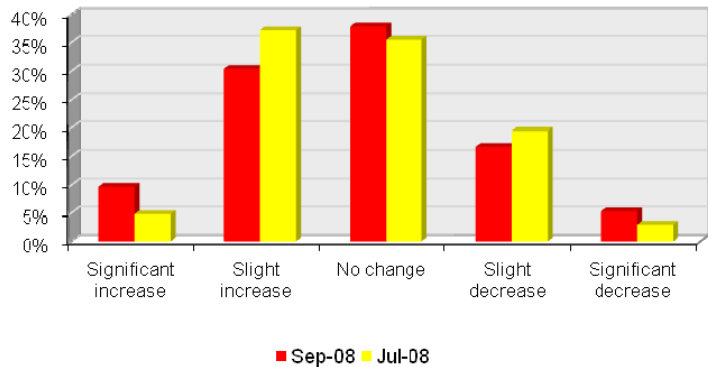


> NOVEMBER 2008 EDITION — KEYNOTES FROM SEPTEMBER 2008 - BAB68

Trends compared — September update of July 08 responses .

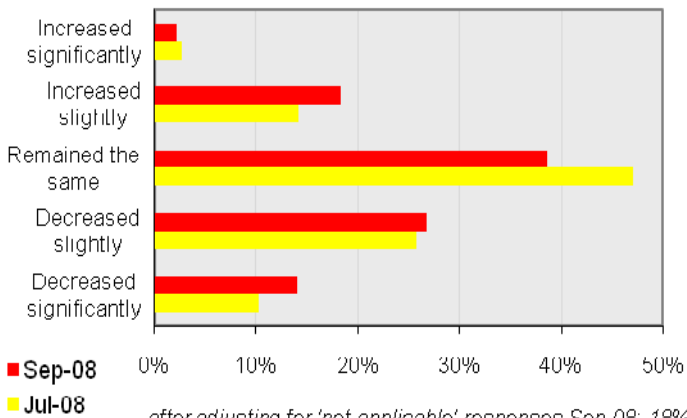
Since the July UKBAB survey there have been dramatic developments in both the UK and Global economies, with unprecedented government support being offered and accepted by three major UK banks and many major financial and commercial companies being under severe pressure. The knock on effects are beginning to be apparent throughout the economy and business advisers hear direct from clients what practical problems are being created as the situation develops.

Has the number of clients seeking business advice increased over the past 3 months?



The average number of **clients seeking business advice over the past 3 months** increased by less than 1% compared with the three months to July 2008. 38% reported no change. The number of advisers experiencing increases in enquiries continued to outpace the number experiencing decreases.

Over the past three months, to what extent have you witnessed a change in the number of people wanting to start up a business?



after adjusting for 'not applicable' responses Sep-08: 18%

The average of the September 2008 three month period results for the **number of people wanting to start a business** decreased from July 2008 by a further 2% (following a 10% decrease from June 07 to July 08) but this is broadly in line with the normal seasonal variation.

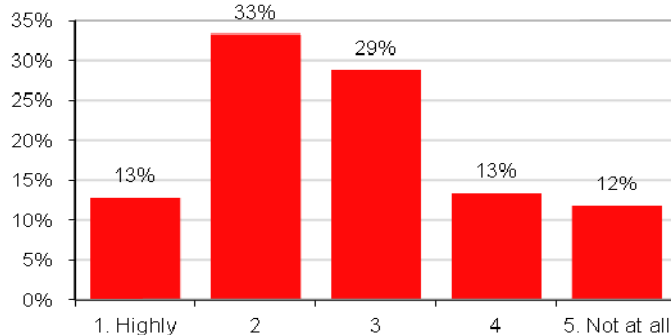
However, the average is now 11.6% lower compared to September 2006. The balance between the percentage witnessing significant or slight increases and those witnessing significant or slight decreases in the number of people wanting to start a business moved from +5.6% in June 07 to -19.1% in July 08 and to -20.3% in September 2008.

