

WHAT'S IN A SIC CODE? – ACCESS FUNDING AND SUPPORT BY ENSURING YOUR BUSINESS IS PROPERLY CATEGORISED

Summary

- Standard Industrial Classification or SIC codes are used by Companies House to classify businesses by their specific operation.
- Every business has at least one as this is a requirement of setting up a company, however the value of having accurate codes against your business is often overlooked.
- Businesses can have up to 4 SIC codes and these can be relatively easily changed, added to or removed through Companies House.
- SIC codes are one of the primary methods used by the UK Government to pinpoint sectors for priority funding and grants, particularly for energy.
- **In recent years significant funding and support has been made available to those undertaking some specific processes within the cold chain, but only businesses with the correct SIC codes listed on Companies House have been able to access them.**
- Examples include the Industrial Energy Transformation Fund, Energy Intensive Industries Exemption Scheme and the proposed enhanced Energy Bill Discount Scheme.
- All cold chain businesses should review the SIC codes assigned to their business and ensure they use the full allowance of 4 codes to maximise access to current, or future, government support.

What are SIC codes and how can I check mine?

A SIC code is a 5 digit code which classifies a business's main areas of economic activity. It is a mandatory criterion of registering a company at Companies House and is primarily used to for official ONS statistical analysis, but it is also frequently used by UK Government departments to ensure grants and funding is allocated to the sectors which need it.

A code must be selected from a list of approved categories ([browse the list here](#)) but once the company is set up, typically SIC codes are forgotten about. If you are unsure what SIC codes your business operates under, it is public information and can be found via Companies House: <https://www.gov.uk/get-information-about-a-company>

How well do SIC codes suit cold chain operations?

Cold chain businesses come in all shapes and sizes, storing and distributing a variety of chilled or frozen products. SIC codes tend to be specific, relating to individual product types such as meat, fish, dairy, prepared foods, pharmaceuticals etc. Most cold chain businesses handle multiple products and this has led to a tendency for them to be registered under some of the generic, non-cold chain, logistics codes which cover ambient operations. For example:

Nature of business (SIC)

52103 - Operation of warehousing and storage facilities for land transport activities

Why could updating my SIC codes help my business?

SIC codes are a common way for Government departments to provide targeted financial assistance to specific sectors and operating under a specific SIC code is often one of the criteria for large pots of funding.

Current examples of SIC code specific funding includes (but is not necessarily limited to):

- [Industrial Energy Transformation Fund \(IETF\)](#) – multi million pound fund for energy efficiency projects.
- [Energy Intensive Industries Compensation Scheme](#) – significant energy relief against some environmental taxes to help UK businesses remain competitive.
- [Proposed Energy Bill Discount Scheme](#) – greater energy bill support for certain sectors beyond March 2023.

All of these are applicable to and have been awarded to cold chain businesses – but only if they have had the qualifying SIC codes listed on Companies House.

How many SIC codes can I have and how can I change them?

Many businesses do not realise that you can have up to 4 SIC codes registered at Companies House and that these can be easily changed as part of uploading your confirmation statement – you do not need to provide a reason why you want to change your codes and you can file an early confirmation statement if you don't want to wait a year.

What SIC codes should I choose and what happens if the products we store or distribute changes?

You should select those processes that best represent the operations you undertake. There is no guidance or definition of what proportion of your operations needs to be attributable to the specific process, but clearly it must be a process you undertake on a reasonably regular basis. For example, all three of the above funds are eligible for those storing poultry, so if you store poultry you should have it listed!

In the example of the proposed enhanced Energy Bill Discount Scheme the following codes are eligible:

SIC Code	Description
10110	Processing and preserving of meat
10120	Processing and preserving of poultry meat
10200	Processing and preserving of fish, crustaceans and molluscs
10510	Operation of dairies and cheese making
10850	Manufacture of prepared meals and dishes
10860	Manufacture of homogenised food preparations and dietetic food
08990	Manufacture of other food products n.e.c.

Whilst not eligible for the EBDS, there are also codes for other types of non-food cold chain, such as:

SIC Code	Description
46220	Wholesale of flowers and plants
46460	Wholesale of pharmaceutical goods

What should I do?

We recommend you review your SIC codes registered to Companies House and consider updating these to make full use of the ability to list 4. The [official list](#) is quite intuitive so you can type in keywords and see if there is a relevant code.

You should review the criteria for the schemes mentioned above and if you undertake any of the qualifying processes, ensure these are listed.

Even if you are not eligible for the funding examples listed above, you should still ensure you update your code(s) as accurately as possible to support future opportunities.

Are there any legal ramifications?

Having the wrong SIC code does not incur any penalties, but a regular review of your SIC codes to ensure they remain up to date is recommended.

FOR FURTHER INFORMATION OR QUERIES PLEASE CONTACT TOM SOUTHALL OR SHANE BRENNAN.