

● ONE STEP AWAY

One in four firms is one step from deployable.

A yes-or-no view sets them all aside.

A forward-looking reading of 54,914 UK firms, most of them small, sorts those with a decision into three groups. A quarter are one step from deployable. This report follows them: which capital fits each group, what a yes-or-no view leaves out, where the real gaps lie, and the questions to ask. It does not lower any risk threshold.



Giffid R³™ + R⁴™ read, 12 October 2026

Written for lenders, investors, pension funds, foundations, buyers, growth bodies and policy makers

Independent: no sponsor

52,769

firms with a decision

22,657

deployable on current evidence

13,571

conditional: one step away

16,541

not yet, including 2,312 closed or closing



Filed accounts show part of what a small firm does. Read with forward-looking evidence, more of it comes into focus.

● CONTENTS

·	Why we built it	4	·	Before the findings	7
1	43 ready, 26 one step away, 31 not yet	8	2	Loans fit almost three times as many firms as equity	10
3	Where setting the middle aside hurts most	12	4	If one in four converted	14
5	The regional gap sits in the not-yet group	16	6	Why not: four questions	18
7	Age and size say more than region	20	8	Modern SMEs: less often read, not harder to read	23
9	Thirty-three questions, eleven institutions	28	10	The analyst's view: what the numbers support	40
11	13,571 firms at a fixed baseline	47	·	How this was made	50

● INTRODUCTION

Small firms across the UK are assessed every day for loans, investment and contracts. Over two years we built a way to read them by where they are going, not only where they have been. We applied it to 54,914 firms. 52,769 of them carried enough evidence for a decision.

Fewer than half read as ready today. A quarter are close: one more piece of evidence, or a smaller first step, away. Just under a third are not ready yet, and some of those are closed or closing. This report asks a simple question of that picture. What would a view that sees only the first group leave out?

The answer is drawn entirely from the register. We have not estimated jobs, output or tax, because the register does not hold those figures consistently. Where we illustrate a future, we say so.



● WHY WE BUILT IT

The right capital should reach the firms that can use it

What if the question were not only whether a firm is ready, but what it is ready for?

We believe there are small firms across the UK that deserve the right kind of capital, and that getting it to them matters for the country's growth. Capital for small firms exists, through banks, funds, development institutions, foundations and public programmes. The difficulty is matching it to the firms it was meant for.

Most assessments still read a firm through backward-looking signals: filed accounts, credit history and collateral. Those signals remain valid, but on their own they cannot see a firm's operational realities, such as contracted work, forward revenue and delivery record, which carry the forward-looking signals of where it is going. A firm can look thin on its past and be strong on its pipeline.

In our view that gap shows up in three ways: a view that sees only ready or not ready, capital offered in the wrong form, and no way of knowing whether a firm is moving closer. We built one piece of infrastructure for each.



● ONE PIECE OF INFRASTRUCTURE FOR EACH

1

Decision intelligence

WHY

A yes-or-no view treats a firm that is one piece of evidence away the same as one that is far from ready, or one that has closed. The firms in the middle drop out of sight.

HOW

Three readings, readiness, resilience and risk, sit alongside an institution's own ratings and sort firms into deployable, conditional and not yet. No threshold is lowered.

WHAT THIS REPORT SHOWS

13,571 firms, 26 in every 100 with a decision, read conditional: one step away.

2

Capital routing

WHY

In our view, the wrong instrument can fail a firm as surely as no instrument. A grant to a ready firm spends money that was not needed; equity for a nearly-ready firm can set it up to fail.

HOW

Each reading carries a route to the kind of capital that fits today: a loan, equity, a blend of finance and support, or support first.

WHAT THIS REPORT SHOWS

Loans and equity together fit 40.9% of routed firms. A market offering only those two has nothing that fits the other three in five.

3

Monitoring

WHY

A single reading shows who is ready. It cannot show who is becoming ready, or whether the readings themselves carry information. Both need to be tested in the open.

HOW

A fixed baseline, expectations written down before results, outcomes from sources independent of the readings, and null results published.

WHAT THIS REPORT SHOWS

The baseline is set at 13,571 conditional firms. The first outcome read is due in January 2027.



"We genuinely believe there are SMEs that deserve the right kind of capital in the UK to support economic growth. This report is also a test of that belief: if the readings do not separate what happens next, we will say so."

Grace Almendras Castillo, Founder and CEO, Gifftid

Legibility is not a natural property. It is a designed one.

The decision always stays with the institution. Gifftid reads; it does not lend, invest, broker or recommend.

● BEFORE THE FINDINGS

No threshold lowered: three readings that sit alongside your own

Nothing in this report asks an institution to lower its risk threshold, or to change its risk ratings or credit policy. R³ reads risk together with readiness and resilience, looking for forward-looking signs alongside the public record. Firms outside the deployable group are not reclassified as deployable. They are separated into those one step away and those not yet ready.

1

Evidence. The public record, read for forward-looking signs such as contracted work, forward revenue and delivery record. AI is used only to collect and structure that information; the scoring and signals are Gifftid's own deterministic rules.

2

Three readings. Readiness, resilience and risk, read alongside an institution's own ratings, not in place of them.

3

A decision and a route. Each firm is read as deployable, conditional or not yet, and routed to the capital that fits.

The scoring rules are deterministic, and no reading changed between the last full scoring on 16 September 2026 and this read. Three words recur through the report.

● Deployable

The evidence supports institutional capital on what is known today.

● Conditional

Close. One more piece of evidence, or a smaller first step, is likely to be needed.

● Not yet

The evidence does not support institutional capital today.

1

● CHAPTER ONE

Of every 100 firms: 43 ready, 26 one step away, 31 not yet

What if the firms that are nearly ready were counted on their own?

Start with every firm that could be read. The register held 68,892 organisations on 12 October 2026. 52,769 carried enough evidence for a decision. Of the rest, 2,145 had too little evidence and 13,978 had not yet been read.

43 in every 100 are ready now. 22,657 firms, 42.9%, read as deployable.

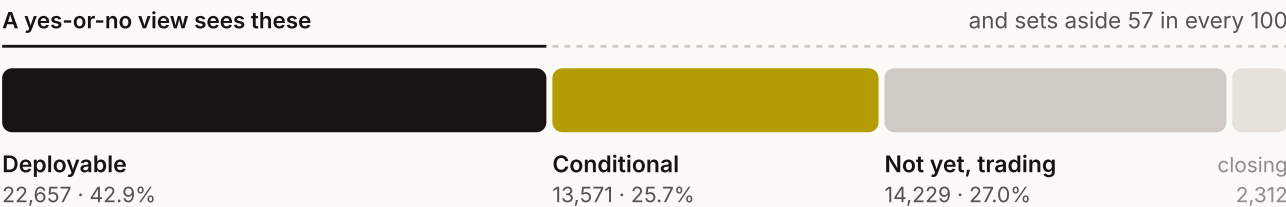
26 in every 100 are one step away. 13,571 firms, 25.7%, read as conditional. Their evidence is close. One more piece of evidence, or a smaller first facility, is likely to be needed.

31 in every 100 are not yet ready. 16,541 firms, 31.3%, read as not yet. We can also say how much of this group is a pipeline: 14,229 are still trading, and 2,312 are closed or closing: dissolved, insolvent, proposed for strike-off or with another closing status.

Now look the way most finance looks. A yes-or-no view keeps the 43 and sets aside the rest. 57 of every 100 firms with a decision fall out of sight, including every firm that is one step away.

A yes-or-no view sees 43 in every 100 firms with a decision

52,769 firms with a decision, by reading



Gifftid R³ + R4 read, 12 October 2026 · trading status from Companies House, 1 October 2026

The middle group is a quarter of all firms with a decision. A yes-or-no view does not separate it from firms that are far from ready, or from firms that have closed.

One caution belongs here. Companies House shows 724 of the deployable firms as dissolved, in liquidation or in administration. They are kept in the figures as read, but they should not count as deployable. Without them the rate would be 42.1% of the remaining 52,045 firms. Setting aside every firm Companies House shows as closed or closing, in all three groups, 44.6% of the remaining 48,435 firms read deployable.

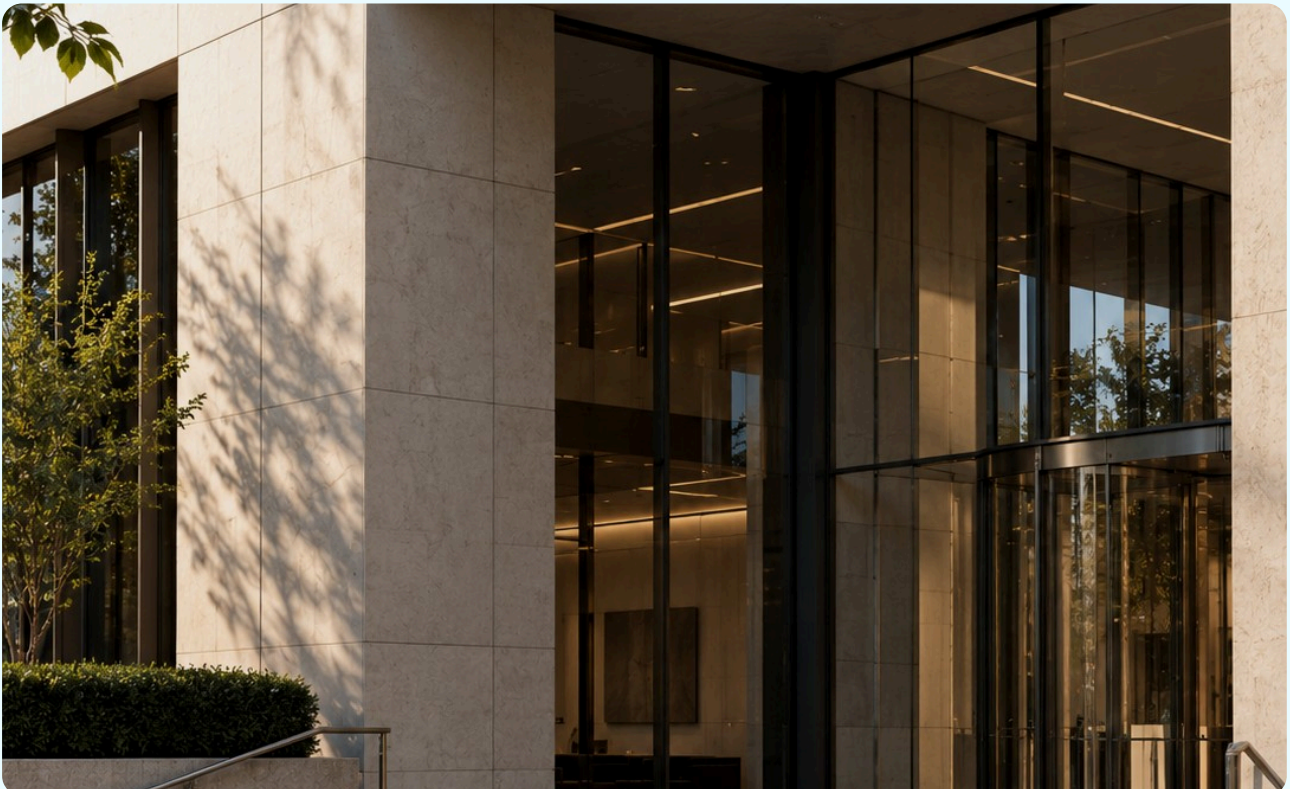
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• CHAPTER TWO

