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Slater Investments core British holdings include Oxford Instruments, one of the first commercial spin-outs from Oxford University (pictured) Photo: Alamy

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By Mark Slater, chief investment officer of Slater Investments

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Having often declared that “Britain is open for business”, the Chancellor, George Osborne, was last month able to celebrate the biggest upgrade to the country’s growth forecasts since 1999. The British economy is now predicted by the Office for Budget Responsibility (OBR) to have grown by 1.4pc for 2013 (more than twice the forecast back in March) with up to 2.4pc growth in output pencilled in for next year.

According to the OBR, some 3.1million private sector jobs could also be created between 2011 and 2019 with unemployment predicted to fall to 5.6pc in 2018 as Britain edges towards an annual budget surplus.

Against this positive backdrop, it makes perfect sense to focus on British companies. The UK boasts many dynamic growth companies, not just domestically focused but also championing world export markets.

Past British successes in funds managed by Slater Investments include Andor Technology, originally spun out from Belfast University.

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This Aim-listed company is a global leader in the development and manufacture of high-performance scientific digital cameras for academic, industrial and government applications.

A classic technology-led, Northern Ireland success story, Andor has recently received a recommended cash offer of 525p from another British stellar stock market performer, Oxford Instruments – also a core holding for us in recent years.

Oxford Instruments itself is one of the first commercial spin-outs from Oxford University. It turns smart science into world-class products encompassing market niches likely to benefit from long-term structural growth including nanotechnology tools and medical CT and MRI scanners.

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Another quality British technology niche player is Judges Scientific, which has expanded rapidly over recent years through organic growth and targeted, bolt-on acquisitions. This Aim-listed company specialises in the design and production of scientific instruments, for example, enabling the preparation of samples for examination under electron microscopes. It has an established reputation in global markets and just last month said that it expects adjusted earnings per share for the full year to exceed market expectations.

NCC Group has become a world-leader in the fight against cyber-crime. The company has used money from its “cash cow” software Escrow business, which provides cheap insurance against computer program manufacturers going out of business, to develop Europe’s largest “ethical hacking” operation. In the first four months of the financial year, group revenues of £35.6m were 20pc up on a year earlier.

CML Microsystems, meanwhile, is a fully listed, £87m company that designs, makes and markets semiconductors, mainly for global communication and data storage industries. An impressive record of double-digit earnings and dividend growth looks set to continue in the current year and the valuation remains attractive, especially given the surplus property assets it owns.

The Stanley Gibbons Group has a worldwide reputation for stamp dealing and continues to develop its collectable websites. These include autographs, records and memorabilia, rare coins and military medals.

The company is working to create a trading platform, which is said to be progressing in line with plan, and opened a new office in Singapore in April which traded profitably after only three months.

Focusing closer to home, the Government's support for home buyers with the launch of Help to Buy is benefiting housebuilders.

In final results to July, Bellway showed earnings fast. The company sold 5,652 homes, up 8.2pc, with the average selling price up 3.2pc higher, yet it is still priced on a low valuation.

Returning to Aim stocks, Restore specialises in two principal areas: document management and office relocation. This £104m company is under new management and in the past three years has made some good buys – document shredding and IT relocation firms – that have boosted profits.

Finally, recruitment company Staffline Group is likely to continue to benefit from the recovery in the British economy and employment market while the shares are reasonably valued.

A wide range then of high-performing British businesses illustrating why Slater confidently back British not out of sentiment but hard-headed analysis.

Why Mark Slater is worth listening to

Mark Slater, son of the highly regarded investor Jim Slater, is chairman and chief investment officer of Slater Investments. In 1992 he helped research and edit the bestselling investment book The Zulu Principle for his father. But he soon stepped out of the shadows, with his funds performing well in the late Nineties and during the bear market a decade ago.

His MFM Slater Growth fund was the best-performing UK fund focused on shares in 2010. It has returned more than 300pc over five years, compared with around 120pc for the average fund of its type.

Mr Slater's funds – he also runs one focused on income – had a period of slipping behind rivals early last year but his longer track record suggests a knack for picking smaller and medium-sized stocks that outperform.

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