

MILSTED LANGDON'S GUIDANCE ON FEE AND DISBURSEMENT POLICY

These notes should be read in conjunction with the report you have received which sets out details of the conduct of the administration of the case and gives an indication of the anticipated outcome, if known. The report highlights any matters of complexity or exceptional circumstances and those on which a significant proportion of time has been spent and explains the nature, extent and effectiveness of the associated work undertaken.

Creditors' attention is also drawn to any accompanying account of receipts and payments. This reflects any payments that may have been made to agents and advisers. If this is the case, then they will have been chosen in accordance with the firm's policy to select advisers that satisfy the following criteria:

1. They are based locally either in relation to the insolvent or the office holder.
2. They have the relevant technical expertise to deal with the matters on which they have been consulted.
3. Their fee scale and structure is proportionate to the size of the case and the complexity of the matters on which their advice has been sought.
4. They were willing to act on a conditional fee agreement, if appropriate

Agents are paid, in accordance with industry standard practice, a fee based on a percentage of the value realised for the assets they have sold together with a valuation fee if they have provided a written valuation report.

Solicitors are paid on the submission of detailed fee notes, capable of being assessed by the court if necessary. These fee notes therefore set out what work has been undertaken by each fee earner together with the associated time costs and disbursements. Payment will only have been made if a review of the fee notes demonstrates that the amount charged appears to be reasonable in the light of:

1. Any original estimate or fee quotation which will have been obtained wherever it is appropriate or possible to give an indication of likely fees at the outset of an instruction
2. The amount of work undertaken
3. Its effectiveness and timeliness
4. The complexity of the matters on which advice is sought

If the insolvent's accountants have been retained to assist with the agreement of taxation matters or to provide financial information and forecasts because they have existing knowledge of the insolvent's business that means that they can undertake this work more efficiently than would be the case if new agents were to be instructed, the terms of their fee is agreed before such work is undertaken.

If there are large numbers of claims from employees, a specialist agency may be engaged to process them. Its fees are charged on an appropriate basis.

Cases are staffed in accordance with the firm's policy that the work on every case is to be overseen by a partner who will be responsible for all strategic decisions regarding case management. If the partner in charge is not the office holder, then the office holder will receive periodic file reviews and will see key documents including crucial correspondence and bank statements. The day to day running of cases is undertaken by case administrators. In most cases administrators will report to a manager in order to maximise efficiency. Matters relating to the receipt or payment of estate monies are handled by a cashier and typing and filing is undertaken by staff of secretarial grades. Overall, tasks are allocated to staff with the appropriate level of experience, skill and qualification to undertake them efficiently and competently.