums for all forms of commercial insurance including insurance premium tax (eg fire, motor vehicle, accident, transit within the UK, loss of profit).	<ul style="list-style-type: none">• Premiums for sinking fund policies;• Premiums for policies providing pensions, superannuation or other retirement, sickness, personal accident, disability or death benefits for employees or their dependants. Include these in 3 (c);• Employers' National Insurance contributions. Include these in 3 (b);• Value of insurance claims received. Include these in 2.2 (a).

(j) AMOUNTS PAYABLE FOR CONTRACTED ROAD TRANSPORT SERVICES

Include	Exclude
<ul style="list-style-type: none">• The cost of freight transport by road only;• Road transport used for furniture removal;• Road transport services purchased for own staff use (eg buses, taxis);• Amounts payable for road vehicles hired with drivers.	<ul style="list-style-type: none">• Car hire or other vehicle hire without drivers. Include these in 4 (h).

(k) AMOUNTS PAYABLE FOR TELECOMMUNICATION SERVICES

Include	Exclude
<ul style="list-style-type: none">• Rental charges on telephone services including mobile phone services;• The cost of telephone calls, facsimiles, Internet services and data transmission.	<ul style="list-style-type: none">• The cost of all telephone handsets and modem equipment. Purchases of these should be included in 4 (d), except if charged to capital account then these should be included in section E. Payments for rental of such equipment should be recorded in 4 (h).

(l) AMOUNTS PAYABLE FOR COMPUTER AND RELATED SERVICES

Include	Exclude
<ul style="list-style-type: none">• Consultancy charges on computer software and hardware.	<ul style="list-style-type: none">• Computer hardware, software and programs written by a third party to be used for more than one year. Include these in section E;• Licences. Include these in section E.

(m) AMOUNTS PAYABLE FOR ADVERTISING AND MARKETING SERVICES

Include	Exclude
<ul style="list-style-type: none">• Payments for advertising or marketing campaigns, including payments for television or radio media time, newspaper or billboard space;• Payments for market research and public relations activities carried out by a third party.	<ul style="list-style-type: none">• Market research and public relations activities carried out by your own staff.

(n) AMOUNTS PAYABLE TO EMPLOYMENT AGENCIES FOR AGENCY STAFF

Include	Exclude
	<ul style="list-style-type: none">• Labour recruitment administration costs. Include these in 4 (o).

4. ALL OTHER EXPENDITURE (except employment costs) (Continued)

SERVICES FOR BUSINESS USE (Continued)

(o) AMOUNTS PAYABLE FOR OTHER SERVICES PURCHASED

Include	Exclude
<ul style="list-style-type: none"> ● Labour recruitment administration costs; ● Exam costs and amounts payable for training packages; ● Amounts (except those charged to the capital account) payable to others for the services of accountants, auditors, agents, solicitors and surveyors; ● Amounts payable to other organisations and self-employed persons for labour they have supplied; ● Amounts payable for the right to use patents, trade marks, copyrights etc, manufacturing rights and technical know-how; ● Amounts payable to other organisations for technical research and studies; ● Amounts payable for sea, air and rail freight on goods transported; ● Building repairs, maintenance and contract cleaning services; ● Payments to homeworkers on piecework rates; ● Payments for film and programme rights; ● Amounts paid for licensing, inspection and monitoring; ● Staff travel; ● Travelling and subsistence expenses for individual claims; ● Congestion charges including related fines and penalties; ● Royalty payments; ● Payments made to claimants; ● Insurance costs which are passed on to the customer; ● Accommodation and related expenses; ● Net payments to trade associations and net levies to those statutory bodies which are of a trade association nature; ● Management fees and/or inter group charges. 	<ul style="list-style-type: none"> ● All bank and other interest payments; ● Bad debts including future provisions; ● Any allowances for depreciation, amortisation or obsolescence including future provisions; ● Employment costs. Include these in 3; ● Hire purchase repayments. See note E; ● Finance leasing payments. See note E; ● The cost of any items charged to the capital account including building repairs; ● Fines and penalties except those related to congestion charges; ● National non-domestic (business) rates. Include these in 5 (a); ● Mortgage Interest and Mortgage Loan Payments; ● Rent payments on land.

5. RATES, DUTIES, LEVIES AND TAXES PAID TO THE GOVERNMENT

(a) AMOUNTS PAYABLE IN NATIONAL NON-DOMESTIC (BUSINESS) RATES

National non-domestic (business) rates are amounts payable via local authorities in respect of industrial and commercial property.

Include	Exclude
<ul style="list-style-type: none"> ● Any business rates or formula rates paid to local authorities or Department of Communities and Local Government (DCLG) – Formula rates paid to DCLG applies to Great Britain only. 	<ul style="list-style-type: none"> ● Water rates. Include these in 4 (b); ● Sewerage charges. Include these in 4 (c).