> NOVEMBER 2008 EDITION — KEYNOTES FROM SEPTEMBER 2008 - BAB68

Reducing costs — redundant posts an option for many.

From the employer's point of view, reducing staff costs by making posts redundant is an option that 46% of business advisers say is being considered by their clients to a high or relatively high extent. 25% say clients are either not considering it or are giving it very little consideration.

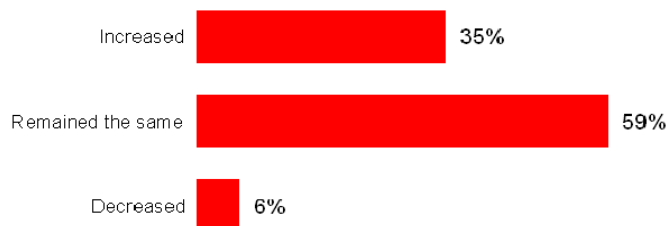
To what extent are clients considering redundancies as an option when looking to reduce costs?



Increase seen in the numbers of start up enquiries as a result of redundancy.

In the light of rising unemployment numbers, we also asked if there had been more enquiries about starting a business from people being made redundant. Statistics produced by the Office for National Statistics show that over the June to September 2008 period, redundancies were running at 5.5 per 1000 employees compared to the same period last year, when it was 4.5 per 1000 (+22%). The increase in enquiries experienced by the business support professionals responding to this survey is higher than this at 35%, although 6% have witnessed fewer of these enquiries.

Over the past three months, to what extent have you witnessed a change in the number of people looking to start up a business as a result of being made redundant?



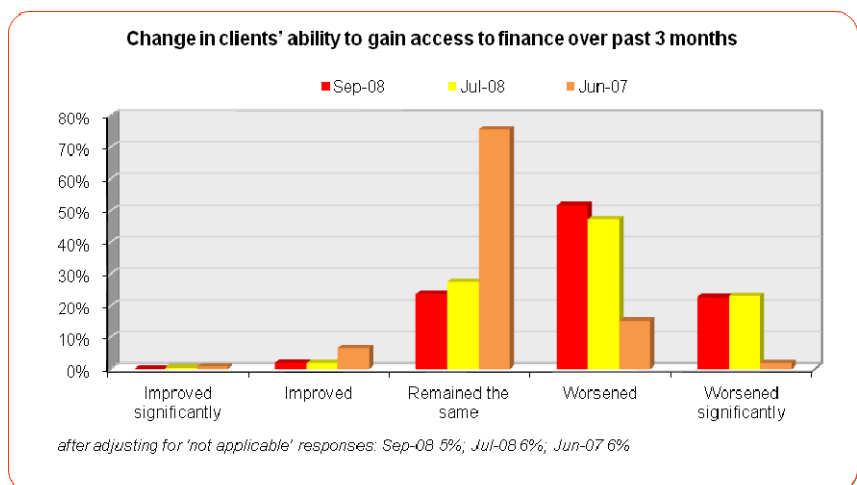
after adjusting for 'not applicable' responses Sep-08: 34%

©2005 THE UNIVERSITY OF NOTTINGHAM ALL RIGHTS RESERVED

> NOVEMBER 2008 EDITION — KEYNOTES FROM SEPTEMBER 2008 - BAB68

Access to finance — further fall seen in September intensifies marked fall recorded in July.

The measure of clients' ability to gain access to finance showed a marked fall between June 2007 and July 2008, intensified by a further fall between July 2008 and September 2008. The balance between the percentage whose clients' ability to gain access to finance has improved or improved significantly, and those whose clients' ability to gain access to finance has worsened or worsened significantly has moved from -10% in June 2007 to -72% in September 2008 and the index average has decreased by 29% over the same period.



