**Questions for 2023 Finance and Investment Survey**

These questions support the FPC’s primary and secondary objectives, through:

* Understanding and monitoring risks to financial stability from UK companies;
* Understanding the barriers to financing of productive investment, and the consequences of those barriers for investment and growth.

**Green text** indicates that the question or response options depends on a previous answer.

**Purple text** indicates multiple response options (e.g. select all that apply from a list).

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| **#** | **Question** | **Response options** |
| **About your business** We would like to know your Companies House number. This allows us to automatically collect publicly available information about your business – for example, how many employees you have and where in the country you are based. |
| 1 | What is your Companies House number? | CH number  |
| **Investment decisions** This section asks about your business' investment over the last 3 years\*, for example what types of investment project you have gone ahead with and how you make investment decisions. We want improve our understanding of business investment and the factors affecting it.\* If your business is less than 3 years old, please respond based on your experience since the business was established. |
| 2 | Have you identified any opportunities to invest in the business in the last 3 years? | YesNoDon’t knowRefused |
| 3 | **[if Q2 = Yes]**Can you tell me in which, if any, of the following areas you have had opportunities to invest in the last 3 years? | **Select all that apply**Acquisition of land and buildingsAcquisition of plant, machinery and vehiclesInvestment in new processesIT investmentMarket developmentNew product or service development / R&DStaff trainingOther (specify)Don’t knowRefused |
| 4 | **[if Q2 = Yes]**Did you go ahead with any of the investments you identified? | YesNoDon’t knowRefused |
| 5 | **[if Q4 = Yes]**Can you tell me in which of the following areas you made your investment? | **Select all that apply**Acquisition of land and buildingsAcquisition of plant, machinery and vehiclesInvestment in new processesIT investmentMarket developmentNew product or service development / R&DStaff trainingOther (specify)Don’t knowRefused |
| 6 | **[if Q5 = any selected]**What was the purpose of each investment? | **[For each type selected in Q5]** **Select all that apply**Boost productivity or grow the businessMaintain the business – e.g. repair machinerySupport adaptation to climate change – e.g., reduce climate impact, develop green technologiesRespond to high energy prices – e.g. reduce energy usageOtherDon’t knowRefused |
| 7 | **[if Q4 = Yes]**Approximately how much have you spent (in GBP) on investment in total in the last 3 years? | GBP amountDon’t knowRefused |
| 7A | **[if Q7 = don’t know or refused]**Could you tell me if it’s approximately… | Up to £10,000£10,001 to £20,000£20,001 to £50,000£50,001 to £75,000£75,001 to £100,000£100,001 to £500,000£500,001 to £1,000,000£1,000,001 to £2,000,000£2,000,001 to £5,000,000£5,000,001 or moreDon’t know |
| 8 | **[if Q5 = more than one option selected]**And are you able to say approximately how much you spent (in GBP) on the following types of investment in the last 3 years? | **[For each type selected in Q5]**GBP amountDon’t knowRefused |
| 9 | **[if Q4 = Yes]**Thinking now of your investment in the business over the past 3 years, typically what was the expected total rate of return on those projects? | % amountDon’t knowRefused |
| 9A | **[if Q9 = don’t know or refused]**Could you tell me if it’s approximately… | 0%More than 0% and up to 5%Over 5%, up to 10%Over 10%, up to 15%Over 15%, up to 20%Over 20%Don’t know |
| 10 | **[if Q4 = Yes]**And, overall, typically what was the total realised rate of return on these projects?  | % amountDon’t knowRefused |
| 10A | **[if Q10 = don’t know]**Could you tell me if it’s approximately… | 0%More than 0% and up to 5%Over 5%, up to 10%Over 10%, up to 15%Over 15%, up to 20%Over 20%Don’t know |
| 11 | **[if Q4 = Yes]**Thinking about how you financed these investments, which of the following did you use? | **Select all that apply**Cash reserves from within the business Personal funds from owner/partner/directorTrade creditBank debtNon-bank debtEquity financeOther (specify)Don’t knowRefused |
| 12 | **[if Q11 = multiple options selected]**What was the approximate split between internal funds, personal funds and external funds?  | **[For each type selected in Q5]**Internal funds: % amountPersonal funds: % amountExternal funds: % amountDon’t knowRefused |
