

Top 100, 2008

The credit crunch opportunities

The best run companies in the county will see the credit squeeze as an opportunity to examine their business practices, streamline and come out the other side stronger. But the fear is they could also talk themselves into a recession, says David Williams, head of corporate and business services at Hazlewoods LLP

THE Top 100 shows that despite the credit crunch Gloucestershire business is bearing up well and significant growth has been posted by many. There is a danger that with the amount of negative sentiment in the National Press we are likely to talk ourselves into a recession. With certain sectors feeling the squeeze the best run companies will see this as an opportunity to analyse their business, streamline and be stronger and more profitable once this unsettled period has passed.

Balance Sheets of the Top 100 remain strong, with many having large cash balances and the ability to leverage further Bank Funding should they require. Banks are still lending money at competitive rates if the business has a good asset backing, track record and strong management team. We have returned to the days where sensible deposits are required and loans are being offered by the Banks which are serviceable.

At Hazlewoods we have seen continued growth over the past twelve months. This has come from concentrating on our key strengths of the added value service provided to SMEs and our specialist industry sectors. Our Corporate Finance team have also had a record year. They saw a high level of activity at the end of the financial year,

partly driven by business owners looking to take advantage of the effective 10 per cent tax rate before taper relief for capital gains on business assets was withdrawn. It is interesting that our experience on company sales is borne out by the Top 100 list where a number are no longer included because of a sale. More Companies have departed the Top 100 through successful sale by their owners than have departed due to business failure.

The Top 100 is a changing landscape with new entrants and leavers. We see this trend continuing, we have some prize assets in the region. I believe that most acquirers have bought successful businesses in Gloucestershire because they can see those businesses continuing to prosper and grow. The qualifying criteria of the Top 100 is that the head office needs to be in

Gloucestershire. So while a company, which has been sold to a group based outside of the county, may no longer feature on the list it will continue to add considerable value to the local economy. In our experience the entrepreneurs who sold their businesses,

invariably re-invest in new businesses and new ideas. Sometimes that can be in a new business they buy or have the idea to set up or it can be to provide valuable equity and loan finance to another entrepreneur. In addition in the latter cases they can provide priceless business experience to help create next year's new entrant to the top 100 list. Entrepreneurs who sell don't tend to just retire to the beach; not for long anyway!



OPPORTUNITY: David Williams, head of corporate and business services at Hazlewoods LLP

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