



## STATEMENT OF TIME CHARGING AND DISBURSEMENT RECOVERY POLICY

Our primary objective is to always achieve the best possible outcome for our clients and their creditors. Therefore, during our first meeting we are happy to provide comprehensive, practical advice on the options available, outlining both the pros and cons of each procedure. We often do not request payment up front for this initial advice.

We are conscious that many of the clients that meet with us are in some form of financial distress and therefore we are always reasonable when we ask for funds to be paid on account to us. Often, we are able to act for a client without receiving any funds in advance of our formal appointment, although this is judged on a case by case basis.

We will seek to agree the basis of our fees on the methods permissible under the insolvency legislation. This allows for fees to be based on time costs (hourly rates), a fixed fee, a percentage of realisations, or a combination of these three methods. Multiple methods may be used in the same insolvency appointment. In most formal insolvency appointments, the basis of our fees from the date of our appointment will be agreed by creditors.

All staff record their time in units of 6 minutes and our computerised time recording system requires a clear explanation of the work undertaken to be entered. Time will be charged by support staff and assistants for tasks such as typing and cashiering as well as professional staff.

Our charge out rates are reviewed annually on 1 April and may be adjusted to take into account inflation, market adjustments or any increase in the firm's overheads. Any increase in our charges will be detailed in the table below.

All case related work is undertaken by the appropriate grade of staff identified in the table below. Our hourly rates are subject to VAT at the applicable rate. Fees and disbursements charged in relation to Voluntary Arrangements are not usually subject to VAT.

Our work on insolvency appointments will generally fall into the following categories:

**Administration** – including case strategy planning, periodic reviews, and maintaining case files and records.

**Investigations** – including obtaining and reviewing information such as client records, reviewing the client's financial position, preparing reports and submitting to the Insolvency Service.

**Assets** – including identifying, insuring and securing assets, liaising with agents and valuers, dealing with business and asset sales, retention of title claims, debt collection and recovery of other asset types.

**Creditors** – including recording creditor details and claims, correspondence with creditors and employees, calculating employee claims, dealing with the Redundancy Payments Office, and calculating and paying dividends.

**Trading** – including preparing and considering financial projections, attending client sites to manage trading, maintaining financial records,

Staff Grade	Hourly Rate from 1 April 2015 £	Hourly Rate from 1 April 2017 £
Directors	325	340
Associates	300	315
Senior Managers	275	290
Managers	250	260
Assistant Managers	225	240
Senior Administrators	200	210
Administrators	150	160
Assistant / Support Staff	100	105

### Disbursements

In accordance with the Statement of Insolvency Practice 9 (SIP 9) all Disbursements are classified as Category 1 (approval not required) or Category 2 (approval required).

Category 1 disbursements are paid to third parties that have no relationship with Leading Business Services Limited. These will include items such as company search fees, statutory advertising, specific bond insurance, general insurance for client assets, external books and records storage, and Land Registry fees. These disbursements may be invoiced to the client that we are appointed over or directly to us, but in either case must be specifically identifiable to the client. We will record and recharge Category 1 disbursements at cost meaning there is no profit element applied.

Category 2 disbursements are recharged in house disbursements, such as postage, internal room hire and internal photocopying. These disbursements are not invoiced by any third party but are calculated by the insolvency practitioner and may include a profit element. It is our policy not to record or recharge Category 2 disbursements.

In circumstances where we are required to instruct any form of professional advisor such as a solicitor or accountant, we recharge these services at cost and no profit element is applied.