

Fee Accrual

The Office Holder is the general name for the Insolvency Practitioner dealing with the case affairs.

In accordance with the insolvency legislation, the Office Holder is entitled to charge appropriate fees for dealing with the case affairs.

It is usual practice for the agreement of fees to be sought on the basis of time properly incurred in dealing with the case. However on occasion it is necessary to seek agreement of fees as a fixed percentage of assets realised and/or distributions made, or indeed as a fixed fee.

The precise basis of how fees are to be charged will be provided to creditors prior to agreement being sought.

The basis upon which post appointment fees are agreed is determined by the relevant category of creditors, detail of which is explained within the relevant creditors' guides to fees.

Unless otherwise advised, fees shall be drawn on account from the case funds as and when realisations allow, subject to agreement.

Fees Charged on a Time Cost Basis & Estimation of Fees

Where an Office Holder wishes to seek the agreement of fees on a time costs basis, he is required to give creditors full details of not only what he believes such fees to be i.e. an estimation, but what work shall be done in relation to those fees.

This estimation is based upon the firm's policy in relation to the projection of fees for this type of insolvency. Calculations have been made using specific details of the case such as the type of realisations, number of creditors and the anticipated duration of the case prior to closure.

Fees Charged on Fixed Fee Basis

Fixed fees are charged per activity undertaken. For example correspondence with creditors may be charged as a fixed fee, similarly employees, directors, and/or shareholders may all be charged as a fixed fee. Any costs shown for these fees should not usually change from that guide provided.

Fees on a Percentage Basis

Where it is intended that fees be drawn on a percentage basis, for example the realisation of assets, or the distribution of funds, these fees can only be calculated on the amount of funds to be dealt with. This final fee may therefore be lower or higher than that information provided in our guide.

Different percentages can be used for different assets or types of assets and any percentage basis sought may vary on a case by case basis.

Fee Basis

In order to simplify information, the basis for post appointment fees shall simply be referred to as our fee policy.

Staff

Each member of staff involved with the case will charge time on an individual basis. The hourly cost of each member of staff shall be calculated in accordance with their experience and resultant grade within the practice.

In view of the complexity of the work involved, it is not practice policy to use sub-contractors, however we reserve the right to do so should the case require. Details of any sub-contractor used shall be provided within the respective statutory report SIP 9 detail.

VAT

Except when acting as Nominee or Supervisor of an estate, fees will be subject to VAT at the appropriate rate. Where the case is not registered for VAT, VAT shall be shown as an irrecoverable expense of the estate.

Disbursements

Every case dealt with will incur disbursements. The Office Holder is required to explain the amount and nature of such disbursements whenever a formal abstract of accounts is produced.

Regulations require that we separate category 1 and 2 disbursements for your information. An explanation of which is as follows:

Category 1 Disbursements:

Category 1 disbursements are expenses directly attributable to the case, where exact costs can be ascertained and recharged without profit. These include insolvency bonds, advertising, company searches, post redirection orders, postage, external room hire, external storage as well as public transport and accommodation costs incurred by staff whilst attending to the administration of the estate. This list is not exhaustive and any other external supplies and services, specifically identifiable to the case will also be recovered as a category 1 disbursement at cost.

Category 2 Disbursements

Category 2 disbursements are additional overheads that relate to the estate but are either not directly attributable to it, or the exact cost is not ascertainable and therefore cannot be precisely recharged. These expenses include, inter alia, stationery, photocopying and storage costs.

The following are a current schedule of category 2 disbursements which may (*) be charged by Mackenzie Goldberg Johnson Limited:

- Mileage shall be recharged up to 45 pence per mile.
- (*) Mackenzie Goldberg Johnson Limited does not ordinarily seek to recover category 2 disbursements except for travel and business mileage directly attributable to the case, but reserves the right to do so, where such disbursements are substantial and appropriate sanction has been obtained.

