

Daisy Corporate Services Trading Ltd Statement on Payment Practice Improvement Action Plan.

Daisy Corporate Services is committed to paying all suppliers to terms. The company reports its payment practices and performance on a six-monthly basis, as prescribed by Department for Business, Energy & Industrial Strategy Reporting Guidance.

The Companies objective is to pay 95% of its suppliers within 60 days, The reports published have indicated that we are not quite meeting the benchmark. Over the first 4 six-month reporting periods since the introduction of the reporting requirements we are averaging 90%.

There are a number of reasons why remaining payments could be delayed, for example internal approvals, late receipt of invoices. Suppliers quoting incorrect purchase order numbers and disputes.

Senior Managers of both the Procurement and Finance meet regularly to review performance, identify reasons for non-compliance and drive improvements. This is then reviewed by the Finance Director.

Our Finance Department has completed an analysis of the reasons for missing the 95% benchmark.

The three main reasons are summarised as follows, along with the actions being taken to address each. This plan will be continually updated and improved as issues below are resolved and any new issues are identified

1. Purchase Order matching delays

A significant proportion of our supplier invoices are approved by means of 'three-way-matching'. When the purchase invoice is subsequently received by our Accounts Payable Department, the processor seeks to match the invoice against the original order and the confirmation of delivery/supply. On confirming a match, the purchase invoice is posted to our Finance system and scheduled for payment. Sometimes, due to incorrect information received from the supplier, or internally, the processor is unable to find a match and is required to send query to the order originator. There is sometimes a significant time lag before a query response is received. The delay can lead to late payment of the invoice.

Action:

As part of our supplier onboarding, and service review process, we are reconfirming with suppliers the required information necessary on supplier

we are **daisy.**

invoices. We are also evaluating a similar model internally to reduce errors in information received internally from Daisy.

2. BACS Payment Runs Frequency

We settle almost all supplier invoices by means of a BACS payment run. Historically these payment files have been created and processed on a fortnightly basis. This 14-day interval can create the majority of small over-runs on 30/60 day terms

Action:

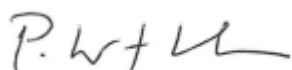
We are evaluating if BACS payment runs can be conducted in a more frequent rate.

3. Historical Payment Terms

Longer or shorter payment terms may be agreed as part of a wider commercial negotiation of the relevant agreement with certain suppliers. Any deviation from standard terms will take into account, amongst other things, (i) the type of goods or services provided and undertaken, (ii) the size of the supplier and its wider corporate group, (iii) the supplier's relationship with the wider Daisy Group and (iv) any other relevant commercial factors.

Action:

We have a number of legacy commercial agreements which may be on longer or shorter terms which will be reviewed at renewal with the objective of reducing the payment terms if possible.



Paul Worthington
Finance Director

April 2020

we are **daisy.**