

# CLOSEDAY LTD

## Fee Policy

*Effective from: February 1, 2026*

### 1. Introduction

This Fee Policy sets out Closeday Ltd's general approach to charging fees, recovering expenses, and providing fee-related information in connection with insolvency appointments. It is issued in compliance with Statement of Insolvency Practice 9 (SIP 9) and forms part of the basis on which fees are charged.

This policy should be read together with our general Terms of Business and the relevant Letter of Engagement, which set out the specific fees applicable to each case. This policy may be updated from time to time. The version in effect at the date of your Letter of Engagement applies to your case. A copy of this policy at any date is available on request and the currently active version is found here: [closeday.com/legal/fee-policy](https://closeday.com/legal/fee-policy).

This policy applies to Members' Voluntary Liquidations (MVL) and Creditors' Voluntary Liquidations (CVL) conducted by Insolvency Practitioners on Closeday's panel. It does not apply to strike-off guidance services, which do not involve the appointment of an Insolvency Practitioner.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at [www.creditorinsolvencyguide.co.uk/](http://www.creditorinsolvencyguide.co.uk/).

Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at [www.icaew.com/regulation/insolvency/understanding-business-restructuring-andinsolvency/creditors-guides?fromSearch=1](http://www.icaew.com/regulation/insolvency/understanding-business-restructuring-andinsolvency/creditors-guides?fromSearch=1). Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor.

### 2. Principles

All fees charged in connection with insolvency appointments are:

- **Fair and reasonable** in relation to the work undertaken
- **Proportionate** to the nature and complexity of the appointment
- **Transparent** and clearly communicated before approval is sought
- **Directly attributable** to the estate from which they are sought

Those responsible for approving fees are provided with sufficient information to make an informed judgement about the reasonableness of the fees sought.

### 3. Fee Basis

#### 3.1 Standard Fixed Fee

For cases falling within our Standard Scope (as defined in our Terms of Business), we charge a fixed fee. This fee is set out in the Letter of Engagement and represents our commercial arrangement for the work to be undertaken.

We believe a fixed fee basis produces a fair and reasonable reflection of the work required for standard cases because it provides certainty to directors and those approving fees, reflects our investment in technology and efficient processes, is based on our experience of the work typically required for cases of similar complexity, and covers all routine work necessary to complete the liquidation.

The fixed fee structure is as follows:

Component	Description
Pre-Appointment Fee	£100 (excluding VAT), charged following successful completion of regulatory checks. This covers initial assessment and preparation for the liquidation.
Post-Appointment Fee	The remainder of the fixed fee, as stated in the Letter of Engagement, paid from the estate following Appointment and requisite approvals.

Post-appointment fees require approval by shareholders (MVL) or creditors (CVL) in accordance with insolvency legislation. Approval is typically sought at the general meeting, and where a CVL, a decision procedure in the liquidation.

### 3.2 Custom Quotes

For cases falling outside our Standard Scope, we issue a Custom Quote following a detailed assessment. Custom Quotes may be based on any SIP 9 compliant fee basis, including:

- A fixed fee (at a different amount)
- Time costs (based on hours worked at applicable hourly rates)
- A percentage of realisations or distributions
- A combination of the above

The fee basis for any Custom Quote will be clearly set out in the Letter of Engagement and explained when approval is sought.

### 3.3 Indicative Hourly Rates

Where a Custom Quote is based on time costs, the following indicative hourly rates apply:

Grade	Indicative Hourly Rate (excl. VAT)
Insolvency Practitioner	£500
Support Staff	£300

These rates are indicative and may be adjusted for specific cases. Where time-based charging applies, time is recorded in units of six minutes. Any fees charged on a time-cost basis will be a blend of the applicable grades.

## 4. Asset Realisation Fees

### 4.1 Overview

Where assets are realised by the Insolvency Practitioner following Appointment, an Asset Realisation Fee applies. This fee is separate from the fixed fee and reflects the additional work involved in realising assets on behalf of the estate.

Directors may choose to realise assets themselves prior to Appointment, in which case no Asset Realisation Fee is charged. Self-realisation must be at appropriate market value with supporting evidence.

## 4.2 Fee Structure

The Asset Realisation Fee is charged as a percentage of gross realisations. Both the percentage rate and any cap are set to be proportionate to the complexity and effort involved, not merely the value of assets.

For standard cases, indicative rates are:

Asset Type	Indicative Rate
Cash (bank balances, electronic funds)	Usually 0%
Liquid assets	Usually 0% to 5%
Less liquid or complex assets	Usually 5% to 10%
Illiquid, highly complex, or unusual assets	Usually more than 10%

## 4.3 Cap

For standard cases, the total Asset Realisation Fee is capped at £100,000 (excluding VAT). This cap applies to total realisations across all assets, not per asset.

The percentage rate and cap work together to ensure proportionality. For example, where a single high-value asset can be realised with relatively little effort, the percentage may be reduced or the cap may limit the fee to an amount proportionate to the work involved.

## 4.4 Custom Quotes

For cases subject to a Custom Quote, the Asset Realisation Fee structure may differ. This may include different percentage rates, a different cap, or an alternative fee basis entirely. Any such arrangements will be clearly set out in the Letter of Engagement.