Disclosure of Use of Connected Parties

Please note that where it is necessary to use the services of an external agent who is associated to the Office Holder's business by way of common directors and/or shareholders, this will be disclosed and approved in the same way as category 2 disbursements. Kindly note that no additional profit element will be charged in regard to these services, if applicable.

Charge Out Rates

A table of current hourly charge out rates with effect 1 October 2015 # is provided below:

Charges for Cases	Range (£)
Partner/Director/Consultant	325
Assistant Manager/Manager	205 225
Senior Administrator/Administrator	175 190
Cashier (#)	150
Support Staff	75

(#) Please note that time charged by our cashiers relates only to accounting matters relevant to the case.

The basis upon which the Office Holder determines the appropriate charge out rate on the complexity of the case is detailed in the respective independent creditors' guides to fees, available to download from our company website www.mgjl.co.uk/site/creditors/guide-to-fees or by email from this office.

Further, the Office Holder reserves the right to uplift both the hourly charge out rates and category 2 disbursements periodically without further recourse to the creditors. By law, such increases must be disclosed to creditors within each statutory report.

MACKENZIE GOLDBERG JOHNSON LIMITED

POLICY ON FEES, BILLING AND DISBURSEMENTS

1 OCTOBER 2015 to 31 DECEMBER 2018

Support Staff

In an effort to minimise costs to the case, it is necessary to use support staff to undertake certain matters. Support staff time is charged in the same manner as technical staff on the rates outlined above.

Recording of Fees

Time is formally recorded in prescribed categories in units of 6 minutes. All units of time properly spent, shall be recorded on a formal time management system and retained throughout appointment, irrespective of the basis of fees approved.

Reporting of Fees

All reports and correspondence detailing fees incurred and indeed drawn will provide the basis upon which fees have been incurred and from whom sanction was given in relation to those fees.

Such information shall be contained within statutory progress reports and be in the prescribed form. When providing such a report, under existing insolvency regulations, creditors are able to request further and better particulars of fees and disbursements where they believe further explanation is required.

The exact basis of how requisite members and creditors may request such information will be attached with each statutory progress report subsequently issued.

END OF POLICY

Fee Accrual

The Office Holder is the general name for the Insolvency Practitioner dealing with the case affairs.

In accordance with the Insolvency Act 1986 and Insolvency Rules 1986, the Office Holder shall charge appropriate fees for dealing with the case affairs.

It is usual practice for the agreement of fees to be sought on the basis of time properly incurred in dealing with the case. However on occasion it is necessary to seek agreement of fees as a fixed percentage of assets realised and/or distributions made, or indeed a defined fixed fee.

The precise basis of how fees are to be incurred will be formally given to creditors prior to agreement being sought.

The legal agreement and basis upon which post appointment fees are agreed is determined by the relevant category of creditors, details of which are explained within the respective independent creditors' guides to fees.

Unless otherwise advised, fees shall be drawn on account from the case funds as and when realisations allow, subject to agreement.

Staff

Each member of staff involved with the case will time charge on an individual basis. The hourly cost of each member of staff shall be calculated in accordance with their experience and resultant grade within the practice.

In view of the complexity of the work involved, it is not practice policy to use sub contractors, however we reserve the right to do so should the case require. Details of any sub contractor used shall be provided within the respective statutory report SIP 9 detail.

VAT

Except when acting as Nominee or Supervisor of an estate, fees will be subject to VAT at the appropriate rate.

Where the case is not registered for VAT, VAT shall be shown as an irrecoverable expense of the estate.

Disbursements

Every case dealt with will incur disbursements. The Office Holder is required to explain the amount and nature of such disbursements whenever a formal abstract of accounts is produced.

Regulations require that we separate category 1 and 2 disbursements for your information. An explanation of which is as follows:

Category 1 Disbursements:

Category 1 disbursements are expenses directly attributable to the case, where exact costs can be ascertained and recharged without profit. These include insolvency bonds, advertising, company searches, post redirection orders, postage, external room hire, external storage as well as public transport and accommodation costs incurred by staff whilst attending to the administration of the estate.

