

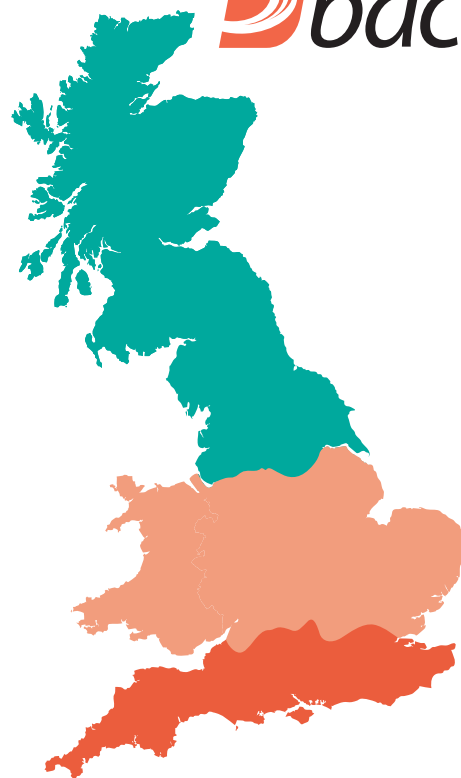
# The GB economic downturn

## Statistics by region



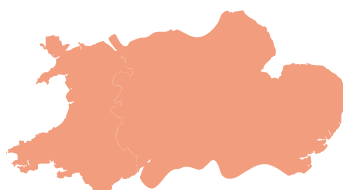
### National overview in December 2009:

- **57%** of SMEs nationwide have experienced late payments at one time or another
- **£25,000:** The national mean amount outstanding to the average SME
- **961,000** SMEs have been affected by late payments at one time or another – down from over a million in June 2009
- **£24 billion** is outstanding in late payments nationwide
- **55%** of SMEs nationwide ask for payment 30 days / end of month after receipt of invoice
- **17%** ask for payment on receipt of invoice
- **41 days:** the length of time the average SME waits beyond agreed payment terms for an invoice to be paid – up almost 10 days from June 2009
- **More than 1 in 3 SMEs** cited cash flow problems as the main reason given for late payments
- **37%** of SMEs reported that larger companies were the worst offenders for late payments, with a further 17% citing fellow SMEs as the main culprits
- **6%** of SMEs reported Government and not-for-profit organisations as the worst offenders for late payments



### North:

- **51%** of Northern SMEs have experienced late payments at one time or another
- **£29,000:** the average amount owed to a Northern SME at any one time in late payments, £4,000 above the national average
- **236,000** Northern SMEs are affected by late payments at one time or another
- **£6.8 billion** is outstanding in late payments for Northern SMEs at any one time, down from £7.1 billion in June 2009
- **29%:** the percentage of late payments shouldered by Northern SMEs\*
- **54%:** of Northern SMEs ask for payment 30 days / end of month after receipt of invoice
- **16%** of Northern SMEs ask for payment on receipt of invoice
- **35 days:** the length of time the average Northern SME waits beyond agreed payment terms for an invoice to be paid – 6 days less than the national average
- **1 in 3** Northern SMEs cite cash flow problems as the main reason given for late payment
- **38%** of Northern SMEs reported that larger companies were the worst offenders for paying late
- **4%** of Northern SMEs reported that Government and not-for-profit organisations were the worst culprits for late payment



### Midlands:

- **53%** of Midlands SMEs have experienced late payments at one time or another
- **£23,000:** the average amount owed to a Midlands SMEs at any one time in late payments, £2,000 below the national average
- **271,000** Midlands SMEs are affected by late payments at any one time, more than a quarter of all SMEs
- **£6.2 billion** is outstanding in late payments for Midlands SMEs at any one time, less than half June's £12.6 billion
- **26%:** the percentage of late payments shouldered by Midlands SMEs\*
- **60%** of Midlands SMEs ask for payment 30 days / end of month after receipt of invoice
- **18%** ask for payment on receipt of invoice
- **42.5 days:** the length of time the average Midlands SME waits beyond agreed payment terms for an invoice to be paid – just above the national average
- **Nearly 50%** of Midlands SMEs cite cash flow problems as the main reason given for late payments, significantly higher than the national average
- **30%** of Midlands SMEs reported that larger companies were the worst offenders for late payment, with sole traders a very close second at 29%
- **8%** of Midlands SMEs reported that Government and not-for-profit organisations were the main culprits of late payment



### South:

- **63%** of Southern SMEs have experienced late payments at one time or another
- **£24,000:** the average amount owed to Southern SMEs at any one time in late payments, just below the national average
- **454,000** Southern SMEs are affected by late payments at any one time, accounting for nearly 50% of all SMEs
- **£10.9 billion** is outstanding in late payment for Southern SMEs at any one time, a figure that has increased by £0.3 billion since June 2009
- **45%:** the percentage of late payments shouldered by Southern SMEs\*
- **53%** of Southern SMEs ask for payment 30 days / end of month after receipt of invoice
- **17%** ask for payment on receipt of invoice
- **43.7 days:** the length of time the average Southern SME waits beyond agreed payment terms for an invoice to be paid – just above the national average
- **36%** of Southern SMEs cited cash flow problems as the main reason given for late payments
- **41%** of Southern SMEs confirmed that larger companies are the main culprits of late payments, but a further 22% cited fellow SMEs as the worst offenders
- **6%** of Southern SMEs reported that Government and not-for-profit organisations as the worst offenders for late payment

\* rounded to the nearest %

#### About the research:

Bacs conducted independent market research with business to business specialists, Continental Research. In December 2009, we conducted 467 interviews with FDs, MDs and owners of SMEs. The sample was representative of the GB SME businesses.