(c) AMOUNTS PAYABLE DIRECTLY TO GOVERNMENT UNDER THE CLIMATE CHANGE LEVY

The Climate Change Levy (CCL), introduced in April 2001, is charged on industrial and commercial use of various forms of energy (**eg** primary and secondary fuel for lighting, heating, motive power and power for appliances).

Include	Exclude
	<ul style="list-style-type: none"> ● Any agreed reductions.

5. RATES, DUTIES, LEVIES AND TAXES PAID TO THE GOVERNMENT (Continued)

(d) OTHER AMOUNTS PAID FOR RATES, DUTIES, LEVIES AND TAXES

You should only **include** the value of the rates, duties, levies and taxes listed below if your business paid these directly to government or statutory bodies/regulators. Do **not include** these taxes if they were paid as part of your purchases of goods, materials and services:

Include	Exclude
<ul style="list-style-type: none"> ● Excise duties (eg on alcohol, tobacco, hydrocarbon oil (fuel) duty) when paid directly to government by your business; ● Stamp duties; ● Export levies (eg under the EU's Common Agricultural Policy); ● Import duties paid; ● Regulator Fees - any statutory amounts paid to: Environment Agency (EA), Office of Gas and Electricity Markets (OFGEM), Office of Water Service Regulation (OFWAT) in England and Wales and the Scottish Water and Sewerage Customers Council (SWSCC) in Scotland, Office of Communications (OFCOM) and Office of Rail and Road (ORR); ● Consumer and Credit Act fees; ● Franchise payments to government eg rail franchise premia; ● EU Emissions Trading System; ● CRC Energy Efficiency Scheme (formerly known as Carbon Reduction Commitment); ● Renewable Energy Obligations; ● Sugar levy (paid to the European Union); ● Levies paid to the government levy-funded bodies eg Financial Services Compensation Scheme, Agriculture & Horticulture Development Board, Sea Fish Industry Authority etc; ● Aggregates Levy; ● Vehicle Registration Tax (paid upon registering new/imported vehicle for the first time). 	<ul style="list-style-type: none"> ● VAT; ● Vehicle Excise Duty (road fund licences) include in 5 (b); ● Council tax (payable via local authorities in respect of your rented property); ● Operators' licences; ● Petroleum Revenue Tax; ● Net payments to trade associations and similar bodies; ● Inheritance Tax; ● Air Passenger Duty; ● Landfill Tax; ● Insurance Premium Tax; ● Lottery Duty; ● Capital Gains Tax; ● Corporation Tax; ● Income Tax; ● Fees & other licences eg Passport, television, boating and fishing; ● Rent payments on land.

6. SUBSIDIES RECEIVABLE

These are amounts receivable from UK government bodies or the EU to reduce the price of products (goods or services) sold into a market environment.

Include	Exclude
<ul style="list-style-type: none"> ● Import and Export refunds (eg under the EU's Common Agricultural Policy). Include these in 6; ● Subsidies on payroll or workforce [eg through The Work Programme (formerly known as The Welfare to Work Programme)] which should also be recorded separately in 6 (a). 	<ul style="list-style-type: none"> ● Grants received from any source ie UK government bodies, EU, charitable organisations etc. Grants are defined as one-off payments received with the intention to lessen the burden of capital expenditure ie new building work, machinery etc; ● Receipts from government for goods and services supplied free (or at a subsidised rate) under the National Health Service and similar public services; ● Grants to cover historical losses or for the cancellation of debt.

NOTE D: VALUE OF STOCKS HELD

Inventories should be valued on the basis used in your financial statements **ie** on the basis of UK GAAP (Generally Accepted Accounting Principles) or International GAAP. Where long-term contract balances are **included** in stocks, they should be recorded net of progress payments. Where the outcome of the contract is known with reasonable certainty and a proportion of the contract income has been recognised as turnover, progress payments should be disregarded.

Include	Exclude
<ul style="list-style-type: none">● Materials, stores and fuel, Work in Progress and goods on hand for sale (Work in Progress consists of goods and services that have been partially processed, fabricated or assembled by the producer but are not usually sold or turned over to others without further processing);● Raw materials and components purchased for incorporation into products for sale;● Consumable stores;● Semi-processed goods;● Office supplies;● Packaging materials;● Any stocks purchased for resale without further processing (ie merchanted or factored goods);● Show houses completed but not yet sold;● Finished goods, including buildings;● Houses taken in part exchange;● Contracts not yet finalised - commission fees for work carried out;● Building work carried out by yourselves (including finished properties built by yourselves) with the intention to sell;● All stocks owned and either held by you or currently in transit within the UK;● The value of any goods let out on hire, only if they were charged to current account when acquired and do not rank as capital items for taxation purposes;● Products in intermediate stages of completion that you own (even if not held by you);● Long term business contract balances (with progress payments treated in line with UK GAAP or International GAAP);● Duty for dutiable goods held out of bond.	<ul style="list-style-type: none">● Stocks you hold that do not belong to you;● All stocks held abroad or in transit on the seas;● Duty on stocks held in bond;● Products in intermediate stages of completion that do not belong to you;● Land.

