



**Absolute Calibration Limited**

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## Brexit Risk Assessment

### Statement

On 29 March 2019, the UK will cease to be a member of the European Union. Absolute Calibration (AC) offers a calibration service for in-house and subcontracted measurements as well as instrument sales (<6%). The make up of sales and purchases for 2017 can be seen below;

Area	% Sales	% Purchases
United Kingdom	96	91
European Union	2.5	8
Outside of the UK/EU	1.5	1

### Assessment of Risk

As the above shows, initial risk to the business is low, however, AC have carried out the following assessment, utilising questions taken from a recent online survey, to establish any threats to the business.

Possible Result of Brexit	Remarks	Impact
Changes to customs procedures for both exports and imports and the possible effects on cash flow and payments processing.	The low level of business and therefore relatively low costs offer no threat to processing or cash flow.	Minor impact
Possible changes to common standards ceasing to apply e.g. EASA and REACH.	AC's largest customer will be effected by any changes to EASA, however, this will not affect their calibration requirement. REACH did not affect before and will not after.	No impact
Effect of currency fluctuations and increased cost to manufacture and transport.	No direct impact on AC's sales, however, some of its customers will be effected which may result in a decline of calibration requirement.  8% of purchases in the EU are mainly made up from one product supplier in Denmark. They have said that if tariffs are imposed they would absorb most of the additional cost with a negligible effect to the UK customer, therefore still	Minor impact

	keeping the product cost in-line with its UK competitors.	
Effects caused by changes in the rights to live and work in a particular State, as well as changes to travel restrictions.	<p>The majority of recruitment occurs in the UK. However, AC has successfully employed someone from the EU (outside UK). It has also successfully employed someone from outside the UK/EU.</p> <p>Staff do travel outside the UK for calibration work in Ireland. There may well be an increase in costs which will be passed onto the customers. WE do not envisage any restriction to work over there on a temporary nature.</p>	No impact
Disruption to the company's supply chain including changes to manufacturing lead times and the vulnerabilities of suppliers.	<p>The vast majority of suppliers are other calibration laboratories that will have the same minor impacts as AC. Other suppliers will be the OEM, which if negatively affected will impact on our customer not on AC.</p> <p>As supply is a small percentage of turnover and is on niche products any increase in lead times will not affect sales.</p>	Minor impact
Changes to legal status of the company's certifications, staff qualifications caused by changes in regulation.	Certification (e.g. ISO107025) is issued through UK assessors against an international standard. Staff qualifications do not affect AC.	No impact
Impact of new tariffs and taxes and the company's capabilities to understand and manage these new requirements.	Even though the amount of sales and purchasing is small there will certainly be an element of instruction to understand new tariffs and procedures etc.	Minor impact

## Summary

As a calibration laboratory offering a service contained almost entirely of labour, or alike subcontracted services, Absolute Calibration considers the overall direct risk of Brexit to be low due to the nature of its limited supply chains. The major impact will be that of the effects of its customers of which only time will tell.



**D Abbott**  
Managing Director, September 2019