



BDO LLP CHARGING AND EXPENSES POLICY FOR INSOLVENCY AND MEMBERS' VOLUNTARY LIQUIDATION APPOINTMENTS UNDER THE INSOLVENCY ACT 1986

To maximise the cost effectiveness of the work undertaken, we will delegate work to appropriate grades of staff. Work will be conducted and supervised by suitably qualified and experienced members of staff and partners of the firm. Particularly complex matters will be undertaken by senior staff or partners. We may also ask in-house specialist departments to assist in areas such as VAT, Tax and Forensics.

Our charge-out rates are reviewed on a regular basis and are adjusted to take account of inflation and the firm's overheads.

The current charge-out rates per hour will be disclosed:

- When seeking a decision from creditors to approve the basis of remuneration on a time costs basis
- When seeking a resolution from members to approve the basis of remuneration on a time costs basis (in Members' Voluntary Liquidations)
- Where remuneration has been approved on a time costs basis in the progress reports and final report/account.

This in no way implies that staff at all such grades will work on the case.

Time undertaken by staff in relation to the case is recorded to various work activities and the minimum unit of time recorded is three minutes.

Where remuneration has been approved on a time costs basis, a breakdown of the time incurred for each activity of work, together with associated time costs and the average hourly rate, will be disclosed in the annual reports and final report/account.

Remuneration invoiced to the case will be subject to VAT at the prevailing rate.

Expenses

Expenses, including disbursements (costs incurred in the case that have been paid by the firm and reimbursed by the estate), are divided into two categories.

1) Category 1 expenses

These are expenses relating directly to the case incurred by an independent third party, including professional fees and expenses.

For cost effectiveness, ERA work may be sub-contracted to ERA Solutions Limited, who are experienced specialists in this area.

Printing and postage of circulars may be sub-contracted to external printers who have the capacity to deal with large circulars to a volume of creditors in a timely manner.

Creditor approval is not required to pay category 1 expenses.

2) Category 2 expenses

These are expenses relating directly to the case that have been incurred by an associated party or which have an element of shared costs.

We may seek to recover mileage from the estate, based on the scale approved by HM Revenue & Customs, currently 45p per mile. This is the amount the firm pays to staff where they use their own car or company car travelling in connection with the case.



Where in-house specialists assist or we engage a member firm of the BDO network, details will be provided to creditors.

Creditor approval is required to pay category 2 expenses.

Where applicable, expenses will be subject to VAT at the prevailing rate.