



1st September 2018

AFE GROUP LTD

PAYMENT PRACTICES AND PERFORMANCE REPORTING

Introduction

Business can experience severe administrative and financial burdens as a consequence of not being paid on time. We have a responsibility to be alert to the working capital and cash flow risks that may arise with our supply chain and service partners and be transparent in reporting our payment practices and performance.

Our Policies

We operate under a code of conduct and associated policies that govern the integrity of our business relationships and recognise the values we set for ethical trading and responsible sourcing, as well as commitments made under other aspects of our approach to corporate and social responsibility.

We publish our terms and conditions of purchase and as part of our ongoing engagement with our suppliers; we periodically review and consult upon the application of our policies, terms and conditions as integral elements of our supplier partnership discussions.

Our colleagues are expected to adhere to these policies and procedures and report any concerns to our management who will act upon them.

Our Organisation and Business Structure

The AFE Group Ltd has its head office in UK and is recognized as a leading international business specializing in the innovative design, manufacture and service support of professional cooking, bakery and refrigeration equipment for the global food service market. We operate from 15 locations worldwide, including UK, France, UAE, China and Australia.

AFE Group Ltd is organised into five business units trading under the business and brand names of :-

Brand	Business Activity	Web site
Williams Refrigeration	Refrigeration Equipment	www.williams-refrigeration.com
Falcon Foodservice Equipment	Commercial cooking and catering equipment	www.falconfoodservice.com
Mono Equipment	Bakery Equipment	www.monoequip.com
Millers Vanguard	Maintenance and service of bakery and foodservice equipment	www.millersvanguard.co.uk
Serviceline	Maintenance and service of foodservice equipment	www.service-line.co.uk

Our Supply Chain

Our supply chains include the sourcing of raw materials and the use of contractors for the principal activities of manufacturing, installation and service of professional foodservice equipment, together with associated administration and establishment services to support our business facilities.

Our Payment Terms

- Standard Payment Terms are 60 days following the end of month of the date of invoice.
- We have negotiated various commercial standard payment terms with our suppliers and service partners. These are structured around terms commonly applied within market segments of our industry.
- We proactively engage in supplier proposals that facilitate early settlement discounts.
- We engage and consult with our suppliers on any variations or changes to our standard payment terms.
- We do not apply or make deductions from suppliers as a charge for remaining as a nominated supplier to our business.
- We encourage electronic processes and procedures that streamline, and reduce administrative costs to us and our suppliers.

Payment Dispute Resolutions

- We issue purchase orders to clearly set out and confirm the type, quantities and agreed prices for the products and services we require.
- Occasionally supplier invoices may be queried or disputed because of a delivery, quality and quantity or price difference.
- We will promptly notify our supplier partners of any query or dispute we may have and engage in resolving these in a timely manner. Firstly through persons responsible for the supply agreement, if unresolved then escalated to Head of Department and Financial Controller. Failure to meet resolution will be escalated to the Finance Director.
- Where ongoing concerns remain, we may engage a third party to assist in reaching a resolution.

Monitoring our payment Performance

We set regular supplier review meetings to discuss matters such as innovation, quality, lead time and mutual business prospects. We encourage supplier feedback as to our payment practices.

Reporting our Payment Practices and Performance

AFE Group will report its 6 monthly payment practices and performances as at 28th February and 31st August via the Governments website portal.

T.S. Smith
Chief Executive Officer
AFE Group Ltd