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## STATEMENT OF INSOLVENCY PRACTICE 9 (E&W)

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### REMUNERATION OF INSOLVENCY OFFICE HOLDERS

#### ENGLAND AND WALES

#### 1. INTRODUCTION

- 1.1 This Statement of Insolvency Practice (SIP) is one of a series of guidance notes issued to licensed insolvency practitioners with a view to maintaining standards by setting out agreed best practice and harmonising practitioners' approach to particular aspects of insolvency.

SIP 9 is issued under procedures agreed between the insolvency regulatory authorities acting through the Joint Insolvency Committee (JIC). It was commissioned by the JIC, produced by the Association of Business Recovery Professionals, and has been approved by the JIC and adopted by each of the regulatory authorities listed below:

##### Recognised Professional Bodies:

- Association of Chartered Certified Accountants
- Insolvency Practitioners' Association
- Institute of Chartered Accountants in England and Wales
- Institute of Chartered Accountants in Ireland
- Institute of Chartered Accountants of Scotland
- Law Society
- Law Society of Scotland

##### Competent Authority:

- The Insolvency Service (for the Secretary of State for Trade and Industry)

Insolvency Practitioners are expected to have regard to SIPs in carrying out their professional work. Departure from the standard(s) set out in the SIP(s) is a matter that may be considered by a practitioner's regulatory authority for the purposes of possible disciplinary or regulatory action.

SIPs should not be relied upon as definitive statements of the law. No liability attaches to any body or person involved in the preparation or promulgation of SIPs.

1.2 The purpose of this statement of insolvency practice is to:

- ensure that members are familiar with the statutory provisions relating to office holders' remuneration;
- set out best practice with regard to the observance of the statutory provisions;
- set out best practice with regard to the provision of information to those responsible for the approval of fees to enable them to exercise their rights under the insolvency legislation;
- set out best practice with regard to the disclosure and drawing of disbursements.

The statement has been produced in recognition of the principle that those with a direct financial interest in the level of office holders' fees should feel confident that the rules relating to the charging of remuneration have been properly complied with, and that those charged with responsibility for approval of fees have access to sufficient information about the basis of fees to be able to make an informed judgement about the level of remuneration in any particular case. The statement applies to England and Wales only.

1.3 Members should be aware that the drawing of remuneration otherwise than in accordance with the relevant statutory provisions will render them in breach of the law.

1.4 The statement is divided into the following sections:

- The statutory provisions
- Provision of information when seeking fee approval
- Provision of information after fee approval
- Asset realisations
- Expenses and disbursements
- Payment in full
- Closure of cases

## **2 THE STATUTORY PROVISIONS**

2.1 The statutory provisions relating to the remuneration of office holders are set out in The Insolvency Rules 1986 ('the Rules'). The relevant rules are set out in full in Appendix A. The main provisions relating to the most common types of insolvency appointment are summarised in the following paragraphs.

### **2.2 Administration**

2.2.1 The basis for fixing the administrator's remuneration is set out in rule 2.47, which states that it shall be fixed either:

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

2.2.2 It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if as a percentage to determine what percentage is to be applied. In arriving at its determination the committee shall have regard to:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

- 2.2.3 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors using the same criteria as would apply if fixed by the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator. It should be noted that rule 2.47 stipulates that the administrator's remuneration shall be fixed *either* on a percentage basis *or* on a time cost basis. Any resolutions purporting to allow the administrator to be remunerated on whichever basis he chooses or whichever yields the higher remuneration will not be in accordance with the rule.

## **2.3 Insolvent Liquidations and Bankruptcies**

- 2.3.1 The basis for fixing the remuneration is broadly the same for both insolvent liquidations and bankruptcies. The relevant provisions are Rule 4.127 for liquidations and Rule 6.138 for bankruptcies. The rules state that the remuneration shall be fixed either:

- as a percentage of the value of the assets which are realised or distributed or both, or
- by reference to the time properly given by the office holder and his staff in attending to matters arising in the insolvency.