NOTE E: CAPITAL ASSETS

The generic instructions within this table refer to the whole of section E.

Note: information requested may not always be found on a register of capital assets, and should **include** all assets of any value, even if this is below your Asset Register threshold.

Include		Exclude	
Capital assets	<ul style="list-style-type: none"> ● Assets within the UK. ● Assets that are used repeatedly to facilitate production, or provision of services, for more than one year. ● The purchase costs and disposal proceeds of fixed assets, together with any other amounts treated as capital items for taxation purposes. ● The total capital value of assets that have been bought on hire purchase in the period covered by the survey. 	Capital assets	<ul style="list-style-type: none"> ● Assets outside the UK. ● Assets acquired in taking over an existing business or sold as part of a going concern. ● Assets of a capital nature acquired for resale rather than for use within business eg stocks of vehicles held by motor traders. ● Assets like TV adverts or copyrights. ● Software licences of up to a year.
Assets transfers and leasing	<ul style="list-style-type: none"> ● Assets acquired under finance lease ie you (the lessee) are responsible for repairs and maintenance. ● Assets owned by the business but leased to another business under an operating lease ie you (lessor) are responsible for repairs and maintenance. ● Any trade or transfer costs invoiced to you separately. 	Assets transfers and leasing	<ul style="list-style-type: none"> ● Assets leased to another business under finance lease ie repair and maintenance are carried out by the other business (lessee). ● Assets acquired under an operating lease ie responsibility for repair and maintenance is borne by the owner (lessor) of the asset. ● Asset transfers between companies owned by the same enterprise (except where the asset value is considered to be a 'new' acquisition or disposal within the company accounts).
		Interest and instalment payments	<ul style="list-style-type: none"> ● Interest and instalment payments under finance leasing arrangements.
Expenditure	<ul style="list-style-type: none"> ● Non-deductible VAT. ● Expenditure on replacing assets destroyed in circumstances (eg fire) which have given rise to a successful insurance claim. ● Expenditure on assets acquired for hiring, renting and other leasing purposes, but not finance leasing. ● Capital expenditure at any site belonging to the business where operations have not yet begun. 	Expenditure	<ul style="list-style-type: none"> ● Deductible VAT. ● Capital expenditure on assets for use outside the UK (except ships and aircraft).
		Revaluations of assets	<ul style="list-style-type: none"> ● Allowances for depreciation. ● Amortisation. ● Impairment charges.
Receipts	<ul style="list-style-type: none"> ● Grants and allowances from government sources, statutory bodies or local authorities that have been used to acquire or create assets used in production. ● Finance relating to Public Private Partnership / Private Finance Initiative that has been used to acquire assets. 	Receipts	<ul style="list-style-type: none"> ● The proceeds from an insurance claim against the loss of fixed assets.
Additions and work in progress	<ul style="list-style-type: none"> ● Progress payment or deposits covering long-term contracts acquiring fixed assets. 		
Work carried out by staff	<ul style="list-style-type: none"> ● All work of a capital nature carried out by your own staff, including labour costs and the cost of purchases consumed in the work. 		
Services associated with capital assets	<ul style="list-style-type: none"> ● Professional charges, installation costs, etc associated with capital assets must be reported with the asset value. 		

NOTE F: INTERNATIONAL TRADE IN SERVICES: EXPORTS AND IMPORTS (EXCLUDING GOODS)

The UK is defined as England, Scotland, Wales and Northern Ireland. It does **not** include the Channel Islands or the Isle of Man. A subsidiary or parent of your company situated in another country is regarded as an international resident and hence transactions in services with these entities should be regarded as international trade in services. The values shown in these boxes should already have been **included** as part of your figures in sections B and C.

Include	Exclude
<ul style="list-style-type: none"> ● Repair of construction equipment and computers (but not maintenance); ● The hiring out of plant, machinery and other goods (operational leasing); ● Advertising and commission as an agent (excluding the value of imports/exports of goods); ● Merchanting profits and losses (on goods bought and sold abroad without entering the UK); ● Management fees. 	<ul style="list-style-type: none"> ● Trade in goods; ● Dividend or interest payments; ● Transactions in financial assets or liabilities; ● Repairs other than for construction equipment and computers; ● Salaries of staff seconded abroad - if the period of their absence is more than one year; ● Business travel services such as accommodation and meals whilst abroad.

NOTE G: INTERNATIONAL TRADE IN GOODS: EXPORTS AND IMPORTS (EXCLUDING SERVICES)

A subsidiary or parent of your company situated in another country is regarded as an international resident and hence transactions with these entities should be regarded as international trade in goods. The UK is defined as England, Scotland, Wales and Northern Ireland. It does **not** include the Channel Islands or the Isle of Man. Goods are specific, tangible commodities:

Include	Exclude
<ul style="list-style-type: none"> ● Semi and finished manufactured goods; ● Food, beverages and tobacco; ● Basic materials; ● Oil and other fuel. 	<ul style="list-style-type: none"> ● Trade in services.