

Extract from a letter from a Chamber member on the effects of Brexit

6th July 2016

I am writing to you as a manufacturer who employs over a hundred people in the South Thanet constituency to highlight the immediate impacts to our business in light of the “success” of the Vote Leave campaign in the recent referendum.

1. \$ Exchange Rate.

We have had considerable support from our US holding company to enable us to survive the early 2000's. The group have chosen to leave this money as a liability on our balance sheet and as such is subject to movements in the exchange rate. Post referendum the £ has dropped 15% against the \$ which to us means a £828k negative impact we have to declare on our P&L as our year end is 25th June 2016. Our declared results will be there to haunt us for years to come and paint a negative picture of us at Companies House to any potential customers who we are seeking to trade with us, even if exchange rates do recover in the coming year. These declared results at best add significant hurdles we have to overcome before we can grow.

2. € Exchange Rate.

We have to purchase our main polymer materials in Europe as we simply do not produce them now in the UK. This means the costs of our raw materials have gone up approximately 8% which we are already struggling to pass on in a highly competitive market.

3. Increase of racist behaviour.

We employ many fine people with outstanding values and work ethics, some of whom originate from the EU and beyond. Since the referendum there has been an increase in racist behaviour within the local community which is causing a great deal of distress to employees we value, even to the extent in one example of a death threat. This matter has been referred to the police. The issue is one of proof which is difficult when the threats are verbal. This behaviour has escalated since the referendum and is obviously causing a great deal of concern to this family and I am sure they are not alone. As a family business this is alien to Flambeau and getting people with the right work ethic is already a struggle in this area. If the victims ultimately choose a better life elsewhere, who will be the victor?

These all destabilise our business now. I am totally disillusioned with the lack of a credible plan to take our nation forward since the referendum. The resulting market volatility has now caught us on the back foot. I can only hope stability returns sooner rather than later, before we need to take action to protect our business.