- 2.3.2 It is for the liquidation or creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if as a percentage to determine what percentage is to be applied. In arriving at its determination the committee shall have regard to:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the office holder in connection with the insolvency;
- the effectiveness with which the office holder appears to be carrying out, or to have carried out, his duties;
- the value and nature of the assets which the office holder has to deal with.

- 2.3.3 If there is no committee, or the committee does not make the requisite determination, the remuneration may be fixed by a resolution of a meeting of creditors using the same criteria as would apply if fixed by the committee. A resolution specifying the terms on which the office holder is to be remunerated may be taken at the section 98 meeting (rule 4.53) or at the first meeting of creditors in compulsory liquidations and bankruptcies (rule 4.52 for compulsory liquidation; rule 6.80 for bankruptcy). As in the case of administrations, the rules require the percentage and time cost bases to be treated as mutually exclusive and not supplementary, and any resolution purporting to allow the office holder to choose which basis to apply will be in breach of the rules.

- 2.3.4 If the remuneration is not fixed as above, it will be in accordance with the scale laid down for official receivers. The official receiver's scale is set out in Schedule 2 to the Insolvency Regulations 1994, which is reproduced in Appendix B. Fees should not be drawn on the official receiver's scale without first attempting to obtain the agreement of the committee or the creditors to a basis for the fixing of the remuneration, nor as an interim measure pending the agreement of the committee or creditors. This does not, however, preclude the fixing of fees by the committee or the creditors on the same scale as that applicable to official receivers.

## **2.4 Members' Voluntary Liquidations**

- 2.4.1 The basis for fixing the liquidator's remuneration in a member's voluntary liquidation is set out in rule 4.148A. The basis is the same as for insolvent liquidations, except that it is to be determined by the members of the company in general meeting and not by the creditors. In determining the basis of the liquidator's remuneration the members must have regard to the same factors as the creditors do in an insolvent liquidation.

- 2.4.2 If the remuneration is not fixed in this way, it will be in accordance with the official receiver's scale. The same observations apply to the application of percentage or time costs as set out in paragraph 2.3.3 above in relation to insolvent liquidations. Remuneration should not be drawn on the official receiver's scale without first attempting to obtain the agreement of the members to a basis for fixing the remuneration, nor as an interim measure pending the agreement of the members.

## 2.5 Voluntary Arrangements

2.5.1 The fees, costs, charges and expenses which may be incurred for any of the purposes of a voluntary arrangement are set out in the Rules (rule 1.28 for company voluntary arrangements and rule 5.28 for individual voluntary arrangements). They are:

- any disbursements made by the nominee prior to the approval of the arrangement, and any remuneration for his services as such agreed between himself and the company (or the administrator or liquidator, as the case may be) or the debtor (or the official receiver or trustee, as the case may be);
- any fees, costs, charges or expenses which
  - are sanctioned by the terms of the arrangement, or
  - would be payable, or correspond to those which would be payable, in an administration, winding up or bankruptcy (as the case may be).

The Rules also require the following matters to be stated or otherwise dealt with in the proposal (rule 1.3 for company voluntary arrangements; rule 5.3 for individual voluntary arrangements):

- the amount proposed to be paid to the nominee (as such) by way of remuneration and expenses, and
- the manner in which it is proposed that the supervisor of the arrangement should be remunerated and his expenses defrayed.

2.5.2 It is for the creditors' meeting to decide whether to agree these terms along with the other provisions of the proposal. The creditors' meeting has the power to modify any of the terms of the proposal (with the consent of the debtor in the case of an individual voluntary arrangement), including those relating to the fixing of remuneration. The nominee should be prepared to disclose the basis of his fees to the meeting if called upon to do so. Although there are no further statutory provisions relating to the fixing of remuneration in voluntary arrangements, the terms of the proposal may provide for the establishment of a committee of creditors and may include among its functions the fixing of the supervisor's remuneration, provided such terms have been agreed by the creditors' meeting. Where a committee set up under the terms of a voluntary arrangement is given the power to fix remuneration, it should be provided with the same information as if it were fixing remuneration in an administration.

