



Schools for all the talents
The Canterbury Academy

The Canterbury Academy – Payment Practices and Performance Report 2019

Every year thousands of businesses experience severe administrative and financial burdens, simply because they are not paid on time. Late payment is a key issue for business, especially smaller businesses as it can adversely affect their cash flow and jeopardise their ability to trade. In the worst cases late payment can lead to insolvency.

Regulations made under section 3 of the Small Business, Enterprise and Employment Act 2015 (and, for limited liability partnerships (LLPs), the Limited Liability Partnerships Act 2000), introduce a duty on the UK's largest companies and LLPs to report on a half-yearly basis on their payment practices, policies and performance for financial years beginning on or after 6 April 2017. The information must be published through an online service provided by the government and will be available to the public.

What are the size criteria for reporting?

Businesses are in scope of the requirement for a financial year if, on their last two balance sheet dates, they exceeded two or all of the thresholds for qualifying as a medium-sized company under the Companies Act 2006 (section 465 (3)). The thresholds relate to turnover, balance sheet total and average number of employees.

At the time of publication, these thresholds are:

- £36 million annual turnover
- £18 million balance sheet total
- 250 employees

Statutory disclosures

The following report shows The Canterbury Academy's statutory disclosure of the payment practices and performance for the multi-academy trust.

This involves calculations that show the payment statistics for the time it takes to pay supplier invoices. We can use this report to assess the following:

- Average time to pay suppliers
- Percentage of invoices paid within 30 days
- Percentage of invoices paid within 31 to 60 days
- Percentage of invoices paid within 61 days or more
- The dispute resolution process

Reporting period

In a financial year there are normally two reporting periods. The first is the six calendar months starting on the first day of the business's financial year. So in the case of The Trust the reporting period is 1st Sept 2018 to 28th Feb 2019.

The second reporting period starts on the day after the first period ends, and runs until the end of the financial year. So the second period would cover 1st March 2019 to 31st August 2019.

The report submission dates are:

Reporting period 1- 30th March 2019

Reporting period 2-30th September 2019

Data Submitted – Reporting Period 1

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|---|--|
| Average time to pay invoices | 24 days |
| % of invoices paid between day 1 and 30 | 81% |
| % of invoices paid between day 31 and day 60 | 18% |
| % of invoices paid on or after day 61 | 1% |
| Payments due in reporting period which have not been paid within the agreed period | 19% |
| Shortest standard payment period in days | 30 days |
| Longest standard payment period in days | 30 days |
| Description of standard payment terms | Standard contractual terms are 30 days from date of invoice. |
| Were there any changes to your standard payment terms in the reporting period? | No |
| Maximum contractual payment period | 30 days |
| Does your business offer E-Invoicing | No |
| Does your business offer supply chain finance options | No |
| Under its payment practices and policies, can your business deduct sums from payments as a charge for remaining on a supplier list? | No |
| In this reporting period, has your business deducted sums from payments as a charge for remaining on a supplier list? | No |
| Is your business a member of a code of conduct or standards on payment practices? | No |

Dispute resolution process

In the event of a payment dispute the department budget holder will discuss the nature of the dispute with the finance team. The supplier will then be notified of this dispute and the actions required to bring the dispute to resolution. If a credit note needs to be raised or further goods supplied, the invoice will remain on hold until these processes have been completed. All disputes are aimed to be resolved within 30 days of the dispute being raised.