| 13 | **[if Q4 = Yes and Q11 = no external finance]** Did you seek external finance for any of these investments? | YesNoDon’t knowRefused |
| 14 | **[if Q13 = Yes]**You said you sought external finance for investment but didn’t end up using any. What prevented you from using external finance to fund your investment? | **Select all that apply****For each type, ‘Too expensive’ , ‘Not offered amount wanted’, ‘Not offered all funding you wanted’, ‘Didn’t want to give security asked for’ , ‘Too many terms and conditions’ , ‘Didn’t want to lose control of the business’, ‘Took too long to get a decision’** Bank debtNon-bank debtEquity finance |
| 14A | **[if Q13 = No]**Why did you not seek external finance to fund investment? | **Select all that apply** |
| **External finance reasons**Cost of external finance too highLack of collateralDidn’t want to pledge collateralDidn’t want to give lender a personal guaranteeApplying for external finance is too much hassle or takes too longThought you would be turned downDid not know where to find appropriate finance/lack of information | **Business reasons**Didn’t want to take on additional riskDidn’t want to give up control of businessEconomic uncertainty Other (specify) |
| 14AA | **[if Q14A = multiple reasons selected]**What would you say was the main reason for not seeking external finance to fund investment? | **Select all that apply** |
| **External finance reasons**Cost of external finance too highLack of collateralDidn’t want to pledge collateralDidn’t want to give lender a personal guaranteeApplying for external finance is too much hassle or takes too longThought you would be turned downDid not know where to find appropriate finance/lack of information | **Business reasons**Didn’t want to take on additional riskDidn’t want to give up control of businessEconomic uncertainty Other (specify) |
| 15 | **[if Q2 = yes and Q4 = no, or Q3 opportunities identified but not selected in Q5]**Which of the following, if any, were reasons for not going ahead with investment opportunities in the last 3 years? | **Select all that apply**It felt too riskyPoor economic climateDidn’t want to borrow to fund the investment as concerned that the lender may take control of the businessDecided to build up cash reserves insteadOther (specify)Don’t knowRefused |
| 15A | **[if Q2 = yes and Q4 = no, or Q3 opportunities identified but not selected in Q5]**And which would you say was the main reason? | **Select one**It felt too riskyPoor economic climateDidn’t want to borrow to fund the investment as concerned that the lender may take control of the businessDecided to build up cash reserves insteadOther (specify)Don’t knowRefused |
| **Perceptions of investment** We'd like to know whether you think your business has invested the right amount, too little or too much in the last 3 years\*. If you feel it has invested too little we will ask what the major barriers to investment have been, to help us understand what might hold back corporate investment.\* If your business is less than 3 years old, please respond based on your experience since the business was established. |
| 16 | Do you feel that your business has made the appropriate level of investment over the past 3 years?  | YesNo – invested too littleNo – invested too much |
| 17 | **[if Q16 = No – invested too little]**If your business invested “too little” over the past 3 years, what were the obstacles to investing / reasons for not having invested more? | **Select all that apply** |
| **Business reasons**Expected returns on the investment project below the target rate or the time period to obtain returns too long.Uncertainty about the economic environmentHigher returns available or easier to buy an existing business (i.e. use finance for mergers and acquisitions)Higher returns or easier to invest abroadOwner(s) were reluctant to take on riskOwner(s) preferred to invest their money in other assets outside the business (e.g. includes property, other savings vehicles, shares etc)Too much pressure for short-term returnsWeak demand | **Financing reasons**Inability to self-fund from cash reserves Unable to access debt finance on reasonable termsUnable to access outside equity investment on reasonable terms **Other reasons**Lack of skilled personnelLack of transport infrastructure Regulatory burdenRestrictive planning regimeTax and business ratesOther [specify] |
| 17A | **[if Q16 = No – invested too little]**Which of the following would you say has been single biggest barrier to investment in the business in the last 3 years? | **Select one** |