## 2.6 Receiverships

Generally speaking the remuneration of a receiver appointed over property under powers contained in a document of charge will be a matter for agreement between the receiver and the holder of the charge under which he is appointed. In the case of a receiver appointed over the property of a company, there is provision under section 36 of the Insolvency Act 1986 for the court to fix the remuneration of the receiver on application by the liquidator. Such power is only to be exercised where the receiver's remuneration is excessive and not as a routine way of taxing receivers' costs (*Re Potters Oils (No 2)*, [1986] 1 WLR 201; (1985) 1 BCC 99,593). Once such an order has been made, an application may be made to the court by either the liquidator or receiver to vary or amend it. There is no equivalent provision for receivers appointed over the property of an individual or a partnership.

## 2.7 Other types of appointment

Other appointments which may be encountered include receivers, special managers and provisional liquidators appointed by the court. In these cases the remuneration of the office holder is fixed by the court. When fixing the remuneration of a provisional liquidator the court will take into account the matters set out in rule 4.30, which is reproduced in Appendix A.

## 3 PROVISION OF INFORMATION WHEN SEEKING FEE APPROVAL

3.1 Members should be mindful at all times of the rights accorded to creditors in relation to fees under insolvency legislation, and when acting in an advisory capacity or as office holder should ensure that adequate steps are taken to bring those rights to their attention. Appendix C contains the text of a set of explanatory notes on the bases on which office holders' remuneration is fixed in a format suitable for issue to creditors. Members are required to ensure that the explanatory note appropriate to the type of insolvency proceedings concerned or the equivalent information in some

other suitable format, is made available to creditors before any resolution is passed to fix or approve the office holder's remuneration.

- 3.2 The particular nature of an insolvency office holder's position renders it of primary importance that all payments made to his own firm out of funds under his control should be disclosed and explained to those who are charged with the responsibility for approving his remuneration. When seeking agreement to his fees, the office holder should provide sufficient supporting information to enable those responsible for approving his remuneration ('the approving body') to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:
- the nature of the approval being sought;
  - the stage during the administration of the case at which it is being sought; and
  - the size and complexity of the case.
- 3.3 Where, at any creditors' or committee meeting, agreement is sought to the terms on which the office holder is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.
- 3.4 Where agreement is sought to fees during the course of the assignment, an up to date receipts and payments account should always be provided. Where the proposed fee is based on time costs the office holder should disclose to the approving body the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the office holder has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the office holder must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time spent has been properly given. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraphs 2.2.2 and 2.3.2 above. Appendix D sets out a suggested format, with explanatory notes, for producing the information required to enable this assessment to be carried out. It provides for a degree of analysis of time by activity and grade of staff and sets out suggested categories for the purposes of this analysis. Whilst the approach embodied in Appendix D is potentially applicable to all types and sizes of case, the degree of analysis and form of presentation should be proportionate to the size and complexity of the case, and not all categories of activity will always be relevant.
- 3.5 The case records required to be maintained and retained under the Insolvency Regulations 1994 should include sufficient information to show full details of the time spent on the case by the office holder and his staff in cases where fees are on a time cost basis.
- 3.6 Where the fee is charged on a percentage basis the office holder should provide the approving body with details of any work which has been or is intended to be sub-contracted out which would normally be carried out by office holders themselves.
- 3.7 A receiver appointed in relation to a company should on request provide the information specified in paragraphs 3.4 and 3.6 to the company's liquidator.
- 3.8 When notices are sent out convening meetings under section 98 of the Insolvency Act 1986 they should include a statement to the effect that the resolutions to be taken at the meeting may include a resolution specifying the terms on which the liquidator is to be remunerated, and that the meeting may receive information about, or be called upon to approve, the costs of preparing the statement of affairs and convening the meeting. Members should advise directors when convening section 98 meetings that the notices despatched to creditors should include such a statement and be accompanied by the appropriate explanatory note referred to in paragraph 3.1. If that advice is given orally and not accepted by the directors it should be confirmed in writing.
- 4. PROVISION OF INFORMATION AFTER FEE APPROVAL**
- 4.1 Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions the office holder should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the office

