



Import Export Support

confidence through clarity

CLIPBOARD CASE STUDY

Tobar



Why supply chain clarity is important to a toy importer

The run up to Christmas is a challenge for most of us, but at a toy wholesaler and retailer such as Tobar the pressure is really on. It is down to the team at Tobar to ensure that Santa's sleigh is packed with gifts for Britain's children - and working with the team who ensure that Tobar's supply chain works efficiently is the responsibility of Joanna Burton, Tobar Financial Controller.

The issues

Tobar takes this responsibility seriously and having started a supply chain audit, realised they needed support. They brought in IES to perform a full supply chain review and asked them to look for weaknesses in compliance and suggest opportunities for margin improvements.

The review showed Tracey Renshaw, Director of IES that Tobar's product classification was a key issue. Classification, which determines how much duty and VAT is paid on imports, was being performed in a non-compliant and inefficient way. The review also showed that cost efficiencies could be made from gaining customs warehouse approval and adopting Customs Freight with Simplified Procedures (CFSP).

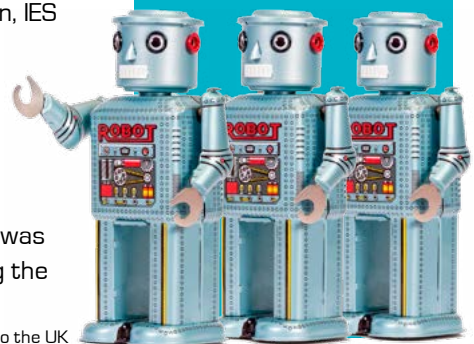
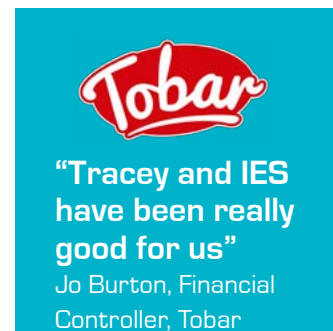
HMRC rules can be complex, but as Jo Burton says "Tracey explains everything in layman's language so everyone understands"

The solution

The IES plan was to firstly address compliance shortcomings. This is a core Tobar value which needed to be given priority and would give the sound foundations on which a new efficient supply chain could be built. It involved Tracey Renshaw working with Tobar's Freight Agents to agree a new Standard Operating Procedure (SOP) and carry out a classification review of more than 2,500 imported product lines. In addition, IES performed compliance checks on all Tobar's recent imports, and submitted amendments for all the inaccurate import entries.

Making cost savings

Once the compliance framework was embedded, the work on delivering the



Tobar import thousands of toys into the UK



Joanna Burton
Financial Controller, Tobar

Tobar Head office, Norwich



**“ Would I recommend IES?
Absolutely yes. I’ve handed
out Tracey’s card to people
in the business”**

Jo Burton, Tobar

The Brexit Challenge

Jo Burton has made sure that Tobar are prepared for the likely outcomes of Brexit and the new Customs Warehouse gives Tobar the flexibility to manage their imports and exports.

As Jo says, “No-one knows what’s going to happen, however we feel that under the expert guidance of IES, Tobar are prepared”.

To find out how IES can help your business:

Call Tracey Renshaw on 07710 238113

Email: tracey@importexportssupport.co.uk

Go to: importexportssupport.co.uk



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cost savings and efficiencies started in earnest. This entailed gaining appropriate customs authorisations, maximising the use of data interfaces and fully documenting supply chain procedures. This ensured Tobar’s supply chain could become robust, transparent, people and future proof. Jo Burton says “We took back control of our supply chain”.

The results

IES submitted two successful classification reclaims to HMRC and a five-figure sum has been returned to Tobar. The savings are protected from retrospective action by the Binding Tariff Information system (BTI).

Cash flow improvement

For Tobar, like any business, cash flow is key, and therefore part of the plan was to minimise VAT and duty paid on imports. These savings have been delivered through gains from two IES recommendations. First, after HMRC authorisation, Tobar now operate a Customs Warehouse with CFSP. Secondly, they use a Deferment Account with Simplified Import VAT Accounting (SIVA). The Customs Warehouse allows Tobar to build up imports during the year and store the goods without paying duty. The duty is only paid when the goods leave the warehouse, and if they are re-exported, UK VAT and duty is never paid.

Planning further savings

Because the supply chain is now fully documented and purchase order and shipping data optimised, product information and costs are captured in the most efficient way. This has enabled Tobar with assistance from IES to apply for HMRC AEOC accreditation. This will help Tobar to reduce costs further, especially when Tobar apply for Customs Guarantee, a mandatory requirement of the new customs legislation Union Customs Code (UCC).

Jo Burton says “AEOC status and the Customs Warehouse gives us extra credibility in the market place” and sums up the project by saying “Tracey and IES have been really good for us”.

In brief:

Importing 2500 toys and novelties means that clarity in Tobar’s supply chain is key to the success of the business.

IES carried out a detailed supply chain review and identified several ways for Tobar to make cost saving and improve efficiency.

IES helped Tobar gain HMRC authorisation for a Customs Warehouse and Simplified Import VAT Accounting, leading to significant cashflow improvements and savings on VAT and import duty - and a five figure sum back from HMRC for classification reclaims.