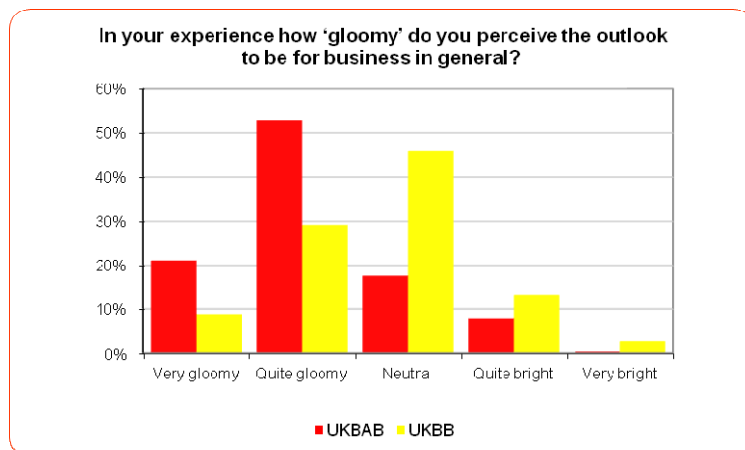
Access to Finance	Sep-08	Jul-08	Jun-07
Improved	2%	2%	7%
No change	24%	28%	76%
Worsened	74%	70%	17%
Balance increased	-72%	-68%	-10%

Your view on the general outlook — How gloomy is it?

Since Government and other commentators have been referring to the credit crunch for a year now, and world financial systems have sustained multiple major shocks, panellists of this survey were asked how gloomy they perceive the outlook to be for business in general.

The balance of findings was strongly negative, with 66% more choosing 'very gloomy' or 'quite gloomy' than choosing 'quite bright' or 'very bright'.

Panellists of the parallel survey of smaller businesses were also asked and the balance of findings less negative with 22% more choosing 'very gloomy' or 'quite gloomy' than choosing 'quite bright' or 'very bright'



©2005 THE UNIVERSITY OF NOTTINGHAM ALL RIGHTS RESERVED

UK BUSINESS ADVISER BAROMETER

survey report

> NOVEMBER 2008 EDITION — SEPTEMBER 2008 - BAB68 — THE QUESTIONS

- Q1.** Has the number of clients seeking business advice increased over the past 3 months?
- Q2.** Over the past three months, to what extent have you witnessed a change in the number of people wanting to start up a business?
- Q3.** Over the past three months, to what extent have you witnessed a change in the number of people looking to start up a business as a result of being made redundant?
- Q4.** Approximately what percentage of your client businesses find that there is a shortage of appropriately skilled and or qualified applicants for vacancies?
- Q5.** Has your clients' ability to gain access to finance changed in the past 3 months?
- Q6.** To what extent do you feel that the advice you give to clients on finance has changed in the light of the recent turbulence in financial markets?
- Q7.** To what extent is low market demand an issue for your clients' businesses compared to a year ago?
- Q8.** To what extent are clients considering redundancies as an option when looking to reduce costs?
- Q9.** Have you observed a change in the number of businesses seeking advice on selling or transferring their business?
- Q10.** To what extent do you feel that late payment suffered by clients is due to inadequate credit worthiness assessment of their customers?
- Q11.** With the Olympics now less than 4 years away, to what extent do you feel that government has made sufficient provision for those small firms wishing to tender for the available contracts?
- Q12.** There are a huge variety of views on the state of the economy. In your experience how 'gloomy' do you perceive the outlook to be for business in general?

The total number of respondents taking part in September was 227 and as usual real-time results were published to the website.

To view the complete set of results for this and for previous surveys, follow this link: www.ukbab.ac/UI/surveys.aspx

The Barometer Project Team:

Rick Eagles

t: 0115 8466860

e: rick.eagles@nottingham.ac.uk

w: www.ukbab.ac and www.ukbb.ac

Liz Rose

t: 0115 8466189

e: liz.rose@nottingham.ac.uk



Greater transparency of business needs as observed by the adviser community

©2005 TH ©2005 THE UNIVERSITY OF NOTTINGHAM ALL RIGHTS RESERVED