holder should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he also should provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 3.4. Where the fee is charged on a percentage basis the office holder should provide the details set out in paragraph 3.6 above regarding work which has been sub-contracted out. The requirements of this paragraph also apply where the basis of the remuneration of a supervisor in a voluntary arrangement as set out in the proposal does not require any further approvals by the creditors or any creditors' committee established under the proposal.

- 4.2 Where, in a liquidation or bankruptcy, a resolution specifying the terms on which the office holder is to be remunerated is passed at a creditors' meeting, there is no statutory requirement for further creditor approval for the drawing of remuneration. It should be borne in mind, however, that in such cases creditors have the right to requisition a meeting or to apply to the court if they consider the office holder's remuneration to be excessive. The office holder should provide creditors with sufficient information to enable them to decide whether to exercise those rights. The information provided in accordance with paragraph 3.4 should normally be sufficient for this purpose. Where, however, creditors make reasonable request for further information, it should be provided.
- 4.3 In a liquidation or a bankruptcy, where the office holder realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds, he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purposes of determining his fees, and in his reports to creditors.

## **5. ASSET REALISATIONS**

Practitioners are reminded that any monies received by a trustee in bankruptcy in relation to the sale of the bankrupt's interest in his matrimonial home, as in the case of any other property, represent realisations which must be paid into the Insolvency Services Account. Any fees in relation to the realisation must be approved in the usual way.

## **6. EXPENSES AND DISBURSEMENTS**

- 6.1 Approval is not required for the drawing of necessary disbursements. However, not all costs properly charged in connection with insolvency assignments may necessarily be regarded as disbursements. The precise demarcation line between disbursements and remuneration is not defined by statute and has not been specifically determined by the courts. Particular difficulties arise in connection with charges that involve calculations of shared and overhead costs, as these may include an element of remuneration.
- 6.2 In the absence of a clear statutory definition best practice is that only those costs that clearly meet the definition of disbursements, where there is specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party, are treated as disbursements recoverable without approval. In this statement these are referred to as 'category 1 disbursements' (approval not required). Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage. Members should be prepared to disclose information about specific category 1 disbursements where reasonably requested.
- 6.3 Where it is proposed to recover costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs, they should be identified and subject to approval as if they were remuneration. If the office holder wishes to make a separate charge for expenses in this second category, he may do so provided that:
- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation and allocation; it will be persuasive evidence of reasonableness, if the resultant charge to creditors is in line with the cost of external provision; and



- the basis of the proposed charge is disclosed and is authorised by those responsible for approving his remuneration.

These are defined as category 2 disbursements (approval required). Category 2 disbursements will comprise cost allocations which may arise on some of the category 1 expense where supplied internally: typically, items such as room hire and document storage. Also typically included will be routine or more specialist copying and printing, and allocated communication costs provided by the practitioner or his firm.

- 6.4 Basic non-incidental costs, including such items as time costs, office and equipment rental, depreciation, standing charges, finance charges, accounting and administration costs, may not be the subject of separate charges.
- 6.5 Payments to outside parties in which the office holder or his firm or any associate (as defined by section 435 of the Insolvency Act 1986) has an interest should be treated as category 2 disbursements.
- 6.6 Where, in a liquidation or a bankruptcy, remuneration is being taken on the official receiver's scale and there is no committee and it has not been possible to obtain a resolution of the creditors, category 2 disbursements may only be recovered if authorised by the creditors.
- 6.7 Members are reminded that it is the office holder's obligation to satisfy himself of the appropriateness of disbursements.