Loans fit almost three times as many firms as equity

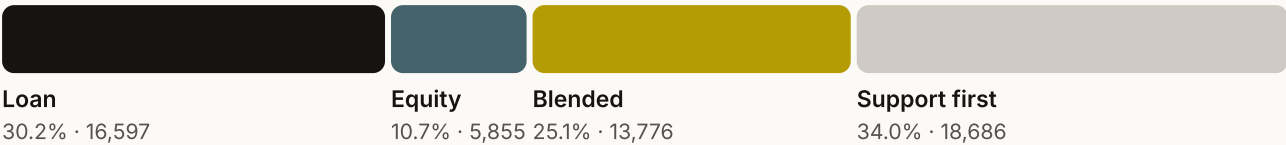
What if every firm were matched to the kind of capital that fits it?

R³ reads which kind of capital fits each firm today. Of 54,914 routed firms, two in five fit a loan or equity. A quarter need a blend of finance and support. A third need support first.



Loans fit almost three times as many firms as equity

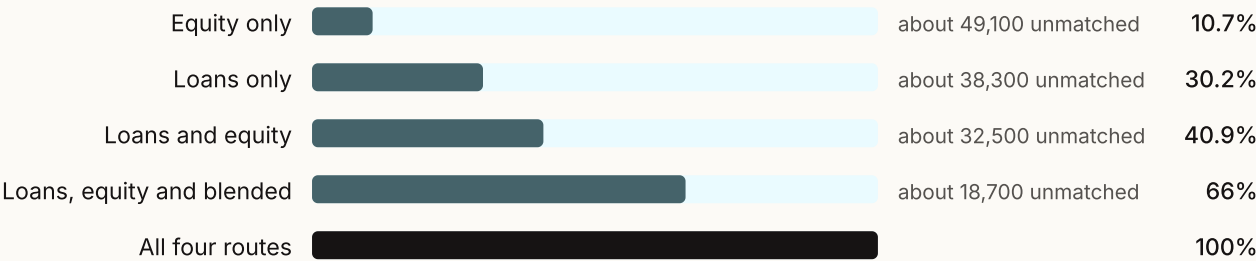
Share of 54,914 routed firms, by the route that fits today



Routing describes fit, not a decision to fund. A further 5,547 firms in the 60,461-firm routing register (9.2%) had not been routed.

What if the market offered only some routes?

Suppose a market offered only some instruments. The share of routed firms with a matching route would be:



A market of loans and equity alone has nothing that fits three routed firms in five.

Routing mirrors readiness, by design

Routing follows the reading exactly. Every conditional firm routes to a blend. Every not-yet firm, and every firm with too little evidence, routes to support first. Only deployable firms vary in route: 73.3% to a loan, 25.8% to equity and 0.9% to a blend. The route shares above are therefore another view of the readings, not independent evidence.

Within the deployable group, equity fits 36% of manufacturers but 11% in education and public services. By region, it ranges from 19% of deployable firms in Wales to 33% in Northern Ireland.

In our view, getting the instrument right matters as much as the decision. A grant to a ready firm spends concessionary money that was not needed. Equity for a nearly-ready firm can set it up to fail.

3

• CHAPTER THREE

Set the middle aside, and the loss falls hardest on transport, construction and hospitality

What if the firms one step away are not spread like the ready ones?

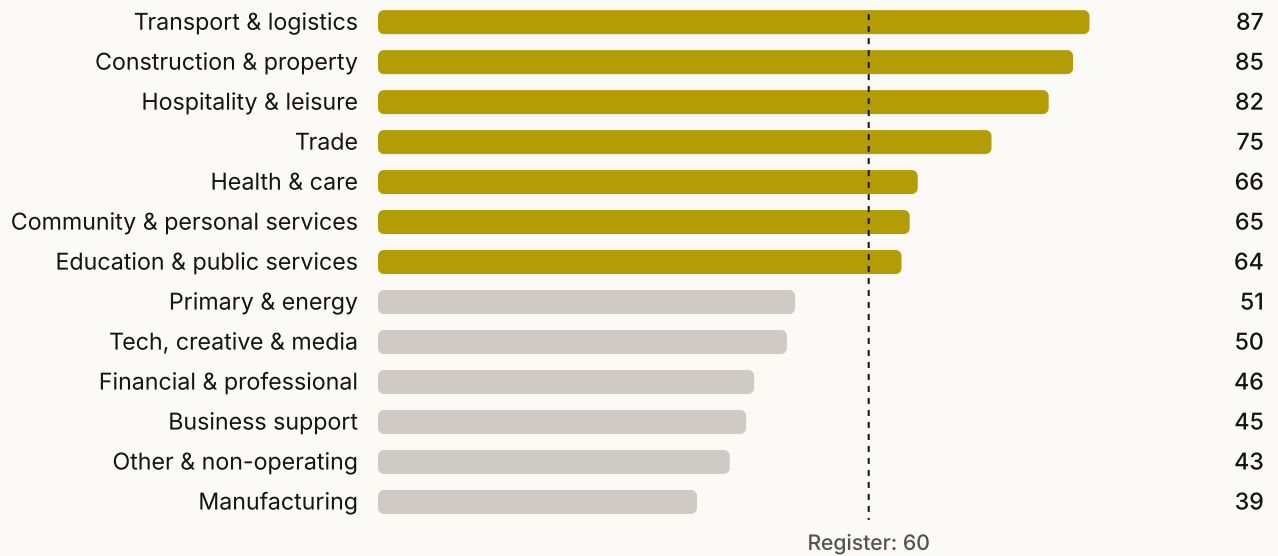
Conditional firms lean towards the high-volume economy. Against the number of ready firms, they also weigh more heavily in the regions that read lowest, largely because fewer firms there are deployable rather than because more are conditional.

Sectors where fewer than 40% of firms read deployable hold a third of deployable firms (34%) but 43% of conditional firms. The two largest conditional pools are construction and property (2,674 firms) and trade, meaning shops, wholesale and motor (2,223). Manufacturing and primary and energy, where half or more of firms read deployable, hold 14% of deployable firms but 10% of conditional ones. A view limited to the deployable group therefore leans further towards those sectors.

One way to compare them is to ask how many conditional firms stand behind every 100 that are already deployable. Across the register the answer is 60.

By sector

Conditional firms per 100 deployable. Gold: above the register as a whole.



50,823 firms with a decision and a sector code

By region

Conditional firms per 100 deployable. Gold: above the register as a whole.



51,948 firms with a decision and a placed region · region is the registered office

Transport, construction and hospitality each carry more than 80 conditional firms for every 100 ready ones. Manufacturing carries 39. The North East and the West Midlands, the two lowest-reading regions, carry 67. The South West and Northern Ireland, the two highest, carry 50 and 51. 73% of deployable firms with a placed region sit outside London.

4

• CHAPTER FOUR

If one in four converted, nearly half of firms would read deployable

What if some of the firms one step away took that step?

The conditional group is the part of the register most open to change. A firm that supplies the missing evidence, or accepts a smaller first facility, may read deployable at the next pass. The question is how far that would move the picture.

Set the dial below. It moves a share of conditional firms, spread evenly across sectors and regions, to deployable, and changes nothing else.

ILLUSTRATION, NOT A FORECAST

If this share of conditional firms converted

Shown at one in four. The online version lets the reader choose none, one in ten, one in four or one in two.

26,050

deployable firms

+3,393

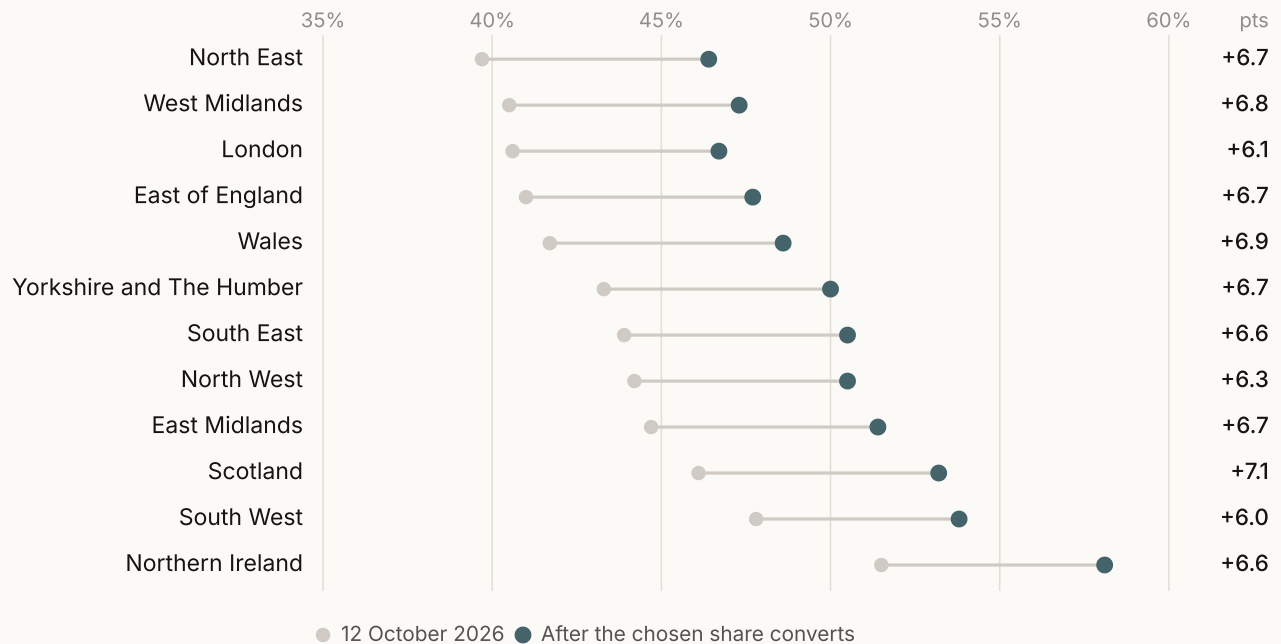
moving from conditional

49.4%

deployable rate, from 42.9%

11.7 pts

gap between highest and lowest region, from 11.8



Arithmetic only: the same share is applied in every region. 51,948 firms with a decision and a placed region. No conversion rate has yet been observed.

