

BREXIT STATEMENT

The decision made by the UK to leave the European Union, or ‘Brexit’ as it has become known, means that we must embrace the challenges that this decision will bring. In order to ensure that our business is sustainable, we have put into effect a number of strategies which will ensure the strongest possible outcome for our company as the transition away from EU membership takes place.

Inevitably there is still a great deal of uncertainty as the Brexit negotiations take place and therefore our plans are intended to allow for a degree of flexibility in the interim period. Assurances have been made by the Government regarding Brexit, yet it is impossible to predict the final outcome.

Thermoteknix Systems Ltd routinely import and export materials both within and outside of the EU, accordingly we are well versed in the necessary procedures, already holding and using an Economic Operator Registration and Identification (EORI) number, required to import goods from the EU. We already work with a number of our preferred customs brokers and freight companies who can support us with any extra requirements relating to customs clearance entries and exit and entry summary declarations.

There has been a lot of speculation in the media about the possibility of congestion at British and EU ports in the immediate aftermath of Brexit. The speculation is based on the expected necessity for additional paperwork to be completed on goods transiting through the ports, the worst case scenario being that there could be limited movement of goods between the UK and the EU for the months of October through to December 2019.

In the unlikely event of a no deal, the UK have committed to ensure UK legislation replaces EU legislation via the EU Withdrawal Act.

Thermoteknix Systems Ltd are putting actions in place to maintain higher levels of stocks in the UK prior to the leaving date based on market demand, current and prospective orders and in recognition of the long lead times of several of our key components. We are asking that our customers work with us by forecasting demand and where possible, plan in advance their order volumes for the last quarter of 2019 through to the end of the first quarter of 2020. Placing call off / forward planning orders will allow us to ensure adequate stocks are already in situ and pricing is maintained for as long a period as possible going into Q2 2020.

It is recognised that as Brexit unfolds a number of parties will be concerned, including our customers, European based suppliers and our network of agents and distributors. Equally, within our own organisation wide ranging sections of our business will likely be affected by changes; areas including customer services, sales, procurement, finance, compliance, the samples team, human resources and information technology. We have therefore considered, amongst a number of areas, the potential impact of changes to tariffs and Customs borders, the potential impact on our costs, administrative workload and our employees, but also the effect of increased volatility of exchange rates and weakness in particular, between sterling and the euro and dollar.

As a prelude, we have already researched the implications of potential tariff and quota restrictions and considered the potential disadvantages, and advantages of these. We have undertaken a review of our supply chain for components to mitigate the impact of any major changes following Brexit and explored possible changes needed to our policies and processes.

As a company well versed with the demands of international trade since our inception in 1982, we have every confidence in the skill and expertise of our administrative staff and their understanding of export procedures to be able to cope with any changes necessitated following Brexit in whatever form it may take.

We wish to reassure our customers, suppliers, agents and staff of our ongoing commitment to continued ease of trade, both within the EU and with our other export markets.

We hope that this statement answers the main concerns that you may have during this period of uncertainty. If you have additional queries or would like clarification, please do not hesitate to contact us.



Dr Richard Salisbury MBBS MRCP
Managing Director

16th August 2019