

PRACTICE FEE RECOVERY POLICY FOR PRICE BAILEY LLP

Introduction

The current legislation allows fees to be charged in an insolvency matter in several ways. Either by charging for time properly spent, a percentage of realisations, a fixed fee, or a combination.

The basis of any fee approval in an insolvency matter is to be agreed by either a creditors committee, the general body of creditors, or where the creditors reject the office holders' fees, by the Court.

The basis of any fee approval in a members' voluntary liquidation is agreed by the shareholders either by passing a resolution at a shareholders' meeting or by passing a written resolution.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at www.creditorinsolvencyguide.co.uk. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.pricebailey.co.uk/creditors. Alternatively, a hard copy can be obtained on request from Price Bailey LLP, Anglia House, 6 Central Avenue, St Andrews Business Park, Norwich, NR7 0HR.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge-out Rates – Insolvency & Recovery Department

Grade of staff	Current charge-out rate per hour, effective from 01 January 2024 (£)	Previous charge-out rate per hour, effective from 01 January 2023 (£)
Insolvency Practitioner		
- Partner	460.00 – 575.00	430.00 – 537.50
- Non-Partner	400.00 – 500.00	375.00 – 468.75
Managers		
- Senior Manager	320.00 – 400.00	300.00 – 375.00
- Manager	260.00 – 325.00	225.00 – 281.25
- New Managers	225.00 – 281.25	-
- Assistant Manager	186.00 – 232.50	175.00 – 218.75
Administrators		
- Senior Administrator	145.00 – 181.25	135.00 – 168.75
- Administrator	130.00 – 162.50	120.00 – 150.00
Assistants & Support Staff		
- Assistant	92.00 – 115.00	86.00 – 107.50
- Cashiering	45.00 – 56.25	40.00 – 50.00
- Secretarial/ Support	45.00 – 56.25	40.00 – 50.00

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

Charge-out Rates – General Accountancy, Audit, Tax, Payroll, Strategic Corporate Finance, Forensic, Pensions, Financial Planning

Grade of staff	Current charge-out rate per hour, effective from 01 January 2024		Previous charge-out rate per hour, effective from 01 January 2023	
	Compliance (£)	Advisory (£)	Compliance (£)	Advisory (£)
Partner	460.00	575.00	430.00	537.50
Director	400.00	500.00	375.00	468.75
Senior Manager	320.00	400.00	300.00	375.00
Manager	260.00	325.00	240.00	300.00
New Managers	225.00	281.25	-	-
Assistant Manager	186.00	232.50	175.00	218.75
Senior	145.00	181.25	135.00	168.75
Semi Senior	130.00	162.50	120.00	150.00
Assistant Accountant	92.00	115.00	86.00	107.50
Bookkeeper	70.00	87.50	65.00	81.25
Trainee Accountant	62.00	77.50	58.00	72.50
Admin	45.00	56.25	40.00	50.00

These charge-out rates charged are normally reviewed on 01 January each year and are adjusted to take account of inflation and the firm's overheads.

Percentage basis

Where an office holder is expecting to realise specific assets, the fee charged may be a percentage of a specific asset or the assets as a whole. Once agreed, the percentage basis can only be increased where there has been a material and substantial change in the circumstances in the case. If this is not the case, any request for an increase can only be approved by the Court.

Fixed fee

An office holder may charge a fixed fee on either the case as a whole or for specific tasks to be undertaken. Once agreed, the fixed fee can only be increased where there has been a material and substantial change in the circumstances in the case. If this is not the case, any request for an increase can only be approved by the Court.

Agents' costs

These are charged at cost based upon the charge(s) made by the agent instructed. The term 'agent' includes:

- Solicitors/legal fees
- Accountants
- Estate agents
- Auctioneers/valuers
- Quantity surveyors
- Other specialist advisors

Expenses

Expenses are any payments from the estate which are neither office holder's remuneration nor a distribution to a creditor or member. Expenses also includes disbursements.

Disbursements are payments which are first paid by the office holder and then reimbursed to the office holder from the estate.

Category 1 expenses:

These are payments to those providing the service to which the expense relates who are not an associate of the office holder.

Examples of category 1 expenses include agent's costs as detailed above as well as items such as insurance, statutory advertising, external meeting room hire, external storage and specific bond.

Category 2 expenses:

These are payments to associates* or payments which have an element of shared costs. Mileage, at 40p per mile, will be recovered as a Category 2 disbursement.

**Associates are defined as an entity with which the firm, office holder or staff member has a business or personal relationships with, perceived or actual.*

Subcontractors

Subcontractors are considered to undertake work that can be completed by the office holder or their staff. Payments to subcontractors do not require specific approval and are treated as an expense of the estate. Subcontractors will be used where a matter requires specialist knowledge or where it is more cost effective to the estate for this to be completed by a third party.