The pool grows quickly. If one conditional firm in four converted, the deployable pool would rise by about 3,400 firms, and nearly half of all firms with a decision would read deployable.

The map hardly changes. At one in four, every region rises by 6 to 7 points. The gap between the highest and the lowest region stays at about 12 points whichever setting is chosen.

Converting the middle would add a great deal of capacity, but on its own it would not close the regional gap. The next chapter explains why.

5

• CHAPTER FIVE

The harder finding: the regional gap sits in the not-yet group, not the middle

What if the middle is not where the gap lives?

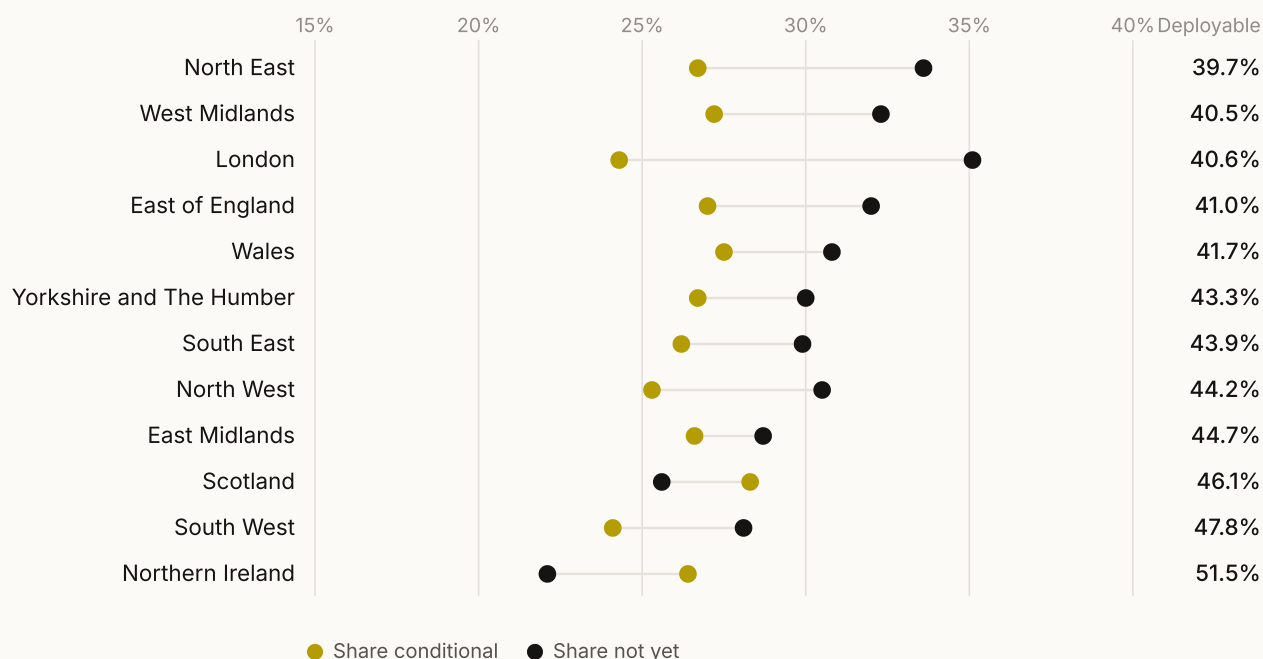
It is tempting to assume that the gap between regions would narrow if conditional firms were helped across. The register points somewhere less comfortable.

The middle is roughly the same everywhere. The share of firms reading conditional varies only a little between regions, from 24.1% in the South West to 28.3% in Scotland. It bears no reliable relationship to how well a region reads overall (rank correlation -0.27 , which could easily arise by chance across twelve regions).

The not-yet group is where regions differ. The share reading not yet runs from 22.1% in Northern Ireland to 35.1% in London. Because the three shares add up to 100, a flat middle means that regional differences in the deployable rate have to appear in the not-yet share, and they do: the two move almost exactly in opposite directions (rank correlation -0.95). The substantive finding is the flat middle; the rest follows from it arithmetically.

The regional gap sits in the not-yet group, not the middle

Regions ordered from lowest to highest deployable rate



51,948 firms with a decision and a placed region · rank correlations across 12 regions

Read down the chart. The gold dots barely move. The dark dots step broadly to the left as the deployable rate rises.

Sectors tell the same story, a little less sharply. Across thirteen sectors the conditional share bears no reliable relationship to the deployable rate (rank correlation -0.29 , which could arise by chance). The not-yet share moves against it (-0.83).

Helping conditional firms across would add real capacity everywhere. It would not, on its own, close the gap between places. That gap is carried by the share of firms that are some distance from ready, and that is a slower problem.

Two cautions apply. A rank correlation across twelve regions describes a pattern; it does not explain it. And the not-yet group includes 2,312 firms that are closed or closing, which the next chapter separates out.

6

• CHAPTER SIX

Why not: four questions behind the readings

What if every reading came with its reason?

A reading is more useful when the reason for it is visible. This chapter answers four "why not" questions, as far as the register allows.



Why not equity for more of the ready firms?

Because most ready firms do not fit it. Among the 22,657 deployable firms, about 26 in every 100 fit equity. Almost all the rest are matched to a loan. A firm being ready for capital is not the same as a firm being ready for every kind of capital.

Why conditional, and not deployable?

The reading says a firm is close; it does not yet say, firm by firm, which piece of evidence is missing. This report does not set out that detail. It is a natural next addition, and we would consider it for a later edition once it can be stated consistently across the register.

Why not yet?

16,541 firms read not yet. They are not all the same. 14,229 are still trading and form a longer-term pipeline; as chapter five showed, the not-yet group is where regions differ. 2,312 are closed or closing: 1,376 dissolved, 326 in insolvency or liquidation, and 610 proposed for strike-off or with another status. They are not a pipeline in any useful sense.



Why not read at all?

16,123 firms in the register did not reach a decision: 13,978 have not yet been read and 2,145 were read with too little evidence for a decision. Among firms with a decision, 1,946 carry no usable sector code and 821 have no placed registered office, so they drop out of sector or regional comparisons. Neither group changes a finding. The 821 unplaced firms read 52.0% deployable; leaving them out moves the rate from 42.9% to 42.8%. The 1,946 firms without a sector code, mostly firms with no Companies House number, read 50.1%; leaving them out gives 42.7%.

Assessed is not funded. A reading of any kind is an input to a decision, not the decision itself.

7

● CHAPTER SEVEN

Place, in proportion: firm age and size say more than region

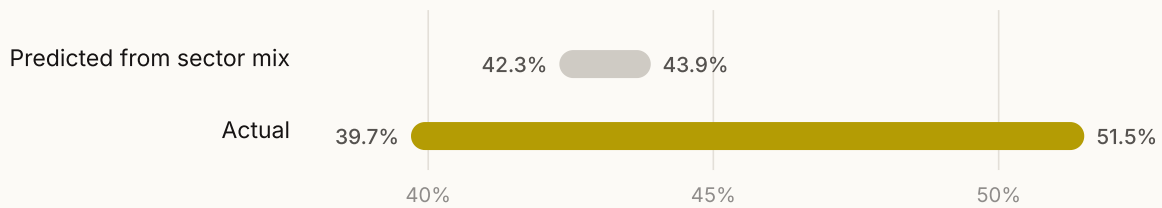
What if place matters less than the map suggests, and more in particular corners?

Regional differences in the register are statistically clear but modest, and smaller than the attention they attract. Three readings help keep them in proportion.

What a firm does says more than where it is. Sector is more closely tied to a firm's reading than region is: on a standard measure of association (Cramér's V), 0.132 for sector against 0.049 for region. Both are modest. Sector's association is more than twice region's.

Yet sector mix does not explain the regional gap. If every region read like the national average for each of its sectors, regions would sit between 42.3% and 43.9% deployable. In fact they range from 39.7% (North East) to 51.5% (Northern Ireland). Firms in the same sector read differently in different places; differences in firm size and age may explain part of that; for London, they account for the overall gap, as the comparison below shows.

Sector mix predicts a 1.6-point spread between regions. The actual spread is 11.8 points.



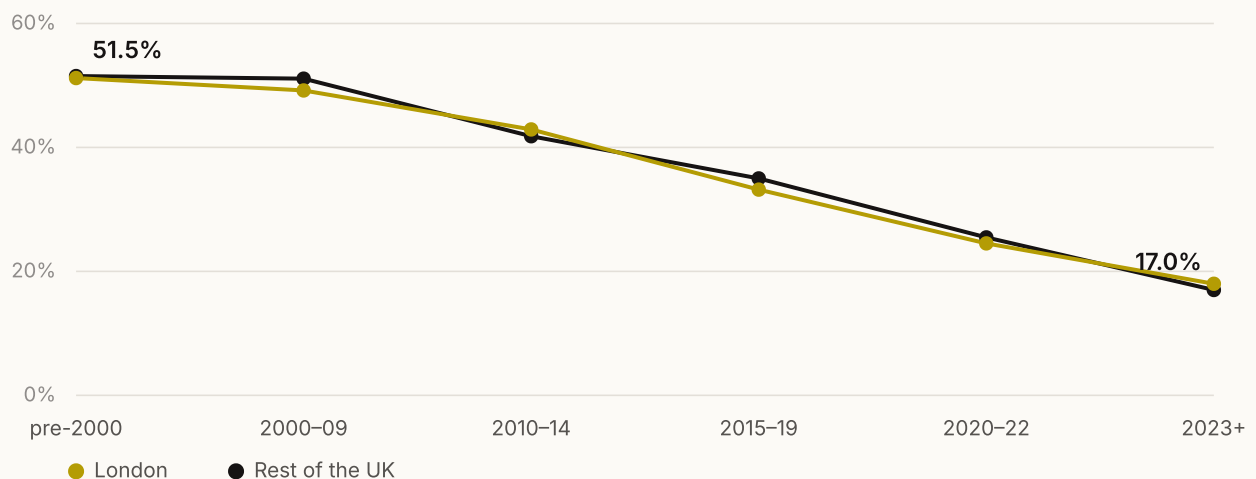
Five regions differ from the average beyond chance. Northern Ireland, the South West and Scotland read above it. London and the West Midlands read below. The other seven are not distinguishable from the average after that adjustment. These are exact binomial tests against the placed average of 42.8%, adjusted for twelve comparisons; chapter ten shows each region's interval.

