



Press release

Date **EMBARGOED UNTIL 00.00 hrs Monday 6 July 2015**

Subject **BDO/QCA Pulse Survey**

Turnover expectations hit record high on the back of decisive election result

Small and Mid-Sized Companies in the UK feel that the decisive outcome of the General Election on 7 May will have a positive impact on prospects for both the economy and their businesses alike. This has led to turnover expectations hitting a record high for the tri-annual Pulse survey of companies and advisors conducted by the accountants and business advisors BDO and the Quoted Companies Alliance (QCA), which began in the second half of 2011.

The survey found 74% of companies feel the result of the election was positive or very positive with this sentiment jumping to 87% amongst advisors. For companies, the Government's pro-business policies (38%) and generally greater certainty and stability (26%) are the main reasons cited for this optimism. Advisors share this view, with 45% and 29% mentioning these respectively.

Following a falling away of confidence in their own business prospects in January, when Net Optimism^{*1} halved to 16%, there has been a noticeable rebound with this figure more than doubling over the past three months to 35%. This has also translated into an increase in expectations for turnover growth, up from an average 14% at the beginning of the year to 17.4%. Encouragingly this has had a knock on effect for employment expectations, with three quarters of companies expected to increase full time staff over the next 12 months.

Scott Knight, Partner at BDO LLP, said: "Now that the election is decided, companies and advisors alike are much more confident. Business and markets hate uncertainty and the avoidance of a hung Parliament or coalition provides businesses with a firmer foundation for delivering their strategies."

Tim Ward, Chief Executive of the QCA, commented: "Growth is back on the agenda of confident companies. Businesses are more optimistic about the UK economy, their own prospects and seeking opportunities in overseas markets; they are looking to increase staff numbers as a result. This will provide a solid foundation for the rest of the year at least."

These figures are taken from the forthcoming Pulse Survey to be published on the 20th July which will also include sections on Non-Executive Directors, Board Structures and Women on Boards.

^{*1} Net Optimism is calculated by subtracting the total proportion scoring 'neutral' (40-60) and 'pessimistic' (0-30) from the proportion scoring 'optimistic' (70+)

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Methodological notes	<p>The QCA/BDO Small & Mid-Cap Sentiment Index by BDO and the Quoted Companies Alliance (QCA), powered by YouGov, is an online tri-annual survey across the small and mid-cap quoted company sector.</p> <p>Methodology: This survey has been conducted using an online interview administered to members and associates of the QCA. The sample definition is "small and mid-cap UK quoted companies and advisory companies". The responding sample is weighted by industry to be representative of small and mid-cap UK quoted companies, as derived from London Stock Exchange data.</p> <p>The report is based upon 206 online interviews (133 small mid-cap quoted companies, 73 advisory companies). It was conducted between 11th and 22nd May 2015 by research company YouGov.</p> <p>Please note that scores in this report may not add up to exactly 100% due to rounding. The margin of error for the survey is +/- 8%.</p>
Note to editors	
About BDO	<p>Accountancy and business advisory firm BDO LLP has a clear ambition to be known in the market for exceptional service delivered by empowered people. The 2014 Mid-Market Monitor shows that BDO is the market leader for client satisfaction for the third year running - outperforming all its major competitors.</p> <p>BDO's heartland is the mid-market. The UK mid-market accounts for less than 1% of all firms but delivers more than 33% of the UK's revenue - over £1 trillion - and one in four jobs. BDO's Mid-Market Manifesto (www.midmarketmanifesto.com) calls for greater government focus on mid-sized businesses.</p> <p>BDO LLP BDO LLP operates in 18 offices across the UK, employing 3,500 people offering tax, audit and assurance, and a range of advisory services. BDO LLP is the UK member firm of the BDO International network with revenues approaching £400m.</p> <p>BDO International The BDO International network provides business advisory services in 151 countries, with more than 60,000 people working out of 1,350 offices worldwide. It has revenues of \$7.02bn.</p>
About QCA	<p>The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. We campaign, we inform and we interact to help our members keep their businesses ahead. Through our activities, we ensure that our influence always creates impact for our members. For more information please visit www.theqca.com.</p>

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