- Postage will be charged at the first class postage rate prevailing.
- The list as stated above is not exhaustive and any other external supplies and services, specifically identifiable to the case will also be recovered as a category 1 disbursement at cost.
- All category 1 disbursements shall be shown in the abstract of accounts suffixed by ⁽¹⁾.

Category 2 Disbursements

Category 2 disbursements are additional overheads that relate to the estate but are either not directly attributable to it, or the exact cost is not ascertainable and therefore cannot be precisely recharged.

These expenses include, inter alia, stationery, photocopying and storage costs.

Any authorised category 2 disbursements which have been charged shall be shown in the statutory abstract of accounts suffixed by ⁽²⁾.

MACKENZIE GOLDBERG JOHNSON LIMITED
POLICY ON FEES, BILLING AND DISBURSEMENTS
1 JULY 2014 TO 1 OCTOBER 2015



The following are a current schedule of category 2 disbursements which may^(*) be charged by Mackenzie Goldberg Johnson Limited

- Mileage shall be recharged up to 50 pence per mile in accordance with the appropriate rates determined by the HM Revenue and Customs.
- Destruction of boxes shall be recovered as a category 1 expense; and
- Fixed charge for the issue of each and every circular @ £1 per relevant party.

(*) Mackenzie Goldberg Johnson Limited does not ordinarily seek to recover category 2 disbursements except for travel and business mileage directly attributable to the case, but reserves the right to do so, where such disbursements are substantial and appropriate sanction has been obtained.

Disclosure of Use of Connected Parties

Please note that where it is necessary to use the services of an external agent who is associated to the Office Holder's business by way of common directors and/or shareholders, it is advised by law, that this shown as a category 2 disbursement. Kindly note that no additional profit element will be charged in regard to these services, if applicable.

Charge Out Rates

A table of current hourly charge out rates are provided below:

Charges for Usual Cases	Range (£)	Charges for Complex Cases	(£)
Partner/Director/Consultant	325	Partner/Director/Consultant	425
Assistant Manager/Manager	205 225	Assistant Manager/Manager	295
Senior Administrator/Administrator	175 190	Senior Administrator/Administrator	265
Cashier (#)	150	Cashier (#)	150
Support Staff	75	Support Staff	75

(#) Please note that time charged by our cashiers relates only to accounting matters relevant to the case.

The basis upon which the Office Holder determines the appropriate charge out rate on the complexity of the case is detailed in the respective independent creditors' guides to fees, available to download from our company website www.mjgl.co.uk/site/creditors/guide-to-fees or by email from this office.

Further, the Office Holder reserves the right to uplift both the hourly rates and category 2 disbursements periodically without further recourse to the creditors. By law, such increases must be disclosed to creditors within each statutory report.

Support Staff

In an effort to minimise costs to the case, it is necessary to use support staff to undertake certain matters. Support staff time is charged in the same manner as technical staff on the rates outlined above.

Recording of Fees

Time is formally recorded in prescribed categories in units of 6 minutes. All units of time properly spent, shall be recorded on a formal time management system and retained throughout appointment, irrespective of the basis of fees.

Reporting of Fees

All reports and correspondence detailing fees incurred and indeed drawn will provide the legal basis upon which fees have been incurred and from whom sanction was given in relation to those fees.

Such information shall be contained within statutory progress reports and be in the prescribed form. When providing such a report, under existing insolvency regulations, creditors are able to request further and better particulars of fees and disbursements where they believe further explanation is required.

The exact basis of how requisite members and creditors may request such information will be attached with each statutory progress report subsequently issued.

END OF POLICY

MACKENZIE GOLDBERG JOHNSON LIMITED – FEE POLICY

1 JANUARY 2014 TO 30 JUNE 2014

It is the policy of Mackenzie Goldberg Johnson Limited to seek approval to draw fees by reference to the time properly given by the Insolvency Practitioner and other staff in attending to matters arising in the case. The charge-out rates of all grades of staff, including principals, who are likely to be involved in assignments, are as follows:

Staff Grade	Standard Rate per Hour (£) (Excluding VAT)	Complex Rate per Hour (£) (Excluding VAT)
Insolvency Practitioner	325	425
Manager	225	295
Assistant Manager	205	265
Senior Administrator	190	245
Administrator	175	225
Support Staff/Cashiering	75	100

Support staff and cashiering work is not charged via the hourly rates of insolvency practitioners, managers, assistant manager, senior administrators, or administrators. Support staff and cashiering work is charged directly on an hourly rate as above.