London is not the exception it appears

London reads 40.6% deployable, below the average. But London's firms are younger and smaller than most. Compared like for like, within the same band of staff numbers and the same period of set-up, there is no detectable difference overall between London firms and firms elsewhere (pooled odds ratio 1.03, $p = 0.12$). In a few groups London firms read higher, notably those with 10 to 49 staff set up between 2010 and 2022.

Age matters far more than place

Firms with 1 to 9 staff: share reading deployable, by when the firm was set up



Each point covers at least 375 firms. Older firms read deployable about three times as often as firms set up in 2023 or later, in London and elsewhere alike.

Where place does seem to matter

Some corners stand out once sector is held still. Transport and logistics firms in the West Midlands read 21.5% deployable (302 firms), against 33.1% for transport firms across the country.

A regional reading is a prompt to look closer, not a verdict on a place. The more useful question is usually which kinds of firm, in which places, read differently from the same kinds of firm elsewhere.

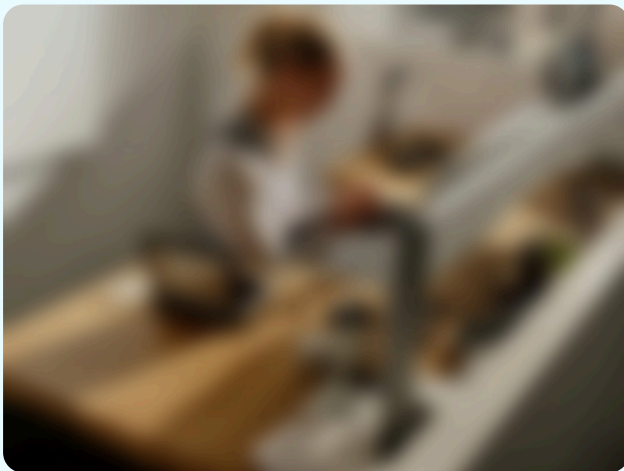
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● CHAPTER EIGHT · MODERN SMES

Less often read. Not harder to read.

What if the firms the economy is betting on are the ones decision-makers see least clearly?

Modern SMEs earn from what they know, make and deliver: software, engineering, design, care, consulting and community enterprise. Much of that value sits in contracted work, people and know-how, which filed accounts show only in part. In our view, a reading built only from past accounts is likely to show them less fully than one built from forward-looking evidence.



The work happens inside. A filing shows a fraction of it.



What is in focus depends on where the evidence is gathered.

22,740

Modern SMEs in the register,
33 in every 100 firms

14,210

with a decision, 27 in every
100

46.0%

read deployable, against 44.1%
for other trading firms

3,386

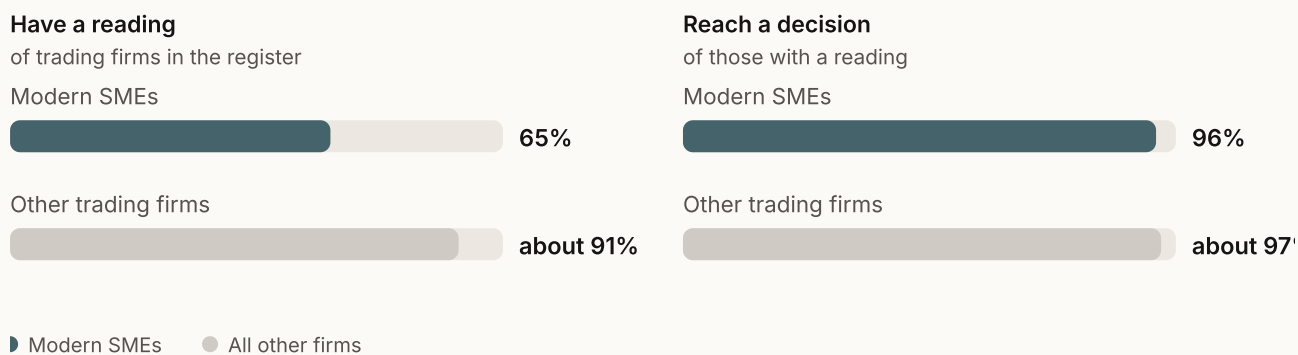
are one step away: conditional
today

Who counts as a Modern SME

A Modern SME is a trading, incorporated firm below large-company size (fewer than 250 filed employees and turnover not above £54 million), not dormant, holding or non-operating, in one of seven families: Climate and Environmental, Creative and Media, Digital and Technology, Engineering and Advanced Manufacturing, Healthcare and Community Healthcare, Knowledge and Consulting, and Social Enterprise. Families are assigned from Companies House facts only: what the firm says it does, and its legal form. A community interest company working in health counts once, as a social enterprise. The label describes a firm; it never feeds its reading.

The legibility gap: fewer Modern SMEs have been read, but once read they reach a decision almost as often

Share of firms in the register at each step



22,740 Modern SMEs, all trading by definition, and about 38,800 other firms trading at Companies House, including firms that could not be classified either way

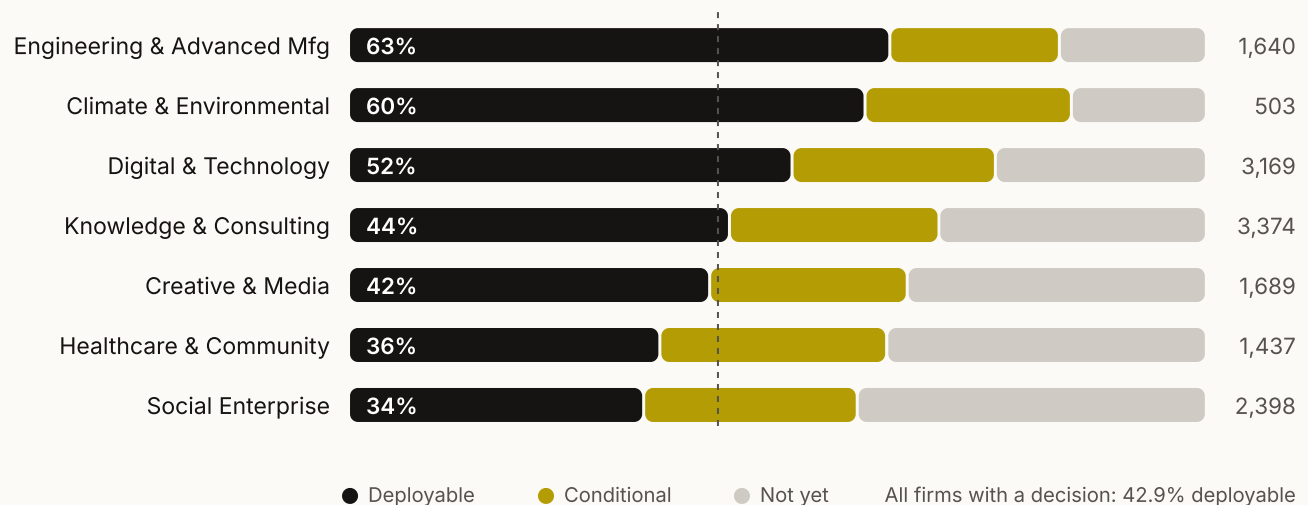
Just over a third of Modern SMEs have not yet been read. In the register, 7,923 of 22,740 Modern SMEs (35 in every 100) have no reading yet. Modern SMEs are trading firms by definition; among other trading firms, about 9 in every 100 have no reading. They make up 57 in every 100 unread firms, though they are 33 in every 100 firms overall.

Once read, the gap all but closes. 96 in every 100 Modern SMEs with a reading reach a decision, against about 97 in every 100 other trading firms. Once a reading is attempted, they are almost as readable as anyone else.

We have not yet established why fewer Modern SMEs have been read. Part of it is likely to be the order in which the register has been built; part may be that their evidence sits in places a public-record view does not reach. The next reading will report it.

Once read, Modern SMEs lean ready, but the families differ widely

Firms with a decision in each Modern SME family, by reading



Modern SMEs read 46.0% deployable. Against all other firms with a decision (41.8%) the gap is 4.2 points, but that comparison includes firms that have closed, which read deployable far less often. Modern SMEs are trading firms by definition. Against other firms trading at Companies House (44.1%) the gap is 1.9 points, with a 95% interval of 0.9 to 2.9 points; if firms proposed for strike-off are counted as trading, it is 2.6 points. That is the fairer comparison, and it is modest. As with every test in this report, the interval describes the firms in the register, which are not a random sample of UK firms.

The average hides a wide spread. Engineering and advanced manufacturing reads 63% deployable, and climate and environmental 60%. Digital and technology sits well above the register at 52%. Healthcare and social enterprise read below it, at 36% and 34%, and carry the largest not-yet shares.

FAMILY	WHAT IT COVERS	IN REGISTER	WITH A DECISION	DEPLOYABLE	CONDITIONAL
Engineering & Advanced Manufacturing	High and medium - high tech manufacturing; engineering and technical services	3,709	1,640	63.1%	324
Climate & Environmental	Energy, water, waste and remediation; always indicative	678	503	60.2%	121
Digital & Technology	Software, IT services, data and digital platforms	5,973	3,169	51.7%	751
Knowledge & Consulting	Legal, accounting, management consultancy, market research, research and science	5,740	3,374	44.4%	824
Creative & Media	Publishing, film, broadcasting, advertising, design, photography, arts	2,316	1,689	42.1%	389
Healthcare & Community Healthcare	Human health and social care without accommodation	1,725	1,437	36.3%	380
Social Enterprise	Legal form, not sector: CICs, registered societies and CIOs	2,599	2,398	34.4%	597
All Modern SMEs		22,740	14,210	46.0%	3,386

Why the definition matters

Definitions built from descriptive text about each firm, much of it machine-written, produce a much larger group, about 56% of firms, and a deployable gap of about 16 points. Most of that difference comes from the definition, not the firms. We would suggest that figures of that kind are not repeated without saying which definition they rest on. This report uses public facts only, so that any reader can check a firm's family against the public record.

