

Expenses and disbursement policy

At the outset of any insolvency assignment creditors will be provided with details of the expenses and disbursements which are likely to be incurred during the administration of the insolvent estate. When subsequent reports are sent to creditors the original estimate can be compared to the actual expenses which have been incurred and an explanation can be provided for any material deviation. Expenses for insolvency practitioners are classified as either category 1 or category 2 expenses.

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 whether paid directly from the estate or as a disbursement.

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. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

Category 2 expenses which Brailey Hicks will charge to a case (subject to creditor approval) are detailed below and relate to business mileage and record storage. Both of these expenses are essential to insolvency assignments.

Postage

Brailey Hicks uses franked mail for most letters which is marginally cheaper than stamps. Where mail is franked, a recharge will be made to the insolvent estate equivalent to the cost of stamps for the relevant class of mail.

Business Mileage

Staff need to be able to attend meetings and business premises etc in order to administer the insolvency assignment effectively and efficiently. Recharging the mileage is therefore considered appropriate. Business mileage is charged at 45p per mile.

Record storage and destruction

Many insolvency assignments will require the storage of records. Where this is necessary and where the respective expenses are approved by creditors, Brailey Hicks will collect records and store them in standard record storage boxes in its own storage facility and at the end of the assignment the records will be confidentially destroyed. Charges will be made to the insolvent estate on commercially competitive rates as follows:

Storage boxes	£2.50 per box
Destruction charge	£3 per box
Storage charge	£5 per box per month

Updated 1 January 2024

