



November-December 2018

News has become thoroughly repetitive and quite simply depressing; Brexit is on everyone's lips and absolutely no sensible solution is in sight. The Brexiters blame the Europeans for their alleged intransigent positions while the 16m Remainers (aka Remoaners) are treated with tremendous arrogance by the Brexit camp. Meanwhile and curiously enough, the voices of the representatives of these 16m Remainers are muted! There is something quite seriously wrong – Brexiters look down their noses and say "That's Absurd" without however putting a single tangible proposal on the table for discussion. "It'll be alright on the night" appears to be their mantra. Others in that camp have meanwhile either moved their businesses overseas or are bolstering existing overseas operations. A tremendous vote of confidence in their own judgement!

Mrs May meanwhile is very curiously pursuing a scheme which – to us inexperienced political observers – appears doomed to complete failure. How much more statesmanlike it would have been, in June 2016, to accept that the result of the Referendum highlighted a potential desire to leave Europe but, based as it was on such a slender majority and with such inaccurate information, she ought to have set – for example – a 3-year study and consultation period to gather concrete facts not fantasies and then allow for a second referendum on the basis of a minimum turn-out and a minimum majority; Say 70% turn-out and a margin of 25%. A margin of this order would give legitimacy, presently lacking, to arguments one way or the other. We would then know exactly where we stand and so would our European partners. The huge sums of money spent on this doomed exercise over the last 2 years would surely have been better spent working on improving the workings of Europe instead of distracting the leadership with belligerent and sometimes impolite rhetoric.

With sterling sinking – despite the occasional transient uplift - and other financial indicators somewhat moribund, the situation is difficult! There is no escaping this situation; activity is certainly being constricted.

We are, for example, presently working in the Professional Services sector where, despite a desire from buyers to seek to engage vendors in discussions leading to a sale, there is, unhappily, little interest from vendors themselves! Naturally age will always be an issue and at some future time entities that include older members must inevitably consider the future in order to avoid end-of-life complications. As the Financial Times reported on the 5th December «Political turmoil over the outcome of the Brexit negotiation helped push activity in the UK's service sector in November to its lowest level since the immediate aftermath of the EU referendum, according to a key survey of executives working in the industry».

Meanwhile on the industrial front there is a little more activity although this too is restrained. Buyers are being particularly cautious and are requesting more detailed information prior to making even a preliminary proposal. Vendors on the other hand are stretched by the extra vigilance their businesses require in these difficult times in addition to having to seek out new or alternative customers and markets. In addition foresighted owners are forging relationships with overseas firms in anticipation of the potential difficulties that March 2019 will present. It is at times like this that smaller deals representing companies with revenues below £10m face more issues than larger deals because the margin for error or misjudgement is slimmer.

With 55 years experience Chesham has seen many ups-and-downs in the economic cycle but never a situation such as we now face. Time and Tide wait for no man; people will reach a time in life where a sale of their business must be contemplated. Whereas 50 years ago 60 seemed to be a sensible time in life to consider a sale, now 70 seems to be the threshold and how marvellous is that? So when the time to sell arrives it is sensible to speak to an experienced and knowledgeable broker; companies are *not sold on a push-button basis*; talk to Chesham because you only sell your business once!