● IMPACT-DRIVEN FIRMS

Most social enterprises that reach a decision are within reach of mainstream finance, on its own or blended with support.

2,798 firms in the register, of any trading status, are community interest companies, registered societies or charitable incorporated organisations. Of the 2,567 with a decision, 1,507 read as deployable or conditional and route to a loan, equity or a blend. Two other tests of impact, based on evidence of impact readiness and on what a firm says about its mission, are held back: both rest largely on machine-written text that a reader cannot check against a public record.

58.7%

compatible with mainstream finance ·
1,507 of 2,567 CICs, registered
societies and CIOs with a decision



The question for impact capital may be less about whether these firms can borrow, and more about which firms it reaches that mainstream finance would not. For everyone else, the question is simpler: are Modern SMEs being read at all?

9

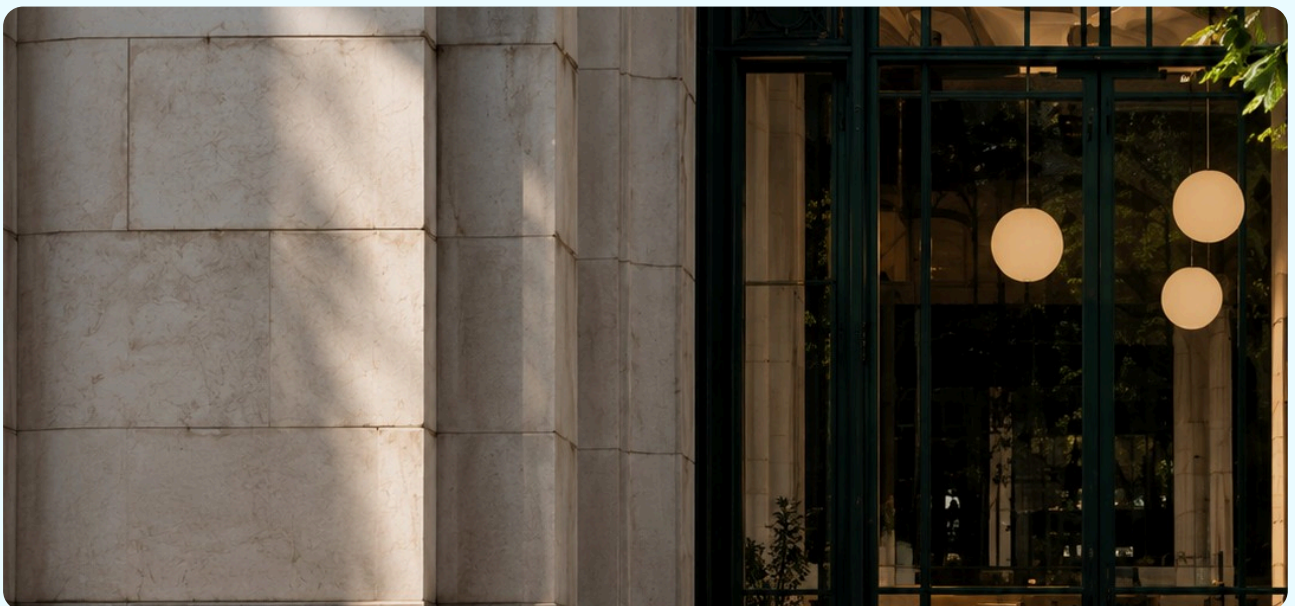
• CHAPTER NINE · ELEVEN LENSES

Thirty-three questions for eleven kinds of institution

What if each institution read the register through its own lens?

The register does not make decisions. It can sharpen the questions asked before them. Each lens below sets out what that kind of institution weighs, three questions it can put to its own process with what the register shows, and what the register cannot yet tell it. None of the questions requires a lower risk threshold.

Every figure comes from the register as read on 12 October 2026. Where a figure covers only part of the register, the card says which part.



● LENS 1 OF 11

Challenger banks

Weighs speed of decision, segments incumbents underserve, and how to win a relationship early.

13,571

firms read conditional

Which firms do yes-or-no views set aside that are close on today's evidence?

WHAT THE REGISTER SHOWS

25.7% of firms with a decision read conditional. The largest pools are construction and property (2,674) and trade (2,223).

60

conditional firms per 100
deployable

Where could a smaller first facility start the relationship?

WHAT THE REGISTER SHOWS

Behind every 100 deployable firms stand 60 conditional ones. Every conditional firm routes to a blend of finance and support.

17%

of firms set up in 2023 or later read
deployable

Which young firms are ready, and which are one step away?

WHAT THE REGISTER SHOWS

Among firms set up in 2023 or later, 17% read deployable, against 64% of firms set up before 2000. Covers the 48,244 placed firms in chapter ten's size and age table.

WHAT THE REGISTER CANNOT YET TELL YOU

Approval rates, pricing and losses. The register reads evidence; it has not yet been tested against outcomes.

• LENS 2 OF 11

Commercial banks

Weighs credit policy, risk thresholds, portfolio concentration and data hygiene.

42.9%

of firms with a decision read deployable

Can a reading sit alongside our own ratings without relaxing them?

WHAT THE REGISTER SHOWS

Yes by design: no firm is reclassified, and readiness, resilience and risk are read alongside an institution's ratings, not in place of them.

724

deployable firms dissolved or insolvent

Do our records check Companies House status before a decision?

WHAT THE REGISTER SHOWS

724 firms read deployable while Companies House shows them dissolved, in liquidation or in administration. Without them the rate is 42.1%.

54% vs 33%

deployable: 10 to 49 staff against 1 to 9

How much of a segment's reading is size and age?

WHAT THE REGISTER SHOWS

Readings rise with both. Matched on size and age, there is no detectable overall difference between London and elsewhere.

WHAT THE REGISTER CANNOT YET TELL YOU

Default probability or loss given default. The first outcome read is due in January 2027.

● LENS 3 OF 11

Alternative lenders

Weighs the firms banks pass over, blended and specialist products, and where demand is dense.

13,776

firms route to a blend

How large is the pool that fits finance paired with support?

WHAT THE REGISTER SHOWS

25.1% of routed firms fit a blend. 13,571 of them read conditional today; the other 205 are deployable.

87

conditional per 100 deployable in transport

Where are firms one step away most concentrated?

WHAT THE REGISTER SHOWS

Transport and logistics (87), construction and property (85) and hospitality and leisure (82) all sit well above the register's 60.

1.034

London odds ratio, like for like

Are we pricing a place, or a profile?

WHAT THE REGISTER SHOWS

Matched on size and age, there is no detectable difference overall between London firms and firms elsewhere ($p = 0.12$).

WHAT THE REGISTER CANNOT YET TELL YOU

Pricing, yields or which specialist product fits. The register routes to a kind of capital, not a product.

● LENS 4 OF 11

Wholesalers and capital allocators

Weighs instrument mix, intermediary reach and how allocation follows need.

34.0%

of routed firms need support first

Does our instrument mix match the routing of the population?

WHAT THE REGISTER SHOWS

Loan 30.2%, equity 10.7%, blend 25.1%, support first 34.0%, across 54,914 routed firms.

1.6 vs 11.8

points: regional spread predicted by sector mix, and actual

Is regional allocation following sector mix, or something within sectors?

WHAT THE REGISTER SHOWS

Most regional differences arise within sectors. Sector mix explains about a point or less in every region.

13,571

conditional firms at baseline

Do we measure movement through intermediaries, or only deployment?

WHAT THE REGISTER SHOWS

A fixed baseline lets later readings report how many conditional firms become deployable, by region, sector and Modern SME family.

WHAT THE REGISTER CANNOT YET TELL YOU

Additionality, or UK-wide totals. The register is not reweighted to official business counts.

READING YOUR OWN BOOK

The same reading can be applied to the firms underneath a fund of funds. Gifftid could read the portfolio companies held by each underlying manager against this baseline, so an allocator sees readiness, routes and movement across its whole book on one consistent set of scoring rules.

● LENS 5 OF 11

Pension funds

Invest through funds and managers over long horizons; weigh the depth of the investable pipeline, diversification across places and sectors, and evidence that managers add value.

5,855

deployable firms fit equity

How deep is the equity-ready pipeline that funds could draw on?

WHAT THE REGISTER SHOWS

Equity fits 10.7% of routed firms and 25.8% of deployable ones; by region, from 18.5% of deployable firms in Wales to 32.8% in Northern Ireland.

16,597

deployable firms fit a loan

Is private credit as relevant as private equity to an SME allocation?

WHAT THE REGISTER SHOWS

Loans fit almost three times as many firms as equity: 30.2% of routed firms, against 10.7%.

13,571

conditional firms at a fixed baseline

Can managers show they move firms closer to investable, not only deploy into the ready?

WHAT THE REGISTER SHOWS

Repeated readings against the 12 October 2026 baseline can report conversion by region, sector and Modern SME family. The first outcome read is due in January 2027.

WHAT THE REGISTER CANNOT YET TELL YOU

Returns, valuations or deal sizes. The register routes firms to a kind of capital; it does not price it.

READING YOUR OWN BOOK

The same reading can be applied to the firms underneath a fund of funds. Gifftid could read the portfolio companies held by each underlying manager against this baseline, so an allocator sees readiness, routes and movement across its whole book on one consistent set of scoring rules.

● LENS 6 OF 11

Impact investors and funds

Weighs which firms impact capital reaches that mainstream finance would not, on definitions that can be checked.

58.7%

of social enterprises with a decision

Which social enterprises can mainstream finance already reach?

WHAT THE REGISTER SHOWS

1,507 of 2,567 CICs, registered societies and CIOs with a decision read deployable or conditional and route to a loan, equity or a blend.

41.3%

read not yet

Where is impact capital most likely to be additional?

WHAT THE REGISTER SHOWS

1,060 of those 2,567 read not yet and route to support first.

2,798

firms on the legal-form test

Are our definitions checkable against a public record?

