

BREXIT STATEMENT & RISK ASSESSMENT

Now that the UK has formally left the European Union and enters the transition period whereby EU rules continue to apply until the end of 2020, we will continue to closely monitor the negotiations between the UK and the EU. Phoenix remains absolutely committed to ensuring zero or very little impact on the supply of our products and services to our customers and are doing everything possible to safeguard the excellent service we provide.

We published our initial Brexit Statement in October 2018, updated it in January 2019 and review it regularly in line with government notifications. Below are the risks that we considered - and still consider to be current - during the transition period:

Software Supply

We do not envisage any impact on our ability to supply software to our customers. We have the flexibility of choice for sourcing products from multiple suppliers and vendors. With software being digital, there will be no supply restrictions or border issues so this will have no impact on our ability to supply products to our customers.

Software Pricing

With software being digital no additional import duties or tariffs will be applied. Where we purchase products in a foreign currency, there could potentially be some impact due to the fluctuation of the pound and whilst we always strive to offer competitive pricing, this will be out of our control.

Cloud services

As Microsoft deliver complete cloud in the UK from their UK data centres, organisations will be able to take full advantage of these cloud services and enhance communication and security whilst storing their data within the UK. All of this can be provided by Phoenix.

Employees & Contractors

The end of free movement of people will have no impact as we recruit from within the UK. All Phoenix employees have the entitlement to work in the UK so there will be no staff loss. We are not required to hire people from abroad to work on projects for the business and 3rd party contractors such office cleaners have the entitlement to work in the UK.

Standards

The Government has said it will maintain high regulatory standards for the environment, climate change, social and employment, and consumer protection and not allow standards to fall below their current levels. We are encouraged by this and will continue to maintain these high level of standards.

Financial Stability

Phoenix is a financially strong company and resilient enough to survive any downturn in the economy. With any economic uncertainty, we are aware that some customers may delay large IT investment decisions but actively encourage all our customers to include us in their software investment deliberations as we have the expertise to advise on the best arrangements in these uncertain times.

Signed:  Sam Mudd, Managing Director

Dated: 01/12/2020