Small firms are the key to growth – the government must back them

I
t seems to be in vogue these days to trash the UK's business and trade environment. The reasons and excuses are many and complex.

Brexit has proved a sturdy peg to hang the 'blame' hat on.

Most objective people believe that the Russian insurrection in Ukraine, the aftermath of the Covid pandemic, and the political uncertainty that has prevailed for the past two years, culminating with Government's inability to provide strong leadership have conceivably been the root cause of the downbeat sentiment. Unfortunately, negative sentiment has been allowed to permeate across the country.

Critics of our business environment have sprouted up from every corner of the UK. There has also been a lack of understanding as to what incentives are available for business development, especially for small and medium enterprises.

There is no doubt that negative outlooks from the OECD and the IMF have exacerbated the subdued response to the UK'S growth prospects. I was also surprised to hear that CBI had nothing positive to say about prospects and growth, justifiably complaining that lack of certainty had seen investment drop by 9% since pre-pandemic times.

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However, suffice to say, that even though the CBI has 190,000 affiliated members their banner flies most effectively for big business rather than embryonic companies that aspire for the future.

It is probably unrealistic to believe that real growth will manifest itself from many of the large UK corporations for at least a year, whilst the vagaries of the Ukraine conflict, rampant inflation, the unreliable global supply chain, and the uncomfortable relationship the UK enjoys with the EU, prevails.

It goes without saying that the Northern Ireland Protocol is in urgent need of attention, if any progress in terms of improved relationship with the EU, are to be crystalised. It is imperative to understand that real growth will come in abundance from small businesses, with bright and innovative management. They are the future of this country.

However, let me tell you all is not lost – not by any stretch of the imagination.

I was recently invited to attend The VSA Capital, Aquis Showcase Event in London, also sponsored by Armstrong Teasdale – an investment competition for 16 companies.

All are listed on the Aquis Stock Exchange (AQSE), one of the UK’s two recognised investment exchanges and the primary market of the Aquis Exchange group which also covers pan-European equities trading and exchange technology licensing. I was hugely impressed at the innovation and the business acumen

that was on show that day.

There were mining companies, a cross-border e-commerce company focusing on China, echnology operations, a coffee company, healthcare and cosmetic innovators, energy aspirants and an electrification product developer.

What quickly became apparent was the pandemic has not stopped a wealth of UK-grown companies from coming to market with exciting and scalable propositions.

If these companies can be provided with the right access to capital, they will be well-placed to grow and become the UK's success stories of the future. It will not have escaped many observers' notice that there have been no major IPOS so far this year due to political and economic uncertainty.

However, smaller companies of the future have come to market, with Aquis attracting twenty-two so far this year. We also heard from Sir Robin Saxby, who pioneered the global chip giant, ARM Holdings. He stressed the need for public markets to innovate in order to keep unicorns like ARM and provide them with the capital support they require.

Each company made a presentation for eight minutes with two minutes for questions. Delegates, which numbered about 200, then voted four of these companies into a final that had initially been scrutinised by Andrew Monk CEO at VSA Capital and Alasdair Haynes, CEO at Aquis Exchange.

The finalists were Samarkand, Guanajuato Silver Company, Equipmake and One Health Group. Andy Brough (Schroders), Rich Ricci (Panmure Gordon) and Judith Mackenzie (Downing) were amongst the panel judges, who put the spokesmen of these aspirants through their paces.

Sadly, there can be only one winner, though all companies put up compelling presentations. The winner was One Health Group,

a team of consultant surgeons and healthcare managers working with the NHS.

There are plenty more innovative companies setting down their stall here in the UK. They are the ‘future.’ The Government must be there to promote their cause.

David Buik is a City commentator and a consultant to Aquis Exchange