WHAT THE REGISTER SHOWS

This report counts impact on legal form only. Tests built on machine-written profile text are held back.

WHAT THE REGISTER CANNOT YET TELL YOU

Impact outcomes. The charity register is not yet linked, so among charities only CIOs are identified.

● LENS 7 OF 11

Foundations

Grant-makers and programme-related investors; weigh the firms mainstream finance will not reach yet, and where a grant or first-loss capital could unlock other money.

18,686

firms route to support first

Where would a grant or capacity support need to come before any finance?

WHAT THE REGISTER SHOWS

34.0% of routed firms need support first: 16,541 not-yet firms and 2,145 with too little evidence for a decision.

13,776

firms route to a blend

Where could first-loss or guarantee capital help unlock mainstream finance?

WHAT THE REGISTER SHOWS

A blend pairs finance with support. 13,571 of these firms read conditional today, one step from deployable.

1,060

social enterprises read not yet

Which social enterprises does mainstream finance not yet reach?

WHAT THE REGISTER SHOWS

Of 2,567 CICs, registered societies and CIOs with a decision, 1,060 (41.3%) read not yet and route to support first.

WHAT THE REGISTER CANNOT YET TELL YOU

Social or environmental outcomes. The charity register is not yet linked, so among charities only CIOs are identified.

● LENS 8 OF 11

Development finance institutions

Weighs regional and structural gaps, and whether an intervention would change them.

+9.1

within-sector points, Northern Ireland

Is a regional gap a sector-mix story, or a within-sector one?

WHAT THE REGISTER SHOWS

Within-sector. Northern Ireland's 8.7-point lead and the North East's 3.1-point gap both arise almost entirely within sectors.

11.7

points: regional gap if a quarter of conditional firms converted

Would helping the nearly-ready close the gap between places?

WHAT THE REGISTER SHOWS

Not on its own. The gap is 11.8 points today and stays about 12 at every setting of the dial.

22.1–35.1%

not-yet share across regions

Where is the gap carried?

WHAT THE REGISTER SHOWS

The conditional share is flat across regions (24.1% to 28.3%). The difference sits in the not-yet group.

WHAT THE REGISTER CANNOT YET TELL YOU

The size of a UK finance gap. That would need a random sample or reweighting to official counts.

● LENS 9 OF 11

SME programmes

Weighs who is close, who is far, and whether the programme moved anyone.

14,229

not-yet firms still trading

How large is the longer-term pipeline, and how much of it is live?

WHAT THE REGISTER SHOWS

Of 16,541 not-yet firms, 14,229 are trading and 2,312 are closed or closing.

7,923

Modern SMEs not yet read

Are the firms we serve visible to a reading at all?

WHAT THE REGISTER SHOWS

35 in every 100 Modern SMEs in the register have no reading yet, against about 9 in every 100 other trading firms.

Entry and exit

two readings

Would a reading at entry and exit show what the programme changed?

WHAT THE REGISTER SHOWS

A single reading shows who is deployable. Repeated readings against a fixed baseline show who is becoming so.

WHAT THE REGISTER CANNOT YET TELL YOU

Programme effects. With one reading, no movement has yet been observed.

● LENS 10 OF 11

Policy makers

Weighs where public intervention would change outcomes, what current data cannot see, and how to tell whether a policy worked.

11.8 pts

spread between regions; sector mix alone predicts 1.6

Where would place-based support make the most difference?

WHAT THE REGISTER SHOWS

Regional gaps arise within sectors, and they are carried by the not-yet share (22.1% to 35.1% by region), not the conditional one. Support aimed only at firms one step away would add capacity but not, on its own, narrow the gap.

13,978

firms in the register not yet read

What can current data not see?

WHAT THE REGISTER SHOWS

7,923 of them are Modern SMEs. Region is the registered office, often an accountant's address, and the register is not weighted to official business counts.

13,571

conditional firms at a fixed baseline

How would we know if a policy worked?

WHAT THE REGISTER SHOWS

Repeated readings against the 12 October 2026 baseline can show movement by region, sector and Modern SME family. The first outcome read is due in January 2027.

WHAT THE REGISTER CANNOT YET TELL YOU

A national finance gap, jobs or output. The register is not a random sample and does not hold consistent turnover or employment figures.

● LENS 11 OF 11

Corporate procurement

Weighs capable smaller suppliers, supply-side resilience, and supplier diversity.

46.0%

of Modern SMEs read deployable

Are capable Modern SME suppliers visible to our process?

WHAT THE REGISTER SHOWS

Once read, Modern SMEs read deployable slightly more often than other trading firms (44.1%). But 35 in every 100 have not yet been read.

51% → 17%

deployable: small firms set up 2000–09 against 2023 or later

Do we treat young suppliers as weaker suppliers?

WHAT THE REGISTER SHOWS

Firm age is associated with far larger differences in readings than region is. Firms with 1 to 9 staff outside London.

3,386

Modern SMEs one step away

Could a contract strengthen the evidence for a conditional firm?

WHAT THE REGISTER SHOWS

A conditional reading means one more piece of evidence is likely to be needed. The register does not yet say which piece, firm by firm.

WHAT THE REGISTER CANNOT YET TELL YOU

Delivery performance or supplier incidents. The register does not hold contract outcomes.

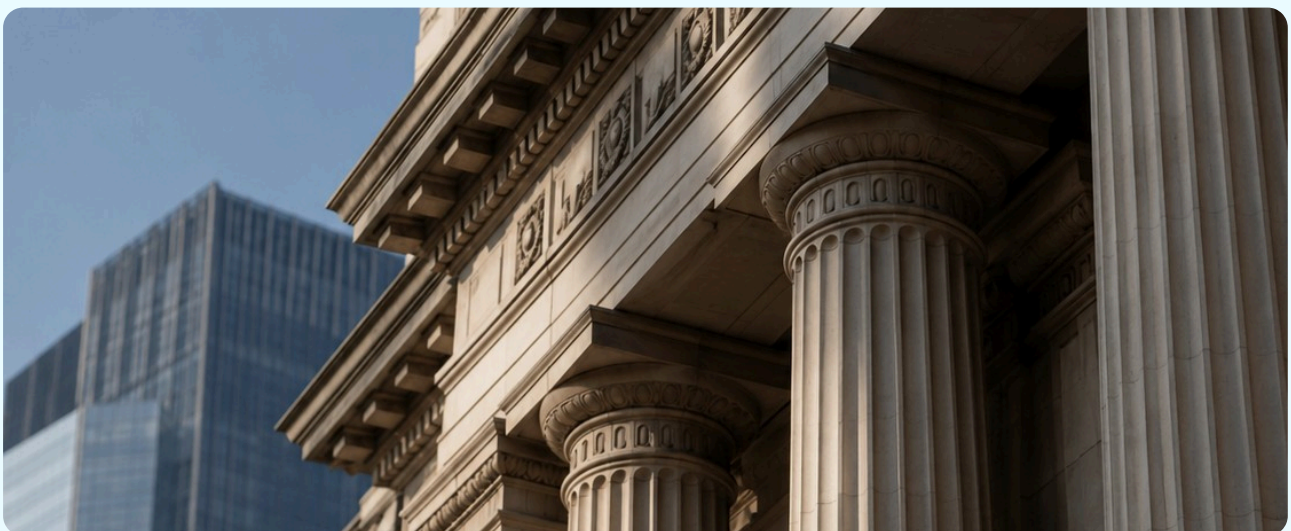
10

• CHAPTER TEN · THE ANALYST'S VIEW

What the numbers can support, and what they cannot

What would a statistician, an economist and a credit analyst each check first?

This chapter sets out the tables behind the story: how readings vary with firm size and age, how uncertain the regional figures are, how much of each regional gap sector mix explains, how capital routes follow readings, and what the register cannot yet support. The tests treat the register as it is. It is not a random sample of UK firms, so intervals and test results describe the firms in the register, not the UK business population.



1 · Readings rise with firm size and firm age

Share of firms with a decision reading deployable, by staff numbers and year of set-up

	BEFORE 2000	2000–09	2010–14	2015–19	2020–22	2023 OR LATER	ALL PERIODS
No staff	51%	52%	45%	33%	22%	17%	32%
1 to 9 staff	51%	51%	42%	34%	25%	17%	33%
10 to 49 staff	64%	61%	56%	47%	34%	13%	54%
50 to 249 staff	75%	74%	71%	66%	55%	–	73%
All sizes	64%	58%	48%	37%	25%	17%	41%

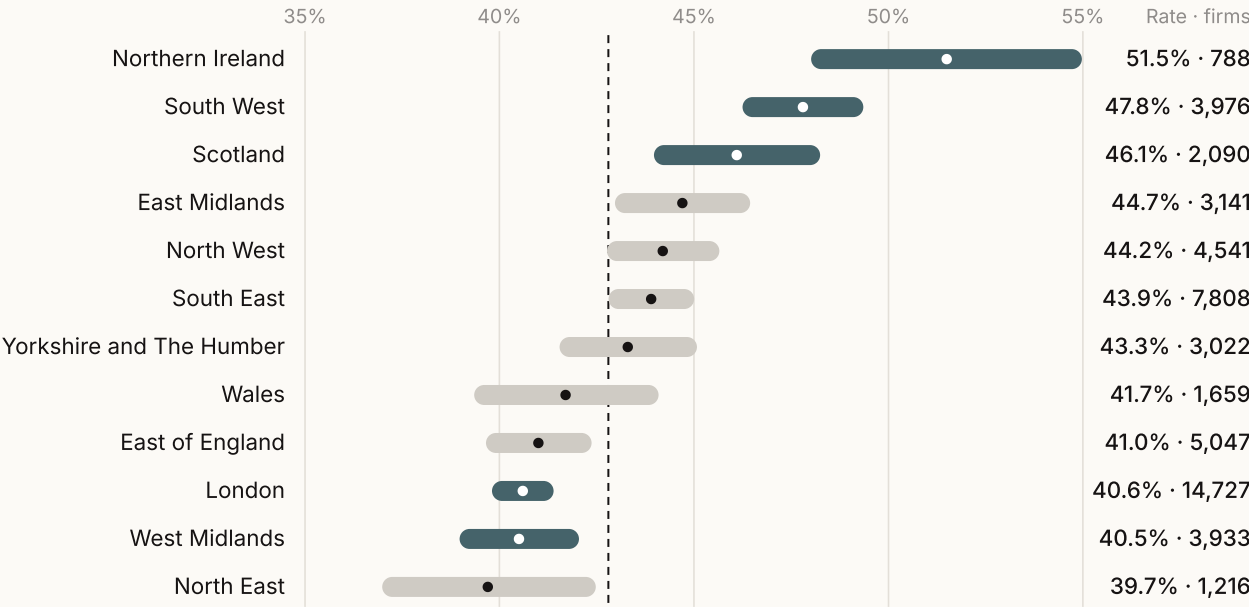
48,244 firms with a decision and a placed region, in size and age groups with at least 40 firms both in and outside London. Not shown: firms with 250 or more staff, firms with no usable staff figure, and smaller groups (–). Staff band from filed average employees; set-up period from the incorporation date. Rates are rounded to whole points.

