



21st April 2008

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# British Businesses Defy Gloomy Outlook To Go For Growth

Despite the threat of a global market slowdown, UK businesses are feeling surprisingly bullish about their growth prospects, according to new research out today.

The Small Business Finance Barometer, published by leading financial group Close Invoice Finance, reveals that more than half (56%) of the SMEs polled expected their businesses to expand this year. Just 6 per cent believed that their business would contract or close down over the next 12 months.

The new report suggests that although one in four small businesses (27%) considers the credit crunch to be the key issue currently facing UK businesses, they don't actually feel that it is likely to impact directly on their growth plans in the near future. Also, 17 per cent of those questioned ranked maintaining steady cash flow highly among their list of concerns and 15 per cent thought dealing with red tape was paramount.

David Thomson, Chief Executive of Close Invoice Finance said: "I'm broadly encouraged by SME's dogged determination to keep their expansion plans on track despite the gloomy economic outlook.

"But, with banks getting tougher on the credit they extend to growing businesses, many SMEs will need to look outside traditional finance routes if they are to keep their growth plans on track."

The report findings also show that:

- More than a quarter (27%) of SMEs use bank loans as their primary source of working capital when they need investment finance
- Over two in five (43%) small business owners turn to their accountant when seeking advice on growing the business
- One in ten SMEs raise capital through invoice financing ►

David Thomson continues:  
“Until recently, invoice finance was considered primarily as a method for managing cash-flow whereas when it came to sourcing finance for growth, businesses were limited to bank overdrafts, loans, venture capital or issuing stock. Increasingly, however, this picture is changing and invoice finance, either employed alone or in conjunction with other trade finance routes is becoming a force in corporate deal-making.”

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**David Thomson**  
CEO, Close Invoice Finance

David Thomson concluded:

“The invoice finance sector is already valued at £15 bn and it’s growing fast – so clearly the benefits of choosing IF over traditional methods of finance are hitting home with growing businesses across the UK. And, in turn, this understanding has led many to realise that the way they source finance can really give them a competitive advantage, especially in a down turn.” ●