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Daisy Corporate Services Trading Ltd Statement on Payment Practices and Continuous Improvement.

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 have achieved 100% and 99% in the last two reporting periods.

There are a number of reasons why remaining payments could be beyond 60 days, or agreed term; for example, purchase order matching delays and disputes.

Senior Managers of both Procurement and Finance meet regularly to review performance, identify reasons for non-compliance and drive improvements. The output from these meetings is combined with the regular reporting, and publishing, of achievement to measure progress against the plan to the committee.

In addition to the above, each week senior Managers from Procurement and Finance have a short meeting that includes any issues that have been raised the week before by suppliers. This can be about their account, invoices in query or outstanding payments. Actions are put in place to resolve any issue.

Supplier Management have monthly, quarterly and annual reviews with our partners, as part of these reviews there is a section on the agenda dedicated to Commercial and Finance this allows both organisations to raise any issues or concerns. Any issues or concerns are documented as part of the action plan, which details the issue, owners and timeline to resolve. All actions are reviewed by the supplier managers prior to any review or in line with the agreed timelines.

As part of the ongoing performance and improvement review, our Finance Department's previous analysis of the reasons for failing to pay 95% of all supply chain invoices in 60 days, and all invoices within agreed terms, identified 3 primary reasons. These were detailed in a previous Prompt Payment Action Plan. The action plan created to resolve two of these issues (BACS Payment Runs Frequency, and Historical Payment Terms) has been fully implemented. This has led to a significantly increased performance across all metrics.

There still remains improvement to be made in paying invoices within 60 days, and within agreed terms; although performance has been 99% and 100% within the last two reporting periods, and therefore the action plan below for Purchase Order matching delays will always be ongoing.

Purchase Order matching delays

A significant proportion of our supplier invoices are approved by means of 'threeway-matching'. When the purchase invoice is subsequently received by our Finance Shared Services Centre, 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 a 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 invoices. We are also evaluating a similar model internally to reduce errors in information received internally from Daisy.

We will also investigate the small number of invoices (achievement was 100% and 99% in the last two reporting periods) that failed to be paid on time to ascertain if any new issues have caused this to occur besides the one above.



Kris Lee
Finance Director
September 2023