Two gradients run through the register. Within every size band, older firms read deployable far more often than younger ones. In every set-up period before 2023, firms with 10 or more staff read deployable more often than smaller firms; among the newest firms the pattern does not hold. Firms with no staff and firms with 1 to 9 staff read almost the same.

This is what most lenders would expect, and an analyst should read the rest of the report with it in mind. Some of the differences between sectors and regions will reflect differences in the size and age of their firms. Where we have tested that directly, for London, no detectable overall difference remains once size and age are matched.

2 · Regional rates, with their uncertainty

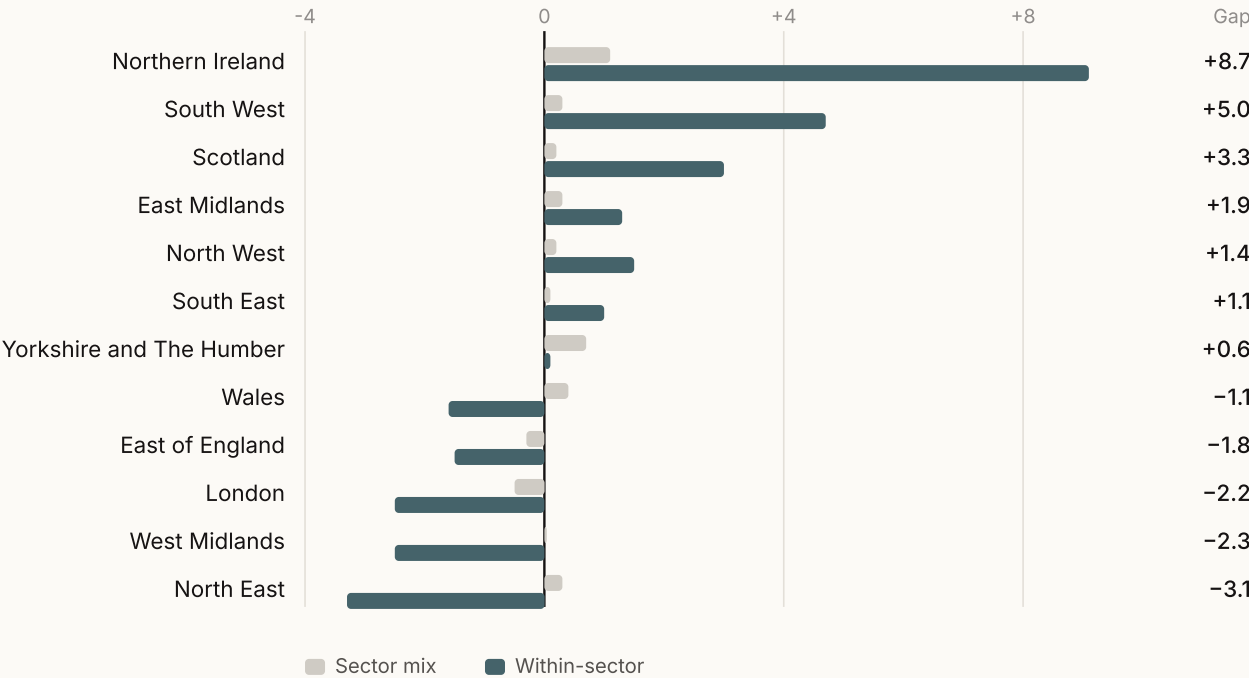
Deployable rate by region with 95% intervals. Dashed line: all placed firms, 42.8%. Dark: differs from the placed average beyond chance after adjusting for twelve comparisons (the West Midlands only just).



Bars are unadjusted Wilson 95% intervals; the shading follows exact binomial tests against the placed average with a Bonferroni adjustment across 12 regions. That is why East of England's bar sits clear of the line yet is not shaded: after the adjustment it is not distinguishable from the average. Region is the registered office, which is often an accountant's or formation agent's address.

3 · How much of each regional gap does sector mix explain?

Each region's gap from the placed average, split into the part explained by its mix of sectors and the part from how its firms read within each sector (points)



Shift-share against placed national sector rates. A small interaction term, at most 1.5 points, is not shown. There is no detectable link between regional specialisation in a sector and how well that sector reads there (Spearman correlation 0.0 across 150 region-sector cells with 40 or more firms).

In every region, sector mix accounts for about one point or less. Northern Ireland's lead of 8.7 points is almost entirely within-sector. So is the North East's gap of 3.1 points.

4 · Capital routes follow readings exactly

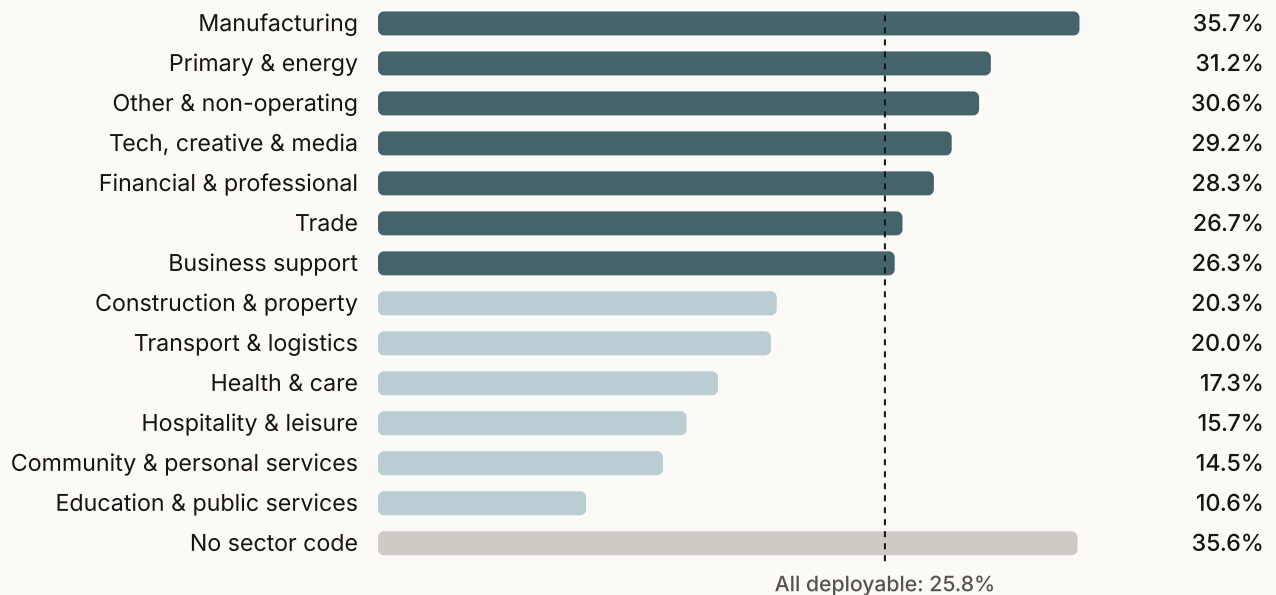
Every firm with a reading, by reading and route

READING	FIRMS	LOAN	EQUITY	BLENDED	SUPPORT FIRST
Deployable	22,657	16,597	5,855	205	0
Conditional	13,571	0	0	13,571	0
Not yet	16,541	0	0	0	16,541
Too little evidence	2,145	0	0	0	2,145
All	54,914	16,597	5,855	13,776	18,686

Every conditional firm routes to a blend. Every not-yet firm, and every firm with too little evidence, routes to support first. Only among deployable firms does the route vary: 73.3% loan, 25.8% equity and 0.9% blended. An analyst should therefore treat route shares across the register as a restatement of the readings, not as separate evidence. The informative variation is within the deployable group.

Within deployable firms, equity fit varies more by sector than by region

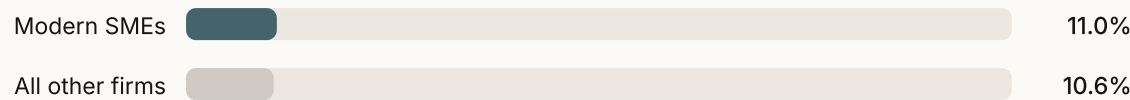
Share of deployable firms routed to equity, by sector. Dashed line: all deployable firms, 25.8%.



22,657 deployable firms. By region, the equity share runs from 18.5% (Wales) to 32.8% (Northern Ireland). Both associations are statistically clear but small (Cramér's V about 0.11 for sector and 0.05 for region).

5 · Modern SMEs fit equity at about the same rate as other firms

Share of firms in each group routed to equity



Routed firms: 14,817 Modern SMEs and 40,097 other firms, including 1,873 that could not be classified and some that have closed.

Modern SMEs are often discussed as equity stories. In the register they are not, or not yet. 11.0% of routed Modern SMEs fit equity, against 10.6% of other routed firms. Because the other firms include some that have closed, we also bounded the comparison for trading firms only: their equity share would lie between 9.0% and 12.0%, which still brackets the Modern SME figure. Whatever advantage Modern SMEs have lies in readiness, not in the kind of capital that fits.

6 · Companies House status alongside each reading

Status at Companies House (1 October 2026), by reading

READING	FIRMS	TRADING	DISSOLVED	INSOLVENCY OR LIQUIDATION	STRIKE-OFF PROPOSED
Deployable	22,657	21,612 (95.4%)	513 (2.3%)	211 (0.9%)	310 (1.4%)
Conditional	13,571	12,594 (92.8%)	478 (3.5%)	130 (1.0%)	365 (2.7%)
Not yet	16,541	14,229 (86.0%)	1,376 (8.3%)	326 (2.0%)	606 (3.7%)
Too little evidence	2,145	1,792 (83.5%)	228 (10.6%)	17 (0.8%)	108 (5.0%)
Not yet read	13,978	11,282 (80.7%)	1,713 (12.3%)	678 (4.9%)	291 (2.1%)

A small number of firms with another Companies House status are not shown. "Trading" includes firms with no Companies House record. This is not a test of the readings: when these statuses arose relative to the readings is not yet established. Outcomes are counted only from events after the baseline; the first outcome read is due in January 2027.

