KR8 ADVISORY
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Charge out Rates and Chargeable Expenses for Scottish Matters

Staff Allocation and Support Staff

Support staff may charge their time to the case. Support staff include cashiers, secretarial and administration support.

The minimum unit of time recorded is 6 minutes.

The assignment of staff to work on each aspect of the case is based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

An objective and practical approach is taken to each case which includes active Managing Director's 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 standard current charge out rates per hour for the grades of staff employed within KR8, exclusive of VAT. Engagements of a complex nature will be subject to a different rate and will be communicated separately as appropriate.

Grade of Staff	Rate from 1 October 2026		
	Complex Matters	Standard Matters	Basic Matters
Managing Director	815	610	305
Associate Managing Director	755	565	285
Director	705	530	265
Associate Director	605	450	225
Manager	505	400	200
Senior Associate	425	360	180
Associate	365	305	155
Assistant Associate	255	190	110
Senior Treasury	290	230	130
Support / Treasury	195	135	130

Charge out rates are set at the regional rate as standard.

Work undertaken during the provision of the Services 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.

The time of support staff and executive assistances 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.

Details of historic charge out rates are available to review here or will be provided upon request.

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise by 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. These may include, but are not limited to, legal and agents' fees.

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). 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 a service to which the expense relates who are not associates and where the specific expenditure is directly referable to the appointment in question. These are charged to the estate at cost, with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums. Legislation provides that office holders may discharge Category 1 expenses from the funds held in the insolvency estate without further recourse to creditors.

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 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.
Subsistence e.g. accommodation, meals, parking and/or congestion charges, tolls or business telephone calls, incurred by case staff as a direct	Reimbursed at cost incurred.

result of working on an insolvency case	
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
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 6/4/17)	At cost incurred

Category 2 Expenses

These are other expenses which are payable to associates or which have an element of shared cost. Payments may only be made in relation to Category 2 expenses after the creditors have approved the bases of their calculation.

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	Cost (£)
Mileage incurred as a result of necessary travel as per HMRC's approved rate (per mile)	£0.45
Professional Services provided by non-insolvency service lines within KR8 Advisory Limited or by associated Companies within the Corporate Group structure of KR8 Advisory Limited	As advised to creditors on a case-by-case basis.

The schedule is available for creditors to review at https://kr8.co.uk/creditors-guide-to-fees/.

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 creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at https://www.r3.org.uk/technical-library/. Details about how an office holder's fees may be approved for each case type and challenged are available in a series of guides issued with SIP 9 and can be accessed at https://kr8.co.uk/creditors-guide-to-fees/. Alternatively hard copies of these documents may be requested free of charge from KR8's registered office.