



Surrey economy is rightsizing to stay profitable

Survey results suggest local businesses are leading the economic recovery

A survey of Surrey businesses and the local economy, commissioned by leading IT solutions consultancy ramsac and its partners, chartered accountants PKF and law firm Hart Brown, has given a fascinating insight into the performance of the county's businesses. In the survey of the top 250 companies in Surrey, the results show a 9.3% fall in the number of average sales, but an impressive 57% rise in pre-tax profits - suggesting businesses are concentrating on streamlining their performance.

IoD Surrey Vice Chairman and ramsac Managing Director,

Robert May comments, "The survey certainly makes very interesting reading and suggests that Surrey's success as a wealth-creating economy is continuing to meet the challenges of the evolving economic climate. Surrey has more company headquarters than any other county, but the survey also suggests of the 60,000 registered businesses a substantial 88% employ 10 or fewer people, so there is a great diversity of companies, which we believe gives a good indication of the performance of UK businesses as a whole."

The results of the survey suggest

Surrey businesses are becoming leaner and fitter to deal with the economic changes, but there is also a suggestion of contrasting changes across different businesses. Of the 1.2 million people living in Surrey, 591,000 make up its workforce. Whilst the survey suggests a 0.6% overall drop in the number of people employed over the last 12 months (and 50% of respondents reduced their staff numbers by 10% over the last year), the average salary has increased by 2.2% and 6% of the businesses questioned actually increased their head count by 15%-20%. The survey also shows a 19% decrease in liabilities, an 11.6% fall in the value of assets held and a 3% drop in the money being borrowed.

Significant consolidation and acquisition, as well as organic growth, were identified by the survey as contributing factors for positive performance by the survey respondents. The figures also show a 3.7% increase in research and development - with the average spend for the 250 top performing companies that were interviewed being £3.6m. There was also an overall increase of 4.7% in the amount of money donated to charities over the last 12 months, indicating Surrey businesses are looking to the future of their respective markets and are mindful of their corporate social responsibilities.

The companies interviewed for the survey were also asked what assets make Surrey a successful base for business. The results indicate the close proximity to London, three universities and a high quality environment/ countryside all aid the county's success as a wealth-creating economy on a local, national and international level. When asked about the downsides of doing business in Surrey, paradoxically the proximity to London was also cited, due to the 'brain-drain'. Other downsides stated include the price of housing and congestion of the transport links (road and rail).

About the survey

The independent survey, entitled; 'The Surrey Economy: Annual Report & Accounts', was commissioned and was jointly funded by ramsac, Hart Brown Solicitors and PFK Chartered Accountants in an attempt to form a picture of local economy. In doing so, the survey identified the top 400 businesses in the county and profiled the top 250. Extensive research and face-to-face interviews with CEOs were undertaken, with a focus on turnover, profitability, director remuneration, charitable giving, research and development investment and productivity.

For further details on the results of the survey please visit <http://www.ramsac.com/surrey-economy>



Robert May