7 · What the register cannot yet support

Outcomes

No repayment, default, loss or growth outcome has been observed. The readings have not yet been tested against what happens next.

National totals

The register is not a random sample and has not been reweighted to official business counts, so no figure here should be grossed up to the UK.

Facility size and pricing

The register routes firms to a kind of capital. It does not size a facility, set a price or estimate a return.

Turnover and jobs

Filed turnover and staff figures are incomplete for small firms, and in 907 records they contradict the size of accounts filed, so we do not report output or jobs.

Why a firm is conditional

The register does not yet say, firm by firm, which piece of evidence is missing.

Place of trade

Region is the registered office, not necessarily where a firm trades or employs people.

11

• CHAPTER ELEVEN · MONITORING

13,571 firms at a fixed baseline: who moves next

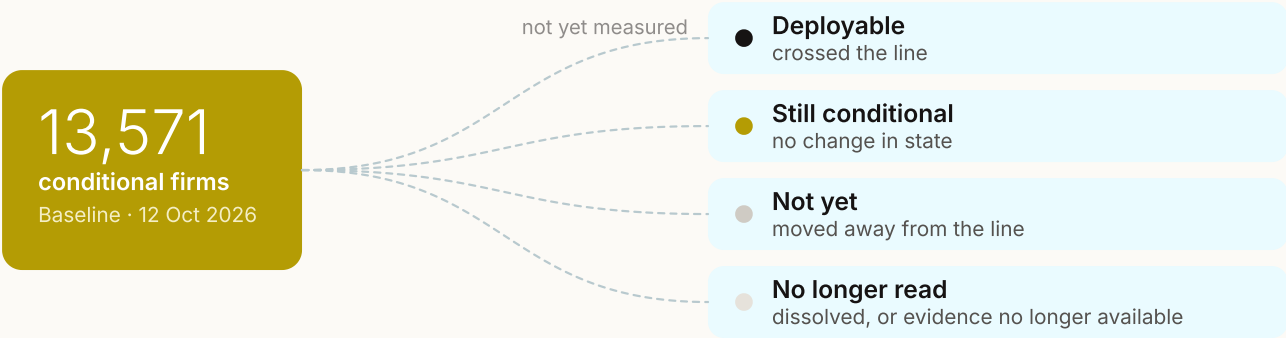
What if the next reading showed who actually moved?

A single reading shows who is deployable. Only repeated readings show who is becoming deployable. This chapter fixes the baseline for the conditional group and states, before any result is known, what each later reading will report. Conditional firms are not reclassified. They are named as a group to follow.



Four ways a conditional firm can move

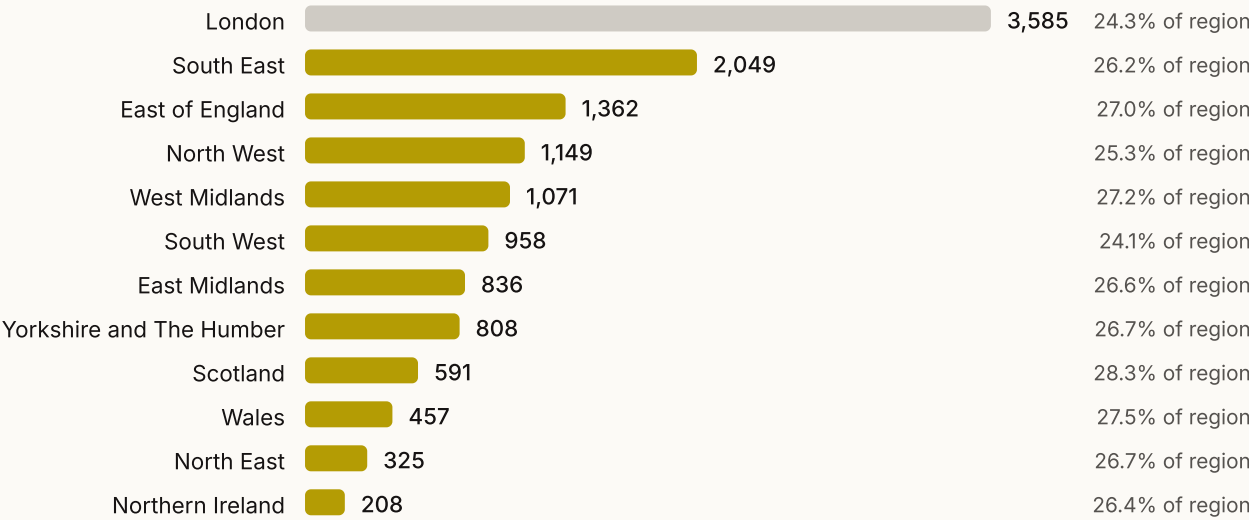
At each later reading, every one of the 13,571 firms will fall into one of four groups. None has been measured yet.



●	○	○
12 OCTOBER 2026	JANUARY 2027	EACH LATER READING
Baseline fixed	First outcome read	Movement reported against the baseline
13,571 conditional firms, 3,386 of them Modern SMEs. No movement observed yet.	Three months on: public-record events since the baseline, such as dissolution, insolvency and new charges.	The share converting, by region, sector and Modern SME family, with expectations written down first.

Where the cohort sits today

Conditional firms by region. 73% of those with a placed region sit outside London.



13,399 of 13,571 conditional firms have a placed region

From movement to outcomes

Movement between readings is the register reading itself. To test the readings, outcomes must come from sources independent of them.

Repeated R³ readings Every firm in the register	Movement between decision states and capital routes	BASELINE SET
Public record Every firm in the register	Dissolution and insolvency, registered charges, later filed accounts, public contract awards	DUE JANUARY 2027
Consented open banking Firms that consent, through an authorised partner	Finance received, repayment, cash flow	REQUIRES A PARTNER
Institutional partner data That partner's firms	Approvals and repayment on a lender's or fund's own book	REQUIRES AN AGREEMENT

The test is simple to state. After a fixed window, compare outcomes for firms by their baseline reading. If the readings carry information, outcomes should differ between deployable, conditional and not-yet firms. The result will be published whichever way it falls.

The rules we will follow

A frozen baseline

The 12 October 2026 reading is the fixed reference point. If the scoring rules change, movement caused by the change is reported apart from movement by firms.

Expectations stated first

What we expect to see will be written down before results are examined.

Null results published

If the readings do not separate outcomes, that will be reported.

Inputs and outcomes kept apart

Evidence used in a reading is never counted as an outcome. A firm already closed before the baseline is an input; only later events count.

Same thresholds

Monitoring does not change any institution's risk threshold, or reclassify any firm, between readings.

Influence recorded

Where an institution acts on a reading, that will be recorded, so outcomes can be read fairly.

● HOW THIS WAS MADE

Method and limits

What was read. The Gifftid R³™ and R4™ register as held on 12 October 2026: 68,892 organisations, of which 54,914 have a reading and 52,769 a decision. Decision states and capital routes were last scored in bulk on 16 September 2026 under scoring rules version 1.4; no reading changed between then and the snapshot analysed here, taken on 11 October 2026. Trading status, activity codes and registered office come from Companies House data of 1 October 2026, with the Companies House service used for firms no longer in the bulk file. R³ reads readiness, resilience and risk from forward-looking signs alongside the public record. AI is used only to collect and structure public information about each firm. The scoring and signal systems are Gifftid's own and deterministic: the same structured inputs always produce the same reading, and every reading can be traced back to them. In this reading, some of those structured inputs are AI-assessed readiness bands drawn from public information, and almost no firms have yet supplied their own data. That is why the figures are reported as what the current scoring says, not as validated outcomes.

How the readings behave. Independent, Deterministic, Auditable, Reproducible, Contextual and Compounded. The same firm on the same evidence receives the same reading.

Scope. Mainly companies and limited liability partnerships registered at Companies House, with some registered societies and charitable incorporated organisations. Sole traders and unincorporated partnerships are not covered. The register includes some firms with 250 or more staff. Region means the registered office, which is often an accountant's or formation agent's address rather than where a firm trades.

Statistics. Wilson 95% intervals; exact binomial tests with a Bonferroni adjustment across 12 regions; shift-share against national sector rates; Cramér's V; Spearman rank correlations; a Mantel-Haenszel test for London within staff and age bands; a two-proportion test for the Modern SME gap. These tests assume a random sample. The register is not one, and it has not been reweighted to official business counts, so intervals and test results describe the firms in the register only.

Limits. One reading: no movement or outcome has yet been observed, and the readings have not yet been tested against outcomes. Readings describe evidence, not lending, investment or repayment outcomes. Shares and patterns are reported rather than national totals. No group of fewer than 40 firms is reported. 724 firms read deployable while Companies House shows them dissolved or insolvent; they are counted as read and flagged wherever they matter. Readings are version 1.4; a later version of the scoring rules would move readings on its own, and any change of version will be stated alongside movement. The conversion illustration applies one rate everywhere and is not a forecast. Impact counts are reported on legal form only.



● MONITOR YOUR OWN FIRMS

Set a baseline for your book, pipeline, region or programme

Gifftid runs decision sprints, workshops and private and public sessions. A sprint can read the firms an institution already knows against this baseline: a lender's book, a programme's cohort, a buyer's supplier base, or the portfolio companies underneath a fund of funds. Later readings then show which of them move. We would welcome your challenge, and your questions.

Grace Almendras Castillo

Founder and CEO, Gifftid

grace.castillo@gifftid.com

● NOTICES

Independence. This report was produced and funded by Gifftid alone. No institution sponsored it, paid for it, or reviewed or changed its findings before publication.

Nature of the readings. R³ readings are decision-support analytics drawn mainly from public data; almost no firms have yet supplied their own. They are not a credit rating, credit reference, investment advice or financial promotion, and are not an offer of finance. Assessed is not funded: decisions remain with the institutions that make them. Gifftid provides advisory decision intelligence and is not authorised or regulated by the Financial Conduct Authority.

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Data. Figures reflect the Gifftid R³ and R4 read of 12 October 2026, under scoring rules version 1.4, with Companies House data of 1 October 2026.

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