

Bisley

Brexit Policy January 2019

About Bisley

Bisley conducts its business from its manufacturing site at Newport in South Wales, Bagshot in Surrey, Clifton Street in London and the main showroom located in Dallington Street, London. Bisley is a UK manufacturer of a wide range of steel storage products predominantly for the business workplace, with ranges designed for those working from home for both the UK and international markets. Bisley also manufactures industrial storage products designed for use in heavy engineering environments for both commercial and private sectors.

Our Philosophy

The Bisley philosophy is to continuously re-invest in major capital projects with the objective of providing manufacturing excellence. In the past 20 years, Bisley has invested over £80m. The production and distribution facilities, totalling 52,000m², deliver a combined output of 15,000 finished steel storage cabinets per week.

Bisley employs the most advanced manufacturing processes from in-house tool-making and computer aided design (CAD) through to precision folding, robotic welding, CNC drilling, and laser cutting and automated plants for powder paint application. This philosophy has enabled the Bisley Group to become Europe's largest manufacturer of steel and wood based storage products for the office and industrial environments.

Our Vision

To understand our customer needs and to ensure the continued success of the company through reinvestment in order to create a centre of Lean manufacturing excellence, together with long-term secure employment for all our employees.

Scope of Brexit Policy

Whilst the terms of the final agreement between the UK and the EU remain unclear, and inadequate to provide a basis for detailed planning, as a company we need to ensure that we have made adequate provision for an 'untidy' exit from the EU, such that we can continue to manufacture in the UK and trade globally without hinderance to maintain volumes and the high levels of customer service our worldwide customers have grown accustomed to, whilst at the same time ensuring that our employment of EU Nationals is compliant with legislation.

We have identified the following four major risk areas:

1. Raw material and component supply

We anticipate there may be an increased lead time for goods sourced from the EU due to customs and border controls, these may either be for items sourced directly from the EU or through UK distributors.

ACTION: We have reviewed, and continue to monitor, our top 30 suppliers to identify such components. We have contacted all the relevant suppliers to make them aware of our concerns and have requested confirmation of the actions they are taking to mitigate our risk.

Where we have identified a potential risk to supply we have commenced the process of either:

- Seeking alternative non-EU suppliers, and/or;
- For standard components, increasing our inventory levels and buffer stocks by approximately one month's stockholding.

2. Logistics - Sales into EU

Although there may be delays and possibly additional logistics costs incurred exporting our products to the EU, the (only) commercial risk is an extension of lead time for a small number of days. Since our products are non-perishable, we do not consider this a direct risk requiring further action, as should the situation arise we shall deal with the repercussions on a customer-by-customer, load-by-load basis.

3. Administration

Bisley exports annually to over 25 countries outside the EU and already has adequate tried and tested administrative processes to ensure efficient customs clearance. In addition, the WTO tariff percentage for office furniture (steel and wood) is 0%, and thus the backstop of WTO rules should not increase costs to our customers, although component import costs may increase by the existing WTO duty rate of 2.9%. It should be noted however that Bisley already has an HMRC arrangement for "Processing under Customs Controls" related to the importation of certain items from the Far East, which we believe could be extended to incorporate a wider range of components if necessary, and thus mitigate the additional duty costs (although at the expense of reduced working capital).

Our products are already, where required, certified by EU accreditation agencies and our manufacturing site is regularly and routinely inspected by them.

4. Labour Shortage

The percentage of our UK workforce originally from EU countries is relatively low and has been in slow decline since the Brexit vote in 2016. We have however identified several important roles currently undertaken by EU nationals.

We have reviewed these roles and are confident that we either have sufficient experienced and trained expertise available, and that most of these EU nationals have been working for Bisley and living in the UK for many years, and we believe it is highly unlikely that they will return to the EU en-masse, and thus no action is immediately required.

5. People Matters

Bisley is concerned that our existing employees who are also EU Nationals may however be feeling unsettled and we have commenced a process of engagement with them to alleviate any concerns of potential anxieties they may have.

We have ensured our employee records are accurate regarding the nationality of all staff, and for EU workers we continually update them so that they understand the impact of any changes and have the correct documentation to allow them to continue legal employment.



Signed:

JOHN ATKIN
Chief Executive

Date: December 2019