

New start up suppliers

A guide to your application



If you have been trading for less than two years then this guidance will apply to you.

Financial

If full audited or formal accounts are unavailable for a full first year of trading, at least one item from each of the two categories below will be required:

Category 1: A 'trading and cash flow forecast' as prepared for a bank or investor, preferably analysed month by month. This must demonstrate that the firm is forecast to trade profitably and generate funds.

OR

Management accounts for an initial period of trading up to 12 months. These must comprise at least a detailed trading and profit and loss account and, if possible, a balance sheet and notes thereon.

Category 2: An opening balance sheet setting out initial funding of the business when it commenced trading. This must demonstrate that funds available including any loan and overdraft facilities, are adequate to support initial requirements for fixed assets and working capital (current assets less current liabilities).

OR

A 'status enquiry' or reference from the firm's bank and/or accountant.

Also

If applicable: A letter of support from an ultimate holding company, which holds the controlling interest in its applicant start up supplier subsidiary company, and which itself can meet Constructionline's financial criteria. The 'ultimate holding company' itself must be able to meet Constructionline's financial criteria. The letter must be signed by a director, on headed notepaper, and state that the full and financial and technical resources of the group will be available to the start up supplier.

Please note: you may be contacted by Experian, who are an industry recognised credit checking agency. They may phone or write to you to verify the status of your company and to obtain additional information to ensure that your company is authentic. They also work closely with Constructionline to financially monitor our suppliers.

Technical

Two recent references must be provided for each category, sector and discipline for which your business wishes to be registered. The references must be for work carried out in the last four years. You can provide one reference that covers more than one work category. This is acceptable if the buyer is prepared to confirm that you performed equally well on each type of work.

Where two references for each category/discipline are not available, nor references from previous public sector contracts, you will need to meet the following:

- For each category of work, two relevant references for contracts or commissions must be supplied. These should be for either completed work or current work which has been undertaken for a period of at least three months, and which is sufficiently advanced for meaningful references to be provided.
- Where applicable, personal references and references for work carried out by managers and professional staff for a previous company will be taken up. This can be from a previous employer or client you have worked for.

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Notations

A 'notation' is the maximum financial limit recommended by Constructionline for each category of work for a single contract. This is guidance for buyers when they are looking for a supplier. It is calculated from a supplier's turnover, net assets and references.

For 'new start-up suppliers' Constructionline uses its discretion to take account of incomplete or unavailable financial information and references as outlined above. The final notation for new contractors will then be set at 75% of the normal calculated figure.

Timescales

You are eligible to apply as a new supplier if you have been trading for less than 2 years and are not yet able to supply full accounts and references, but otherwise meet the required criteria.

After two years trading you will be required to apply for full registration.

Please note: *The new supplier status is not intended as a 'back door' onto the main register for suppliers that have failed the full assessment.*

Fees

Constructionline's normal scales apply.

Further information

For more information please call our helpline on 0844 892 0313.