

Prompt Payment Code

administered by the Office of the Small Business Commissioner on behalf of BEIS



The commitment made by Prompt Payment Code signatories is to pay 95% of invoices to small businesses (businesses with less than 50 employees) within 30 days and 95% of invoices to larger businesses within 60 days. Businesses failing to meet this figure, or close to it, will be temporarily suspended from the Code and given the opportunity to submit an action plan that will enable them to achieve compliance. Where the action plan is reasonable, and will achieve compliance within no more than 12 months, the organisation will be reinstated once their Payment Practices Reporting submission demonstrates compliance has been achieved. In the absence of a satisfactory plan or failure to engage with the PPC administration team, the organisation will be permanently removed from the Code.

This template should be completed and returned to ppc@smallbusinesscommissioner.gov.uk. Within 28 days, the company will be advised whether or not the Compliance Board deems it acceptable

Company Name	Leonardo UK Ltd		
Companies House Registration Number	2426132		
Date of last Payment Practices Reporting Data	January 2024 - Covering July-December 2023		
% invoices paid within 30 days to small businesses	Report not available		
% invoices paid within 60 days	94%		
	Actions to address each of the causes		
The primary causes of non-compliance	1. Differing internal processes and procedures around organisation, invoice flows and levels of approval in respect of invoice clearance and payments can cause delays.	We are planning to in-source our Accounts payable function for Helicopters division in Q3 2024, and implement other payment factory process efficiencies. E.g Software Upgrade to latest version.	Progress as at 24/01/2024 Regular meetings being held to identify differences in approach and to standardise as much as possible. Substantial improvements have been made to payment performance in the Electronics & Cyber divisions of the business with payment performance within 60 days
	2. Ensure appropriately set up purchase orders to support the ease of invoice matching.	Work with procurement and project teams to ensure delivery requirements, timescales and quality are clearly captured and understood by the supply chain.	Our standard terms have now been reduced to 30 days. There are instances where some suppliers wish to have global agreements and request longer terms for consistency across territories. We investigated to identify which procurement contacts are raising PO terms outside the standard terms of 30-45 days and educated relevant staff appropriately. Reviewed the PO's setup outside normal terms due to error and system amended appropriately Some payment terms have been manually amended to ensure earlier payment.
	3. Commercial disputes around quality of goods, services and general performance issues can cause delays to invoice approval.	Work with procurement, project teams and supply chain to ensure delivery requirements, timescales and quality is understood so as to minimise commercial disputes. Feedback to suppliers when invoices are raised in advance of contractual delivery.	Task is ongoing to identify which suppliers are invoicing ahead of delivery and ahead of contract. Some commercial disputes are always likely to continue. Progress has been made to clear aged invoices and resolve disputes. Clearing of old invoices impacts our statistics negatively. Report was developed so that an accurate invoice receipt date is available for use when reporting the statistics.
	4. Quality and timeliness of supplier invoices and delivery documentations.	Through appropriate communication channels work with and support the supply chain to ensure accurate and timely documentation so as to minimise invoice queries.	Regular reviews are being run to identify supplier invoices which are erroneous, and educate suppliers as to required invoice information. Additional labour resource was obtained to assist with the identification and resolution of issues which made a significant difference in resolution of some of the problems

We note an update on progress is required at least quarterly and the first will be submitted by the following date	24th Jan 2024
Plan prepared by:	
Signed	
Name	Adrián Weir
Position	Finance Director
Plan authorised by Board Director:	
Signed	
Name	Clive Higgins
Position	Chair & CEO