

# ipd Remuneration and Disbursement Schedule Effective from 1 October 2009

## **Remuneration**

A resolution will be proposed or has already been approved by shareholders and/or creditors for the office holder's remuneration to be fixed by reference to the time properly given by the office holder and their staff in attending to matters arising in the conduct of the case, at the time cost rates of ipd applicable from time to time, including time given by the office holder and their staff before the case commenced. This remuneration is to be paid as and when funds become available. Such time cost rates are reviewed and may be changed, generally on 1 July each year, but changes may be made at any time at the office holder's discretion. Notification of changes will be published on the office holder's website at [www.ipd-uk.com](http://www.ipd-uk.com).

Time is charged to the case in units of one hour, broken down into minimum periods of 6 minutes, e.g.:

0.1 units = 6 minutes  
1.0 units = 1 hour  
1.2 units = 1 hour and 12 minutes.

Time costs rates per hour effective from the above date, per grade of staff, are:

<b>Staff</b>	<b>£</b>	
	<i>Standard</i>	<i>Complex</i>
Director	195	265
Senior Manager	170	230
Manager	150	200
Senior Administrator	135	185
Administrator	110	150
Support/Cashier	85	115

## **Disbursements**

This firm may incur disbursements on behalf of a case and will then recharge those disbursements back to the case after obtaining the appropriate authority from shareholders and/or creditors. Reports to creditors will provide a breakdown of the disbursements that have been incurred and which have been or will be recharged.

Statement of Insolvency Practice 9 states that disbursements should be divided into two categories:

### **Category 1**

Category 1 disbursements are recoverable from a case without prior approval from shareholders or creditors. These disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, e.g. identifiable telephone calls, postage and case advertising, together with travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

This firm classes the following as Category 1 disbursements:

- Postage costs directly attributable to a case;
- Statutory and other insurance costs;
- Statutory and other advertising costs;
- External room hire;

- The fees and expenses of specialist advisors including asset agents, tax and legal advisors;
- Staff expenses directly attributable to a case;
- Company search costs;
- Fuel-related travelling expenses at 40 pence per mile when directly attributable to a case. All other travel costs are reclaimed at cost;
- Other external expenses directly attributable to a case.

This firm does not add any profit element to Category 1 disbursements when recharging them to a case.

## **Category 2**

Where it is proposed to recover costs which, whilst being in the nature of expenses or disbursements, include a profit element or elements of shared or allocated costs, they should be identified and subject to approval by shareholders and/or creditors. If the office holder wishes to make a separate charge for expenses in this second category, they may do so provided that:

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation and allocation; and
- the basis of the proposed charge is disclosed and is authorised by those responsible for approving the office holder's remuneration.

Category 2 disbursements will comprise cost allocations which may arise on some of the Category 1 expenses where supplied internally: typically, items such as room hire and document storage. Also typically included will be routine or more specialist copying and printing, and allocated communication costs provided by the practitioner or his firm.

This firm classes the following as Category 2 expenses:

- Reports and similar general notices to creditors are charged at 15 pence per A4/A5 sheet and 30 pence per A3 sheet in respect of copying and stationery costs;
- Envelopes in respect of the above are charged at 10 pence per DL envelope, 15 pence per C5 envelope and 20 pence per C4 envelope;
- Room hire for the purpose of holding members' or creditors' meetings is charged at £150 if the meeting is held at this firm's offices;
- Storage of books and records will be charged at a rate of £1.50 per banker's box per month until 12 months following the release of the office holder. Such costs will be charged to the case in advance no more than once in every 12 months from the date of appointment of the office holder;
- Destruction of books and records will be charged at £3.50 per box at the end of a case;
- One-off charges are made at the start of a case of:
  - £20 for case files;
  - £50 per case for archiving case files at the end of the case; and
  - £100 per case for utilisation of IPS software.

This firm does not make any charge for telephone costs or for the cost of normal day to day correspondence and letters produced in the administration of a case.

All Category 1 and 2 disbursements are subject to VAT where applicable.

### **NOTE:**

*The above will also apply in respect of any client work undertaken by Insolvency Practitioners Direct Limited in accordance with an agreed Letter of Engagement .*