In line with industry guidelines set out in Statement of Insolvency Practice 9 (SIP 9), timesheets are recorded on a computerised system in 6 minute intervals.

Charge-out rates are subject to periodic review and are subject to change.

MACKENZIE GOLDBERG JOHNSON LIMITED – DISBURSEMENT POLICY

Category 1 Disbursements

It is not necessary to obtain specific resolution for the payment of category 1 disbursements. Category 1 disbursements are expenses that are directly identifiable in relation to the assignment.

Some examples of category 1 disbursements include, post redirection, advertising, bonding, Land Registry search fees, Companies House searches, specific travel costs, external room hire and external box storage.

Category 2 Disbursements

It is necessary to obtain a specific resolution for the payment of category 2 disbursements. Category 2 disbursements are expenses that are not directly identifiable in relation to the assignment. These expenses normally contain an element of shared or apportioned cost.

It is the policy of Mackenzie Goldberg Johnson Limited to seek approval for the following category 2 disbursements:

Item	Description	Rate
Internal Room Hire	Internal meeting room for statutory meetings.	£100 per meeting
Stationary, Postage, Telephone, Fax, Photocopies	One off charge per assignment and then pro rata thereafter.	£100 initial charge and £60 per annum pro rata for the length of the assignment.
Mileage	Staff mileage used in connection with a specific assignment charged at HM Revenue & Customs mileage rate.	45p per mile

MACKENZIE GOLDBERG JOHNSON LIMITED – FEE POLICY

1 JANUARY 2010 to 31 DECEMBER 2013

It is the policy of Mackenzie Goldberg Johnson Limited to seek approval to draw fees by reference to the time properly given (in six minute units) by the Insolvency Practitioner and other staff in attending to matters arising in the case. The charge-out rates of all grades of staff, including principals, who are likely to be involved in the case are as follows:

Staff Grade	Rate per Hour (Excluding VAT)
Insolvency Practitioner	325
Insolvency Manager	225
Insolvency Administrator	175
Support Staff	75

Charge-out rates may be subject to change. It is the policy of Mackenzie Goldberg Johnson Limited to recover the following categories of costs arising in the case (known as 'Category Two Disbursements') which may include an element of shared or allocated costs as follows:

Item	Charge	Rate
Paper	Per A4 Sheet	5p
Photocopier	Per A4 Sheet	5p
Envelopes	Each	10p
Postage	Package Rate	£1.50
Postage	Letter Rate	50p
Room Hire	Per 30 minute meeting	£50.00

MACKENZIE GOLDBERG JOHNSON LIMITED – FEE POLICY

1 JANUARY 2009 to 31 DECEMBER 2009

It is the policy of Mackenzie Goldberg Johnson Limited to seek approval to draw fees by reference to the time properly given by the Insolvency Practitioner and other staff in attending to matters arising in the case. The charge-out rates of all grades of staff, including principals, who are likely to be involved in the case are as follows:

Staff Grade	Rate per Hour (Excluding VAT)
Insolvency Practitioner	300
Insolvency Manager	200
Insolvency Administrator	150

Charge-out rates may be subject to change. It is the policy of Mackenzie Goldberg Johnson Limited to recover the following categories of costs arising in the case (known as 'Category Two Disbursements') which may include an element of shared or allocated costs as follows:

Item	Charge	Rate
Paper	Per A4 Sheet	2.5p
Photocopier	Per A4 Sheet	2.5p
Envelopes	Each	15p
Postage	Package Rate	96p
Postage	Letter Rate	30p
Room Hire	Per 30 minute meeting	£35.00