



Charge-out rates for office holders and their staff and bases of calculation of associated expenses

Time costs of office holders and their staff are recorded in 6-minute units at the charge-out rates shown. Office holders may be assisted by self-employed individuals engaged to fill temporary or infrequent gaps in the firm's permanent staff resources. Such individuals operate in a manner similar to other members of staff and their time spent on case administration is recorded at whichever rate shown here is appropriate to the role they perform.

These rates are reviewed periodically and are subject to inflationary or other adjustments. Up-to-date schedules of charge-out rates will be provided in all future reports.

For further information regarding fees, please download the relevant Guide at panel.sfpgroup.com or a hard copy will be provided on request.

Further information regarding insolvency processes in general is available at www.creditorinsolvencyguide.co.uk

Grade	Rate £/hr	Grade	Rate £/hr	Grade	Rate £/hr
Director 2	700	Manager 2	430	Administrator 2	265
Director 1	620	Manager 1	395	Administrator 1	205
Associate Director	530	Assistant Manager	375	Assistant	155
Senior Manager 2	510	Senior Administrator 2	345	Data Administrator	20
Senior Manager 1	475	Senior Administrator 1	310		

Expenses

SIP9 provides definitions of Category 1 and 2 expenses. They are always directly attributable to the estate to which they are charged. In general terms, office holders may discharge Category 1 expenses from the funds held in the insolvent estate, whereas the relevant authorising body must approve the basis of any Category 2 expenses before they may be charged to the estate. The relevant authorising body is whoever has the statutory right to approve the basis of the office holders' fees. This is usually the general body of creditors or a class of them.

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Typically, Category 1 expenses include payments to sub-contractors as set out on the next page.

Category 2 Expenses

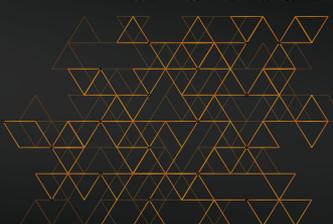
Set out below are the bases of the office holders' Category 2 expenses. The report accompanying this appendix may detail other Category 2 expenses specific to the appointment in question.

Category 2 expenses: Travel, Subsistence and Accommodation

It may be necessary for Exigen Group employees/directors to incur travel, subsistence or accommodation costs payable to third parties in order to attend at locations other than Exigen Group's offices for the direct purposes of the appointment or engagement in question. These will only be charged to the estate at cost and will not be approved for payment by the estate unless they are considered fair, reasonable and proportionate to the appointment or engagement.

Exigen Group pays its employees/directors for using their own vehicles in travelling to/from locations (other than Exigen Group's offices) as required for case administration. Employees are currently paid at the below rates and these same charges will be passed onto the estate, although rates may change in future especially to reflect any changes to HMRC's approved mileage rates.

Use of personal car: 45p per mile Additional cost for each passenger: 5p per mile



Category 2 expenses: Exigen Property Limited

Exigen Property is a surveying practice, which provides property valuation and sales services. Exigen Property has shareholders in common with Exigen Group. Although the office holders and their staff could undertake some of the work carried out by Exigen Property, e.g. liaising with landlords, tenants and interested parties, it is considered more effective and efficient to arrange for Exigen Property to deal with all matters relating to properties. In addition, in view of Exigen Property's proximity to Exigen Group, including the sharing of resources such as office space and finance staff, it is considered that Exigen Property provides better value than any outside agencies. Although, of course, this arrangement benefits the common shareholders, it should be remembered that in the event that realisations are limited, Exigen Property will not receive full payment for its time costs incurred.

Exigen Property may also incur direct expenses, such as Land Registry fees, which will be charged to the estate at cost.

Category 2 expenses: Exigen Property (continued)

Exigen Property's fees are charged on the basis of the time costs incurred at the following rates:

<u>Grade</u>	<u>Rate £/hr</u>	<u>Grade</u>	<u>Rate £/hr</u>	<u>Grade</u>	<u>Rate £/hr</u>
Director	450	Manager 2	225	Administrator 2	135
Senior Manager 2	275	Manager 1	200	Administrator 1	115
Senior Manager 1	250	Senior Administrator 2	175	Assistant	100
		Senior Administrator 1	155		

Category 1 expenses: Sub-contractors

Office holders may sub-contract work that could otherwise be carried out by them or their staff. The following explains what typically is sub-contracted out and why. Where relevant, these are charged as a Category 1 expense. Please refer to the accompanying documents for details of the specific circumstances of the case and on how much this work will, or has, cost.

Pension Specialists

Where a pension scheme exists, pension specialists are instructed to conclude all pension scheme matters, which can involve winding up schemes and applying to the Redundancy Payment Service for payment of pension contribution arrears. Although these matters could be carried out by the office holders or their staff, it is appropriate to draw on the substantial knowledge and expertise of the pension specialists, who are also able to operate in a cost-effective manner.

Employment Specialists

Exigen Group has staff with the knowledge and experience to deal with most matters relating to employees and former employees of insolvent businesses. However, particularly in cases with a large number of employees, external employment specialists may be instructed as they have cost-effective systems in place to process employees' claims in bulk. Employment specialists may also be engaged to assist in high profile or complex cases, as they have greater expertise to deal with such matters.

Debt Collection Agents

In some cases, office holders will engage other parties to pursue payment of outstanding sales invoices. Sometimes specialist debt collection agents, who have knowledge and experience in collecting the debts of a particular industry will be instructed. In other cases, office holders may engage individuals (whether in their personal capacity or by engaging with the individuals' new employer or company) who were previously employed by the insolvent entity to do this work. In both these circumstances, because of the debt collectors' specialist knowledge and often their relationships with the debtors, they are likely to be achieve better results than the office holders or their staff. In some



cases, office holders may decide to instruct a debt collection agent on the basis that it will be cheaper than the staff to carry out the work at their standard charge-out rates.

Insolvency Claims Specialists

An office holder's investigations sometimes identify claims that may be pursued for the benefit of an insolvent estate. Due to their specialism, it is often the case that recoveries can be made quicker and more effectively if insolvency claims specialists are instructed to assist in pursuing such claims. Thus, while office holders and their staff have the knowledge and skills to pursue such recoveries in the first instance, they may decide to engage an insolvency claims specialist at an early stage in the interests of the insolvent estate.

Storage Agents

In many new appointments, the office holders instruct independent storage agents to transport the insolvent entity's relevant books and records to the office holders' offices so that they can be scanned for electronic filing purposes and then the storage agents destroy the hard copy records. Holding the records in electronic form is far more useful to the office holders for their investigation purposes and it saves on the ongoing expense of storing the hard copy records with independent agents often for several years.

Advertising Agents

In all cases, legislation requires office holders to have statutory notices published in the London or Edinburgh Gazette. Although it is possible for the office holder to submit such requests directly to the Gazette, they use specialist advertising agents. For a small additional fee, the advertising agents check the submissions for obvious errors and omissions and can ensure that notices requiring urgent attention are dealt with swiftly.

Press Agents

In a few cases, it is valuable to the administration of the case for press agents to be engaged to assist in publicising the insolvency. For example, publicising may assist in bringing the insolvency event to the attention of unknown creditors or parties who may be interested in purchasing the business or assets. Press agents have the knowledge and expertise to determine how best to publicise matters and are more effective than the office holders or their staff would be.