Examples of Payment Performance Evidence

1. UK Government Published Payment Practice Reports

2. Accounts Payable Report

3. Payment Performance Statement Signed by External Auditor

4. Credit Score / Credit Report Provider

5. Accounts Payable Ratio

**1. UK Government Published Payment Practice Reports**

Link: [Search for published payment practice reports (check-payment-practices.service.gov.uk)](https://check-payment-practices.service.gov.uk/search?q=)

* Free, accessible, up to date

You will already be self-reporting payment performance to The Department for Business, Energy and Industrial Strategy  **[BEIS) payment practices and performance system](https://www.gov.uk/government/publications/business-payment-practices-and-performance-reporting-requirements)** if your business exceeds the following thresholds:

• £36 million annual turnover

• £18 million balance sheet total

• 250 employees

If not, please note that businesses below threshold may also report their payment performance to BEIS **voluntarily**.

If you report payment data every six months in accordance with the [**Reporting on Payment Practices and Performance Regulations 2017**](https://www.legislation.gov.uk/ukdsi/2017/9780111153598/contents#:~:text=The%20Reporting%20on%20Payment%20Practices%20and%20Performance%20Regulations,report%209%20False%20statement%20offence%20More%20items...%20), the two most recent reports can be submitted in response to question 4C.4.

If you have data for the previous three or more months which has not yet been reported under the regulations, then this this can also be submitted as a reporting period.



**2. Accounts Payable Report**

Below is an example of a SG AP report detailing payment performance for a specific time period:



* Any AP report detailing the “invoice receipt date” and “In Bank Date/Invoice Paid Date” could be used to evidence payment performance
* Accessible, easy to use & up to date

**3. Payment Performance Statement Signed by External Auditor**

A statement on payment performance signed by an external auditor could be used as evidence. The statement must contain the declaration that “the supplier pays X% of invoices in line with their X day payment terms”.

**4. Credit Score / Credit Report Provider**

A number of suppliers provide a similar service such as Equifax, Experien & Dun & Bradstreet. The example below is an extract from Creditsafe. Points to note:

* A calculation may be needed to dermine the average payment performace percentage
* The data is not 100% accurate as it is based on payment data which is shared by the credit report provider partners/suppliers
* This is a paid service





**5. Accounts Payable Ratio**

* Possibly use alongside other methods above as verification
* May be out of date depending on when the accounts were filed and any extenuating circumstances at time of filing
* Only a snapshot value for the time of the filing
* Payables turnover ratio=

 (Cost of Sales (Supplier Purchases) / Accounts Payable (Total Liabilities))

* Accounts Payable Turnover in Days=

(365/Payable turnover ratio)

* Example: Companies House reports filed for Mitie Ltd which are freely available. Using their filed accounts up to 31 March 2021:

 Payables turnover ratio = Cost of Sales (533,250)/Total Liabilities (119,184) = 4.47

 Accounts Payable Turnover = 365/4.47 = 81 days