| **Business reasons**Expected returns on the investment project below the target rate or the time period to obtain returns too long.Uncertainty about the economic environmentHigher returns available or easier to buy an existing business (i.e. use finance for mergers and acquisitions)Higher returns or easier to invest abroadOwner(s) were reluctant to take on riskOwner(s) preferred to invest their money in other assets outside the business (e.g. includes property, other savings vehicles, shares etc)Too much pressure for short-term returnsWeak demand | **Financing reasons**Inability to self-fund from cash reserves Unable to access debt finance on reasonable termsUnable to access outside equity investment on reasonable terms **Other reasons**Lack of skilled personnelLack of transport infrastructure Regulatory burdenRestrictive planning regimeTax and business ratesOther [specify] |
| 18 | Do you agree or disagree with each of the following statements? | **For each statement: agree, neither agree nor disagree, disagree, don’t know**My business can borrow as much as it needs at a reasonable rate of interestI would like the business to pay down debt/be debt-freeMy business cannot borrow what it needs due to a lack of collateralMy business does not apply for external finance as I believe the application would be unsuccessfulMy business does not apply for external finance as I believe it is too expensiveI am willing to take risks when considering investments made by the business |
| 19 | To what extent do you agree or disagree with the following statement – “as a business, we will accept a slower growth rate rather than borrowing to grow faster”? | Strongly agreeAgreeNeither agree nor disagreeDisagreeStrongly disagree |
| 19A | **[if Q19 = strongly agree or agree]**Why do you say that? | Free text |
| **General use of finance** This section asks questions about your use of finance for any purpose, i.e. not just to fund investment. This helps us understand companies' access to finance, and analyse how this might affect other outcomes like growth and productivity. |
| 20 | Over the past 3 years, which of the following uses has your business made of internal funds? | **Select all that apply**Distributed to shareholders / owners as dividendsUsed to buy back company sharesFunded investment in the businessPurchasing financial investments (including mergers with and acquisitions of other companies)Used to bolster business cash balances(DO NOT READ OUT): We have had no retained earnings/ internal fundsDon’t knowRefused |
| 21 | What best describes your relationship with these sources of external finance? | **For each type: ‘currently use’, ‘used to use but don’t use now’, ‘never used’, ‘don’t know’, ‘refused’** |
| Bank overdraftCommercial mortgageCredit cardsEquity financeFactoring or invoice discountingGovernment grantsCOVID scheme loans (BBLS, CBILS, CLBILS etc.)Leasing or hire purchaseLoan from a bank (excluding COVID schemes) | Loan from family or friendLoan from director or business partnerMarketplace lending, also known as peer to peer lending (excluding COVID schemes)Market-based debt issuance (e.g. bond or commercial paper)Other [specify] |
| 22 | **[if Q21 = any ‘currently use’ selected]**What proportion of your external finance liabilities fall due within 12 months? (e.g. loans which need to be repaid in less than a year) | % amountDon’t knowRefused |
| 22A | **[if Q22 = don’t know or refused]**Could you tell me if its approximately… | 0-9%10%-19%20%-29%30%-39%40%-49%50%-59%60%-69%70%-79%80%-89%90%-100% |
| 23 | **[if Q21 = currently use any debt]**Is any of our debt on a variable interest rate? That is, the interest rate you pay can change over the life of the loan. | YesNoDon’t knowRefused |
| 24 | **[if Q23 = Yes]**Approximately what proportion of your debt is variable rate? | % amountDon’t knowRefused |
| 24A | **[if Q24 = don’t know or refused]**Could you tell me if it’s approximately… | 0-9%10%-19%20%-29%30%-39%40%-49%50%-59%60%-69%70%-79%80%-89%90%-100% |
| 25 | **[if Q21 = currently use equity finance]**What is the largest source of your equity investment? | Another businessBusiness angelDirectors or family and friendsPublic equity marketsVenture capitalistOther [specify]Don’t knowRefused |
| 26 | **[if Q25 = business angel, venture capitalist or other]**Do you have an ongoing relationship with your equity investors? | Yes – provides a lot of advice and supportYes – provides some advice and supportNo – does not provide advice and support but is still investedDon’t knowRefused |
