

Meeting Minutes



Subject:	DAF, Payment Terms	Facilitator:	Michael Smith
Date:	Tuesday 12 th May 2015	Time:	12.00 Noon
Location:	Balfour Beatty, Raynesway, Derby		
Attendees:	Michael Smith (MS), Gary Burrows (GB), Warren Howlett (WH)		
Apologies:	None		
Non Attendees:	None		

1 – Previous Minutes

Item	Detail	Action
1.1	Previous Minutes – There were no previous minutes to this meeting.	None

2 - Agenda

Item	Detail	Action
2.1	Suction Excavator Chassis – The Suction excavator Chassis are planned to be ordered by the end of the week (15 th May). No decision has yet been taken on either the Chassis or bodybuilder.	M
2.2	Body Build Management – MS outlined BBPFS intention tosh it the process of ordering HGV's to one where the HGV supplier accepts the order for a completed asset, chassis and bodybuild, and liaises with the Bodybuilders to coordinate the chassis supply. WH expressed concern with the risk to the Chassis Dealer for the bodybuild. MS explained that the risk associated with specification and approval would remain with BB	
2.3	Body Build Payment Process – MS explained the process operated with the Majority of chassis manufacturers, where by BB receive one invoice at the point of registration for the completed vehicle, including chassis, bodybuild and sub assets. MS explained that this was model that BB intended to operate going forward. WH has concerns with the dealer having to hold potential debt for BB to bridge the period between payment by dealer to bodybuilder and payment to dealer from BB. MS explained that there was potential to agree payment terms with the Bodybuilders that would give sufficient time between being paid by BB and owing the converter.	

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| 2.4 | <p>Payment Terms – MS outlined BB requirement for 32 day payment terms on all Assets going forward, WH explained that DAF UK pay a daily stocking charge from point of chassis leaving factory to point of receiving funds for cleared asset and settling finance. The change is in the region of £25 per day per vehicle and is a cost that will have to be factored into the quotation. MS advised that this will form part of the quotation review and may lead to DAF becoming uncompetitive.</p> |
| 2.5 | <p>Rail Projects Chassis on Order – There are 5 off FAX CF400 32t E6 day cab 8x2 drop side for Rail Projects due out in June, BB paid DAF for these in March. At a value of £81,450.00 per unit, BB would not normally have paid for these until registration and are looking for DAF to repay £407,250.00 +VAT until the vehicles are registered.</p> |

3 – Matters Arising

Item	Detail	Action
3.1	T – N	N

4 – A.O.B.

Item	Detail	Action
4.1	H –	M