## **7. PAYMENT IN FULL**

In a bankruptcy, a voluntary arrangement or an initially insolvent liquidation where realisations are sufficient for payment of creditors in full with interest, it should be remembered that, notwithstanding the right of the creditors or the committee to fix the office holder's remuneration, it will be the debtor or the members, as the case may be, who will have the principal financial interest in the level of fees. The office holder should therefore on request provide them with information, in accordance with the principles set out in this Statement of Insolvency Practice, about how the remuneration, expenses and disbursements have been calculated.

## **8. CLOSURE OF CASES**

On the closure of a liquidation or bankruptcy there will frequently be a small residual balance of funds in hand, due to the unavoidable difficulty of calculating the final outcome with absolute precision. Such monies should be paid into the Insolvency Services Account as undistributed assets in accordance with regulations 18 and 31 of the Insolvency Regulations 1994. Where the funds are already held in the Insolvency Services Account the Central Accounting Unit should be notified by letter that they represent undistributed assets.

Effective date: 31 December 2002

## APPENDIX D

### Suggested format for production of information

#### Notes

1. The purpose of the attached form is to provide information to support requests for approval of office-holders' remuneration in a standard way so that those receiving such requests can make ready comparisons between cases and an informed assessment of each application. In larger or more complex cases further levels of narrative or tabular information may be needed.

Office-holders should appreciate that it is for them to provide the information that those receiving the request will need in order to be satisfied about the reasonableness of their request and that failure to provide adequate information is likely to have an adverse effect on the assessment.

2. The time and rate schedules should be completed to show the total hours spent. Office-holders, if requested, should be able to give a breakdown of hours by person by period together with an explanation of the activity performed. Any such breakdown should identify clearly how each figure in the schedule is constituted.
3. The level of disclosure suggested by the standard format may not be appropriate in all instances. The office-holder may take account of the proportionality considerations referred to in paragraph 3.4 of Statement of Insolvency Practice 9. For example, where the cumulative fees for which approval is sought are expected to amount to less than £10,000 a breakdown of the summary should only be submitted if required to explain any unusual features. For cumulative fees between £10,000 and £50,000 a first level of breakdown similar to that shown may well provide the appropriate detail. Where cumulative fees exceed £50,000, proportionality is likely to require a further level of breakdown.
4. The total fees included in the approval request should exclude VAT.
5. In larger cases it will be appropriate to show other categories of work, particularly if they have already been produced for budgeting purposes or for creditors or their representatives, for example in reports to a charge holder in a receivership, or to informal committees of creditors in a provisional liquidation.
6. All payments from or on behalf of the insolvent estate to the office-holder's firm or to any party in which the office-holder, or his firm or any associate has an interest should be included in the disbursements schedules whether or not they are true disbursements or relate to out of pocket expenses. The office-holder should categorise these payments according to the recipient and their nature and purpose and the figures should be readily cross-referable to the receipts and payments account and shown net of VAT.



## SUGGESTED FORMAT

<b>Case name</b>	
<b>Court and number</b>	
<b>Office Holder</b>	
<b>Firm</b>	
<b>Address</b>	
<b>Telephone</b>	
<b>Reference</b>	
<b>Type of Appointment</b>	
<b>Date of Appointment</b>	

### 1. AN OVERVIEW OF THE CASE

This overview should be framed in terms that will enable the approving body to judge

- the complexity of the case,
- any exceptional responsibility falling on the office-holder,
- the office-holder's effectiveness, and
- the value and nature of the property in question.

