

Information to creditors with regards to office holders' remuneration and expenses

Basis of remuneration

In the case of an administrator, liquidator and trustee in bankruptcy the Insolvency Rules 2016 permit remuneration to be fixed either;

1. As a percentage of the value of
 - a. the property with which the office holder has to deal, or
 - b. the asset which are realised, distributed or both realised and distributed.
2. By reference to the time properly given by the office holder and the office holder's staff in attending to matters arising in the case, or
3. As a set amount.

One or a combination of these bases may be fixed and different bases may be fixed in respect of different things done by the office holder.

If the basis is fixed under paragraph 2 above the following charge out rates will apply (historic rates are also included). It is our usual practice to charge for support staff time only when they are undertaking work that specifically relates to a case. Time is recorded in six minute units.

Grade of staff	11-May-15	01-May-16	01-May-17	01-May-18	01-May-19
	£	£	£	£	£
Partner and Director	450	460	483	425-499	440-515
Manager	275-355	295-365	309-383	243-342	250-372
Other grades of staff	100-220	102-225	107-235	110-135	115-140

Matters determining remuneration

In arriving at a determination of the basis or combination of bases above are to be fixed regard should be given to the following.

1. The complexity (or otherwise) of the case.
2. Any respects in which there falls to the office holder any responsibility of an exceptional kind or degree.
3. The effectiveness with which the office-holder appears to be carrying out, or has carried out their duties.
4. The value and nature of the property with which the office holder has to deal.

Disbursements

There are two types of disbursements that we might incur:

Category 1 Disbursements

The document cannot be relied upon to cover specific situations and you should not act or refrain from acting upon the information contained therein. Please contact James Cowper Kreston to discuss these matters in the context of your particular circumstances.

These are costs where there is both a specific expenditure directly referable to a case and a payment to an independent third party. These costs may include advertising, postage and public travel expenses. These costs, as they are directly attributable to a case, can be drawn without creditor approval.

It is our policy to recharge disbursements such as company searches, legal notices, postage, external photocopying and subsistence where appropriate at cost.

Category 2 Disbursements

These are costs that are directly referable to a case but not involving a payment to an independent third party. They may include shared or allocated costs that can be allocated to a case on a proper and reasonable basis. An example is business mileage charged by the firm's staff on a case.

Category 2 disbursements may only be drawn if they have been approved in the same manner as the remuneration of the office holder.

It is our usual practice to seek that business mileage be recharged to a case at the rate of 45 pence per mile, being the rate used for reimbursing our staff members. This rate is in accordance with published mileage rates.

No charge is made for office overheads, the use of rooms in house, or for incidental expenses.

Creditors' statutory rights

Rule 18.9 of the Insolvency Rules 2016 sets out how a creditor can make a request for further information about remuneration or expenses (other than pre appointment costs in an administration) following a progress report.

Rule 18.34 of the Insolvency Rules 2016 sets out how a creditor can make an application to court if they believe that remuneration or expenses are excessive.

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