



PAYMENT PRACTICES REPORTING

Reporting period:



PAYMENT PRACTICES REPORTING

Supporting Our Supply Chain Partners in Uncertain Times: Vital Energi recognises the critical role our SME suppliers play in our success. During these times of economic uncertainty, we remain committed to fostering strong, supportive relationships

DEMONSTRATING OUR COMMITMENT

Flexible Payment Terms: We understand the importance of cash flow, and where appropriate, we have actively reduced payment terms for specific suppliers.

Tailored Financial Support: In certain cases, we have provided direct financial assistance to alleviate challenges faced by valued partners.

Collaborative Problem-Solving: We believe in working alongside our suppliers to find solutions that overcome obstacles and ensure mutual success.

BEYOND PAYMENT TERMS

Open Communication: We maintain regular communication with our suppliers, keeping them informed on developments and fostering transparency.

Innovation & Collaboration: We actively promote an environment of innovation and collaboration, where ideas are shared and partnerships flourish.

INVESTING IN FASTER PAYMENTS

30-Day Standard Terms: Our standard payment terms remain at 30 days, but we are open to negotiating for specific needs.

Ad-Hoc Immediate Payments: For urgent or time-sensitive orders, we offer immediate payment options.

Continuous Improvement: We are constantly reviewing and optimising our processes to expedite invoice processing and shorten payment cycles. Vital Energi is confident that these measures will help its suppliers to weather the current economic challenges and continue to provide the high-quality services that the company needs.

FREQUENTLY ASKED QUESTIONS

Were there any changes to the standard payment terms in the reporting period?
No

Average time taken to pay invoices: **30 days**. Invoices paid:

TOTAL VALUE PAID:



INVOICES PAID:



LATE AND DISPUTED:

- Total value of payments due in the reporting period which have not been paid within the agreed period: **£47,222,139**
- Payments due in the reporting period which have not been paid within the agreed period: **43%**
- Not made in the reporting period due to a dispute: **0%**

Payment terms:

Our shortest standard payment period was **1 day** whilst our longest standard payment period was **60 days (our maximum period agreed)**

Were suppliers notified or consulted about these changes before they were made? N/A

Maximum contractual payment period agreed: 60 days

Any other information about payment terms: We remain committed to building a robust and sustainable supply chain, with prompt and fair practices at its core. We continuously improve our processes and partner with our supplier for ongoing success.

ONGOING INITIATIVES

Automated Accounts Payable: We

continue to develop and fine tune our automated system to streamline invoice processing and significantly reduce wait times.

Web-Based Goods Receipting: The use of an online system allows us to submit goods receipts electronically, further accelerating payment turnaround.

Staff Training: Dedicated training on these new systems ensures efficient and effective utilisation for faster payments. Vital Energi remains committed to paying its suppliers on time and in full.



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The company understands that the timely payment of invoices is essential for suppliers to maintain their financial health and continue to provide the services that Vital Energi needs.

RETENTION CLAUSES

How does this business use retention clauses? Retention clauses are used in specific circumstances: our standard subcontract conditions include retention provisions. We apply these provisions to the majority of our subcontractors at the rate in the main contract usually 3% or 5% reducing by 50% at practical completion. We review the application of retention clauses on a case by case basis particularly if it's application would cause financial hardship to the subcontractor or the labour element is a small part of the scope of works.

Does the business only use retention clauses in construction contracts above a specific contract sum? No

Does the business use a standard percentage rate in retention clauses? No

Does the business apply retention clause practices that are no more onerous than those applied to it on the same project? Yes. We apply retention clauses at the same rate as our clients would apply to us in the main contract, usually 3% or 5% reducing by 50% at practical completion.

RELEASING MONEY UNDER A RETENTION CLAUSE

Process for releasing money this business has deducted or retained under retention clause. The subcontractor applies for release of 50% of the retention amount at practical completion of their works and they then apply for the remaining 50% at the end of the defects liability period, usually 12 months from practical completion.

Is the money released in stages? Yes.
50% practical completion
50% at the end of the defects liability period



our mission to create sustainable, intelligent & reliable energy solutions

AMOUNT RETAINED FROM SUPPLIERS IN THE REPORTING PERIOD

Amount retained stated as a percentage of the money retained from this business by its clients 67%

Amount retained stated as a percentage of the total construction payments made by this business 3%

DISPUTE RESOLUTION PROCESS

We prioritise open dialogue to resolve any issues. In most cases, payment disputes are amicably settled through this approach. Additionally, our construction-related subcontracts strictly adhere to the Housing Grants, Construction and Regeneration Act 1996 (as amended).

OTHER PAYMENT INFORMATION

How's the business signed up to a code of conduct or standards on payment practices? If so, which? For example, signatories to the fair payment code must commit to pay 95% of their invoices within 60 days. No, this business has not signed up to a code of conduct or standards on payment practices.

Does this business offer e-invoicing in relation to qualifying contracts? No

Does this business offer supply chain finance? No

Under its payment practices and policies, can this business deduct sums from payments under qualifying contracts as a charge for remaining on a supplier list? No

During the reporting period, did the business deduct sums from payments as a charge for remaining on a supplier list? No sums were deducted.