



Nov- Dec 2016

The year has slipped away leaving our country looking into the maw of an uncertain and possibly lonely existence outside a Europe with which we share a common heritage. Mr Barnier, it seems to us, is perfectly correct in pointing out that we cannot cherry-pick; we are either in or out, we simply cannot have it both ways. What is to be greatly regretted is that the political class in this country – especially those who were sent to Europe as MEPs or Commissioners – made no discernible effort to improve the way Europe is run. As a result the Union has had nothing but bad press almost since we joined. This anti-Europe chorus has been led by the more eccentric and sometimes colourful members of our political class whose ideas are nonetheless profoundly wrong. Some indeed appear to believe we still have an empire. One ray of comfort however; we have Mr Farrage (sic) to look after our interests in concert with his chum in the United States. That's alright then!

At present the real effect of this quite unnecessary vote to regain a sovereignty which we never lost (our sovereign was and is still Her Majesty) has still to filter through to the real world. Although in meetings and surveys businesses clearly expressed a desire to remain within the EU nonetheless and at the present state of play, a significant number of companies expect to increase their revenues over the next twelve months; whether their terms of trade will improve however is another matter, as imported materials and goods are now and are going to be considerably more expensive. Certain analysts predict a major crash in the value of the pound indeed some believe that the pound might end up being worth less than the dollar! This is going to hit more than the price of Marmite or Lego.

At present we are finding the market relatively quiet with only some small activity. Colleagues with whom we work however see opportunities in the current situation. We see caution. Overseas buyers are hesitant for although prices they will pay are now lower owing to the fall in sterling they are concerned the fall may continue into the New Year. Why buy now therefore when the assets could be a further 5-10% cheaper in 6 months time? No-one knows with any certainty, save those pundits predicting the end of the world as we know it, what the future will bring. Our view is that it is worthwhile considering your position if you are an owner of a business. Cash, in the currency which most closely reflects your long-term life plans, is still king. Better a completed deal with cash in the bank than an unsatisfactory hoped-for deal in the following year or the next.

Whatever your motives, if you are seriously considering the sale of your business it is important that you chose an experienced broker who knows his business and understands the market. All Chesham does is to help sell businesses, we do not offer other services; our role is to help sell your business not to transform it into something else that might superficially look temporarily more attractive. Some of our competitors charge a significant initial fee and then a completion fee adding up to considerably more than Chesham's single success fee (charged to the buyer). The fundamental work however is no different. In to-day's situation our view is that waiting a while to see how national, international and most importantly European politics develop is sensible but when you do speak to a broker make sure it is an experienced and knowledgeable broker; companies are not sold on a push-button basis, talk to Chesham because you only sell your business once!

In the meanwhile we wish everyone a very Happy Christmas and all the very best for 2017.