## 4.5 Fixed Charge Assets

The Asset Realisation Fee does not apply to assets subject to fixed charges. Such assets are typically realised by or on behalf of the fixed charge holder. If a fixed charge holder wishes Closeday to assist with realisation, this will be subject to a separate agreement.

## 4.6 Included Costs

The Asset Realisation Fee includes the costs of engaging valuers, agents, and auctioneers where required. These costs are absorbed within the percentage fee and are not charged separately.

# 5. Expenses and Disbursements

## 5.1 Included in Fixed Fee

The following routine expenses and disbursements are included in our fixed fee and are not charged separately:

- Statutory advertising (London Gazette)
- Companies House filing fees
- Statutory bond
- Professional indemnity insurance
- Postage and communication costs
- Virtual meeting platform costs

## 5.2 Additional Costs

Certain costs may be incurred in addition to the fixed fee where the circumstances of a case require specialist services. These Additional Costs are paid from the estate as expenses of the liquidation.

Additional Costs may include:

- Legal fees
- Accountancy fees for preparation of final accounts (where not prepared prior to Appointment)
- Property holding costs during realisation (rates, utilities, security, insurance, service charges)
- Taxes payable as result of the transaction (if any)

Where Additional Costs are anticipated, we will provide details when seeking fee approval. For non-specialist, routine Additional Costs below a materiality threshold, we may incur these on behalf of the estate without specific prior approval. For specialist or material Additional Costs, we will obtain approval before they are incurred.

## 5.3 Expense Categories

In accordance with SIP 9, expenses are categorised as follows:

**Category 1 expenses** are payments to independent third parties for services directly referable to the appointment. These do not require prior approval but will be reported.

**Category 2 expenses** are payments to associates or expenses with an element of shared costs. These require approval in the same manner as fees.

Under our standard model, we do not anticipate incurring Category 2 expenses. If such expenses become necessary in any case, we will follow all required approval procedures.

## 5.4 What We Do Not Charge

In accordance with SIP 9, we do not charge:

- Any expense calculated as a percentage of remuneration
- Any administration fee or charge additional to our stated fees
- Recovery of overheads other than those absorbed in our charge-out rates

## 6. Statutory Interest

Closeday waives any entitlement to claim statutory interest at 8% on our fees under the Late Payment of Commercial Debts (Interest) Act 1998.

This waiver applies only to Closeday's fees. It does not apply to any third-party costs incurred as Additional Costs, nor to debts owed to other creditors. In particular, HMRC may claim statutory interest on pre-liquidation taxes.

## **7. Fee Approval**

### **7.1 Members' Voluntary Liquidation**

Post-appointment fees in an MVL require approval by the shareholders. We seek this approval at the general meeting that passes the resolution to wind up the company.

### **7.2 Creditors' Voluntary Liquidation**

Post-appointment fees in a CVL require approval by the creditors. We seek this approval via the initial decision procedure that accompanies the commencement of the liquidation.

### **7.3 Timing**

In accordance with SIP 9, we seek fee approval within 18 months of Appointment. Under our standard model, approval is typically sought at commencement of the liquidation.

### **7.4 Fixed Fee Commitment**

Where a fixed fee has been agreed and approved, we are committed to completing the work within that fee. If actual work within the standard scope materially exceeds our estimate, we absorb the additional cost. We do not return to creditors or shareholders to seek an increased fee for standard scope work.

If circumstances arise that take the case outside the standard scope (for example, undisclosed complexity or assets), we may need to convert to a Custom Quote. In such cases, we will explain the position and seek appropriate approvals.

## **8. Information and Transparency**

### **8.1 Progress Reports**

Progress reports are provided at the statutory frequency and are available to creditors and members via our online platform. Reports include details of fees charged, expenses incurred, and the progress of the liquidation.

### **8.2 Information Requests**

Creditors and members have statutory rights to request further information about fees and expenses. Requests must be made in writing within 21 days of receiving a progress report. Unsecured creditors must have the concurrence of at least 5% in value of unsecured creditors, or the permission of the court.

We will respond to valid requests within 14 days, unless the time and cost would be excessive, disclosure would be prejudicial, or we are subject to confidentiality obligations.

### **8.3 Time Records**

While our fees are typically fixed, we maintain time records to support transparency and respond to information requests. For fixed-fee arrangements, the fixed fee represents a commercial arrangement based on our assessment of the work required and our investment in efficient processes. Time records may not correspond directly to the fixed fee charged.

#### **8.4 Right to Challenge**

Creditors have the right to challenge fees they consider excessive. An application to court may be made by any secured creditor, or by unsecured creditors representing at least 10% in value, within 8 weeks of receiving the progress report in which the fees are first reported.

### **9. Contact**

General questions about this Fee Policy should be directed to [hello@closeday.com](mailto:hello@closeday.com).

Questions about fees in a specific case should be directed to [support@closeday.com](mailto:support@closeday.com).

For more information about Closeday, visit [www.closeday.com](http://www.closeday.com).

### **10. Complaints**

We have a formal complaints procedure. Please contact us at [insolvency-complaints@closeday.com](mailto:insolvency-complaints@closeday.com). We will aim to resolve any concerns promptly. See our Complaints Policy at [closeday.com/legal/complaints](http://closeday.com/legal/complaints) for more information.