

Impact of Brexit

December 2020



Consideration of the impact of Brexit

Background

The UK left the European Union (EU) on 31 January 2020. Despite significant negotiations during this transition period, there is currently no negotiated agreement. Therefore, the precise trading conditions for UK and EU companies across borders remain unclear, more specifically in the event of a non-negotiated ('no deal') Brexit.

Idox is staying up to date with all relevant information. We undertake risk assessments of how our business operations between UK and European entities may be affected, and the potential risk to our customers and suppliers in the event of a 'no deal' Brexit.

In practice, it is likely that market forces and logic will mitigate some of the worst-case scenarios occurring from a post 'no deal' Brexit scenario, however our planning has considered these.

This document outlines our assessment of the potential impact of a 'no deal' Brexit on our ability to support our customers.

Potential impact on customers

In most cases, the core skills required to develop, sell, and deliver our key products and services are located in the same geographical area as our customers – or are replicated across both EU and non-EU countries. This mitigates the impact of any possible limitation on staff travel, or on our ability to export people-based services.

The impact on our customers from a 'no deal' Brexit would be minimal as we anticipate continuing to service customers with in-country staff. If any product or service requires specific skills usually located outside the UK or Europe – or vice versa – in most cases these skills can be substituted or complemented by third parties located in the country where delivery is required. For example: sales and marketing, project management, IT development, customer services and management of IT infrastructure.

We have no significant reliance on having to provide any specific products or services from any specific country/region in our portfolio.

Potential impact on suppliers

We regularly assess suppliers to ensure continuity and flexibility in delivery of our products and services, including validating the territory in which we are permitted to distribute solutions that contain third-party components. This provides us with the necessary visibility to consider and evaluate the impact that a 'no deal' Brexit would have on our supplier community, and businesses generally.

From these assessments we have identified various supplier relationships between EU and UK suppliers that are material, however these encompass the continued support of existing component licensing and associated support services; none involve the delivery of physical goods or local delivery of services. We have therefore not identified any impact on our suppliers from a potential 'no deal' Brexit.

The recent impact of COVID-19 has changed the way we operate with suppliers. However, there has been no direct impact on our operations, demonstrating our confidence in the robustness of our supply chains.

Overall impact assessment

Considering the ongoing Brexit negotiations, and the potential prospect of a 'no deal' Brexit, we continue to monitor our agreements with customers and suppliers and have not identified any areas of impact that are a current concern. We will continue to keep these potential risks under review to make all possible preparations and ensure that safeguards are in place to continue delivering our products and services to the highest standards, at competitive prices for our UK, European, and global markets.