

CHARGE OUT RATES

Staff Allocation & Support Staff

An objective and practical approach is taken to each case which includes active Director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. 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 KR8 Advisory Limited, exclusive of VAT.

Grade of Staff	Rate from 1 June 2026
	Standard
Managing Director	£815.00
Associate Managing Director	£755.00
Director	£705.00
Associate Director	£605.00
Manager	£505.00
Senior Associate	£405.00
Associate	£305.00
Assistant Associate	£255.00
Support/Cashier	£195.00

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 an uplift of the published rates above. This uplift is determined on a case by case basis. 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 recorded 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 & Planning**
- **Creditors**
- **Investigations**
- **Realisation of Assets**
- **Trading**
- **Cashiering**
- **Closing Procedures**

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. In any event rates are likely to be subject to periodic increase.

Staff from Companies within KR8 Advisory Limited's group structure may sometimes undertake work on cases and this will be charged at the applicable rate outlined above.

HISTORIC CHARGE OUT RATES

Grade of Staff	Rate from 1 February 2025
	Standard
Managing Director	£775.00
Associate Managing Director	£725.00
Director	£675.00
Associate Director	£575.00
Manager	£475.00
Senior Associate	£375.00
Associate	£275.00
Support/Cashier	£175.00

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 include 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).

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	Basis of Charge
Professional Advice e.g. costs of solicitors, agents & valuers, pensions advisors, employment specialists etc	Typically on a timecosts 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.
Subsistence e.g. accommodation, meals, parking and/or congestion charges, tolls or business telephone calls, incurred by case staff as a direct result of working on an insolvency case	Reimbursed at cost incurred
Statutory & other Advertising	At cost incurred.
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
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	At cost incurred

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.

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 £
<i>Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile)</i>	<i>£0.45</i>
<i>Professional Services provided by associated Companies within the K3 Capital Group Limited.</i>	<i>As advised to creditors on a case by case basis.</i>

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 and details about how an office holder's fees may be approved and challenged for each case type are available in a series of guides issued in accordance with SIP 9. These can be accessed at [here](#). Alternatively hard copies of these documents may be requested free of charge from KR8 Advisory Limited's registered office.