| **Terms of finance in last 12 months** This section asks about recent finance applications, based on your response to an earlier question. We ask about this to help us understand the terms and availability of finance to companies. If you said you aren’t currently using external you will see a different set of questions focused on any potential barriers to applying for finance. |
| 27 | **[if Q21 = currently use for any types of finance]**Did you apply for any of these types of finance in the last 12 months? This is so we know whether to ask some follow-up questions about specific finance applications. | **[for all types in Q21 = currently use except COVID loan schemes]****Select all that apply** |
| 28 | **[if Q27 = none selected or Q21 = do not currently use for all types]**Has your business needed external finance over the last 12 months? | YesNoDon’t knowRefused |
| 29 | **[if Q28 = Yes]**What put you off applying for external finance? | **Select all that apply** |
| **External finance reasons**Cost of external finance too highLack of collateralDidn’t want to pledge collateralDidn’t want to give lender a personal guarantee Applying for external finance is too much hassle or takes too longThought you would be turned downDid not know where to find appropriate finance/lack of information | **Business reasons**Didn’t want to take on additional riskDidn’t want to give up control of businessEconomic uncertainty Other [specify] |
| 30 | **[if Q27 = Yes for any finance type]**For each type of finance: what was the outcome? If you made more than one application for a particular type of finance, please focus on the most recent application. | **For each type with a recent application: ‘Got all we asked for’, ‘Got some of what we asked for’, ‘Rejected by provider’, ‘Financed offered but did not accept as price too high’, ‘Finance offered but did not accept owing to other terms (e.g. collateral requirements)’, ‘Decision pending’** |
| Bank overdraftCommercial mortgageCredit cardsEquity financeFactoring or invoice discountingGovernment grantsCOVID scheme loans (BBLS, CBILS, CLBILS etc.)Leasing or hire purchaseLoan from a bank (excluding COVID schemes) | Loan from family or friendLoan from director or business partnerMarketplace lending, also known as peer to peer lending (excluding COVID schemes)Market-based debt issuance (e.g. bond or commercial paper)Other [specify] |
| 31 | **[if Q27 = yes for any types of debt]**What rate of interest, approximately, were you offered or do you think you would have been charged if you had secured finance? If you made more than one application for a particular type of finance, please focus on the most recent application.  | **[For each debt type in Q27 where response was ‘yes’]**% annual interest rateDon’t knowRefused |
| 31A | **[if Q31 = don’t know or refused]**Could you tell me if it’s approximately… | Less than 1%1.0% - 1.9%2.0% - 2.9%3.0% - 3.9%4.0% - 4.9%5.0% - 5.9%6.0% - 6.9%7.0% - 9.9%10.0% - 14.9%15.0% or moreDon’t know |
| 32 | **[if Q27 = yes for any types of debt]**Were you required to provide collateral or personal guarantees? If you made more than one application for a particular type of finance, please focus on the most recent application. | **[For each debt type in Q27 where response was ‘yes’]****Select all that apply**CollateralPersonal guaranteesNeitherDon’t knowRefused |
| 32A | **[if Q32 = collateral for any type of debt]**What did you provide as collateral? | **[For each debt type in Q32 where response was ‘yes’]****Select all that apply****Personal assets**Your homeOther residential propertyOther personal assets [specify]**Business assets**Commercial propertyPlant or machineryIntangible assetOther business assets [specify]Don’t knowRefused |
| 33 | **[if Q21 = currently use equity finance]**On what terms was the equity finance provided? | **Select all that apply**Agreed dividendsShare of company owned by investorsOther [specify]Don’t knowRefused |
| **About your business: financial position** Finally,This section gathers key summary information on your business' financial position. This helps us to understand financial resilience across companies, and how this might be affected by the way they access finance. |
| 34 | Based on your most recent accounts, what were your earnings before deduction of interest, tax, depreciation and amortisation (EBITDA), in GBP? | GBP amount |
| 35 | Based on your most recent accounts, what was your annual total principal and interest repayments, in GBP? | GBP amount |