

## Charge out Rates & Expenses



### Staff Allocation

All our cases are led by Licensed Insolvency Practitioners who are responsible for strategy on cases. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Our applicable rates for work undertaken will reflect the required experience of the individual required for that task. In accordance with the provisions of Statement of Insolvency Practice 9 (SIP 9), set out below are the current charge out rates per hour for the grades of staff employed within Arafino Advisory Limited ('Arafino'), exclusive of VAT.

Grade of Staff	Rates
Director	£495.00
Senior Manager	£395.00
Manager	£325.00
Assistant Manager	£285.00
Senior Administrator	£235.00
Administrator	£185.00
Assistant Administrator	£150.00
Case Accountant / Support Staff	£115.00

Work undertaken is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. Cases that are considered complex in nature are subject to a 25% increase on the published rates above. A full explanation of why a case is considered to be complex will be provided to creditors at the point fee approval is requested.

Time spent on casework is recording directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is recorded under the following categories:

Administration and Planning	Trading
Creditors	Cashiering
Investigations	Closing Procedures
Realisation of Assets	

On occasion it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment any material changes will be notified to creditors as part of the normal fee reporting procedures. Rates are likely to be subject to periodic increase.

The time of support staff and executive assistants is not charged to a case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken.

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### Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holder or his staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

### EXPENSES

Expenses are any payments from the insolvency estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2). The following details are effective from 1 April 2021. Details of historic disbursement charges are available to review [here](#) or will be provided upon request.

#### Category 1 Expenses:

These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.

Examples of these expenses include, but are not limited to, the following:

Category 1 Expense – effective from 8 November 2024	Basis of Charge
Professional Advice e.g. costs of solicitors, agents & valuers, pensions advisors, employment specialists etc	Typically on a time costs or fixed fee basis – the basis of charge will be agreed by the office holder so as to represent best value and will be provided in reports to creditors. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.
Statutory & other Advertising	At cost incurred.
Anti-Money Laundering Identity Verification	£12.50 per person or more depending on the complexity of the searches required.
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Open Banking, Accounting and Data storage costs of external provider	At cost incurred
Travel	All forms other than mileage at actual cost
Room Hire	All external venues at actual cost
Record Listing, Storage & Retrieval	At cost incurred
Printing & Postage costs of external provider.	At cost incurred
Virtual Meeting Platform (from 1/11/24)	At cost incurred

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### Category 2 Expenses

These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration.

If expenses include shared or allocated costs and they have not been paid: The category 2 expenses incurred include shared or allocated costs.

Where we may pay shared or allocated costs (for example, travel costs are incurred to deal with more than one case), we will calculate the proportion to be applied to each relevant matter.

The term associate is defined in the insolvency legislation. Additionally SIP 9 directs that where a reasonable and informed third party might consider there would be an association, payments should be treated as if they are being made to an associate, notwithstanding the nature of the association may not meet the definition in the legislation.

Examples of Category 2 expenses include, but are not limited to, the following:

Category 2 Expense – effective from 1 April 2021	Cost
Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile)	£0.45

### VAT

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the office holders' remuneration and expenses invoiced to the insolvency estate will be subject to VAT at the prevailing rate.

### Creditors' Rights

Information about Creditors' rights can be obtained by visiting the Association of Business Recovery Professionals (R3) at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/>. This includes details about how an office holder's fees may be approved for each case type and challenges are available. Alternatively, hard copies of these documents may be requested free of charge from Arafino's registered office.