



7th November 2008

Number of businesses going bust reaches highest level for five years as downturn bites

Close Invoice Finance supports businesses with extended debt protection range

The Insolvency Service has today released statistics showing business insolvencies in the third quarter of 2008 have leapt by 10.5*% compared to the previous quarter.

In the third quarter of 2008, there were 4,001* compulsory liquidations and creditor's voluntary liquidations (CVLs) in total in England and Wales**, the highest level recorded in one quarter for five years.

David Thomson, CEO of Close Invoice Finance, which specialises in funding solutions for SME businesses nationwide, said "The financial crisis has worked its way through the system and is hitting small businesses hard. The SME sector is an easy target for larger companies who are drawing out payment terms to improve their own cash flow."

"The knock on effect of an invoice not being paid can severely impact cash flow, which, for the smaller business, even those with strong fundamentals, can lead to business failure. Any SME looking to minimise the impact of this growing threat, should be focussing attention on careful management of their sales ledger and debt collection processes. Also, now more than ever, they must consider the protection they can take out against the eventuality of bad debt."

In response to market conditions and the pressures on cash flow management facing their SME client, Close Invoice Finance has upgraded its award-winning online invoice discounting product, IDeal, to include a bad debt protection option. ►

* Data from the Insolvency Service report 'Insolvencies in the Third Quarter 2008' published Friday 7 November <http://www.insolvency.gov.uk/otherinformation/statistics/200811/index.htm>

** On a seasonally adjusted basis

IDeal, which has won countless awards for technological innovation, already has a strong resonance with SME managers combating the effects of the credit crunch, because its unique, real-time invoice discounting operation generates up to 15% higher cash availability than traditional providers.



Now, with IDeal Protection Plus™, clients can have complete peace of mind knowing they are fully covered should any of their debtors fail to meet payment terms.

IDeal Protection Plus™ allows businesses to:

- gain instant access to Close's specialist knowledge bank of credit and debtor management expertise, without any of the additional charges often levied by the more traditional credit insurers
- apply for and receive debtor credit limits quickly and accurately online, enhancing sales ledger management efficiencies
- transfer debtor information swiftly and easily to and from the Close fund account without laborious double-keying
- gain up to 100% protection against the impact of bad debt should any covered debtors fail to pay

“Any SME looking to minimise the impact of this growing threat, should be focussing attention on careful management of their sales ledger and debt collection processes.”

David Thomson
CEO, Close Invoice Finance

Find out more about Close Invoice Finance and IDeal at www.closeinvoice.co.uk ●