This overview would normally be expected to include an explanation of the nature of the assignment and the office-holder's own initial assessment of the assignment (including the anticipated return to creditors) and the outcome (if known). This should refer to the initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers. It should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the office-holder wishes to make. Office-holders should recognise that if they are not able to provide a clear and sufficient explanation of time spent then this is likely to have an adverse impact on the fee assessment.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing, or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

In a larger case, particularly if it involved trading, the practitioner should be prepared to support his explanation with evidence of his considerations about staffing and managing the assignment and how he set and reviewed his strategy. Where they have been agreed with creditors or their representatives, he should also provide copies of his time budgets and fee reports.

## **2. EXPLANATION OF OFFICE-HOLDERS CHARGING AND DISBURSEMENT RECOVERY POLICIES**

This section should comprise:

- A statement of the office-holder's charging policy in relation to time to enable those receiving the application to make a comparison with other applications and with current published fee information. It should be made clear what grades of staff were charged to the assignment and what sort of staff working on the assignment were not charged to it directly. For example, were secretaries and cashiers charged to the assignment for all the time they worked on it, only in respect of large blocks of time devoted to it or, being accounted for as an overhead cost of the office-holder's firm, not at all?
- A statement of the office-holder's policy in relation to recharges of disbursements. This should explain payments made to the office-holder's firm, whether simple reimbursement of actual payments made on behalf of the assignment, such as statutory advertising costs, or charges relating to the recovery of overhead costs, which are discussed in section 6 of SIP 9.

## **3. NARRATIVE DESCRIPTION OF WORK CARRIED OUT**

The narrative should provide details of work undertaken during the period and should be related to the table of time spent for the period.

An explanation should be given regarding the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used.

Mention should also be made of any additional value brought to the estate during the period, for which the office-holder wishes to claim increased remuneration.

To aid understanding of the narrative it may be appropriate to divide it into separate time periods. These might be, for example, periods of 12 months, or periods devoted to trading or some other significant activity. In smaller or routine cases it may be appropriate for the narrative to treat the case as a whole.

#### 4. TIME AND CHARGE-OUT SUMMARIES

A table of time spent and charge-out value should be provided for each of the time periods chosen by the office-holder under paragraph 3 above. The summary should be in the following (or similar) format.

Hours						Time Cost £	Average hourly rate £
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration and planning							
Investigations							
Realisation of assets							
Trading							
Creditors							
Case specific matters (Specify)							
Total hours							
Total fees claimed (£)							

(Further analysis may be necessary in larger cases. In smaller cases these categories of activity may not always be relevant. See paragraph b) below and note 3 of the Notes to the suggested format.)

To be able to produce this information the following points should be noted:-

- For each individual working on the case, hours spent, by activity, will need to be collated, together with the total fees attributed to that time and a resultant average hourly rate.
- The five standard activities - administration and planning, investigations, realisation of assets, trading and creditors - should be shown in every case (although, clearly, not all of these activities will always take place). However, there may well be additional activities that need to be identified separately in a particular case such as, for example, insurance litigation, managing investments in subsidiaries or negotiating settlement of claims against directors. A guide to what might be included in the standard activities is:

**Standard Activity****Examples of work****Administration and Planning**

Case planning  
 Administrative set-up  
 Appointment notification  
 Maintenance of records  
 Statutory reporting

**Investigations**

SIP 2 review  
 CDDA reports  
 Investigating antecedent transactions

**Realisation of Assets**

Identifying, securing, insuring assets  
 Retention of title  
 Debt collection  
 Property, business and asset sales

**Trading**

Management of operations  
 Accounting for trading  
 On-going employee issues

**Creditors**

Communication with creditors  
 Creditors' claims (including employees' and other preferential creditors')

**5. CATEGORY 2 DISBURSEMENTS**

Details of category 2 disbursements paid during each of the time periods should be provided in the following or similar format:-

Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest (note 6)	
Type and purpose	£
Total	

**6. SUPPORTING DOCUMENTS**

Any relevant documents should be attached and details should be supplied here. Documents which will normally be required include:

- An up to date receipts and payments account which complies with current best practice
- A schedule of charge-out rates applied from time to time.
- Relevant resolutions (if any).