Commercial Payment Terms

These terms apply to all commercial works carried out by Vanguard Waterproofing Systems Ltd ("we", "us") unless a signed contract states otherwise. They form a schedule to our Terms and Conditions of Sale (Commercial Customers) and replace clauses 38, 39 and 41 of those Conditions. Where there is any conflict on payment, these terms prevail. They are intended to comply with the Housing Grants, Construction and Regeneration Act 1996, as amended by Part 8 of the Local Democracy, Economic Development and Construction Act 2009.

1. Payment structure

1.1 Unless agreed otherwise in writing, the price is payable as follows, in line with clause 37 of our Conditions:

(a) 25% deposit with the Order;

(b) 50% interim payment on technical survey or scaffold erection, whichever is sooner, or as otherwise agreed in writing, as set out in the Bill of Quantities;

(c) 25% balance on completion of the works.

1.2 We recognise that commercial projects vary in size, programme and procurement route. Where appropriate, we will agree an alternative payment structure with the client before order, such as interim valuations on larger or longer contracts. Any alternative must be confirmed in writing and signed by both parties.

1.3 **Long-lead or bespoke materials.** Whatever payment structure is agreed, where specified materials are made to order, non-returnable, or have a lead time of more than 3 weeks, they are payable in full when ordered.

2. Payment mechanism

2.1 **Due date.** Payment becomes due 7 days after we issue each application or invoice.

2.2 **Final date for payment.** The final date for payment is 14 days after the due date.

2.3 **Payment notice.** The client will issue a payment notice within 5 days of the due date. If no payment notice is issued, our application stands as the notified sum.

2.4 **Pay less notice.** Any pay less notice must be issued no later than 3 days before the final date for payment. It must state the sum the client considers due and the basis on which it was calculated.

2.5 **No pay when paid.** Payment is not conditional on the client receiving payment from any third party.

3. Retention

3.1 No retention applies unless agreed in writing before order.

3.2 Any agreed retention is capped at 3% of the contract value. Half is released at practical completion and half at the end of a 12-month defects period.

3.3 Retention is released automatically without application. Release is not linked to the completion of other trades or of the main contract.

4. Late payment and suspension

4.1 Statutory interest and fixed compensation apply to late payments under the Late Payment of Commercial Debts (Interest) Act 1998.

4.2 If a notified sum is not paid by the final date for payment, we may suspend all or part of the works after giving 7 days' written notice of our intention and the grounds.

4.3 We are entitled to recover the reasonable costs of suspension and remobilisation, and the programme will be extended by the period of suspension.

5. Credit and account terms

5.1 New commercial clients are subject to a credit check before an order is accepted.

5.2 Where the credit position warrants it, we may vary the payment structure, require a larger payment before mobilisation, or require a parent company guarantee.

6. VAT and CIS

6.1 VAT is charged at the standard rate on works for direct clients, including councils, public bodies, landlords, managing agents and building owners, except where clause 6.4 applies.

6.2 The VAT domestic reverse charge applies only where we work as a subcontractor to a VAT and CIS registered main contractor or builder, and our supply is standard rated. Our invoices will then state "Reverse charge: customer to pay the VAT to HMRC". The contractor must confirm in writing before the first invoice that it is not an end user or intermediary supplier.

6.3 We are registered under the Construction Industry Scheme with net payment status. Contractors must deduct CIS at 20% from the labour element of each payment only; materials, plant and VAT are excluded. Our invoices show the labour and materials split, and the contractor must provide a monthly CIS payment and deduction statement.

6.4 **New dwellings.** Where our works are supplied in the course of construction of a new dwelling and qualify for the zero rate (VAT Notice 708, section 3), no VAT is charged and the reverse charge does not apply. If the building or our supply does not qualify, VAT is charged at the standard rate under clause 6.1 or 6.2.

7. Title to materials

7.1 Materials delivered to site remain the property of Vanguard Waterproofing Systems Ltd until they have been paid for in full.

8. Precedence

8.1 These terms apply unless different payment terms are included on the face of the Contract and signed by the Customer and the Company's representative, in line with clause 2 of our Conditions.

8.2 Where works are let under a JCT contract or the client's own sub-contract, that contract applies only to the extent agreed in writing before order, and these terms form our qualification to its payment provisions.