

**Adam Johnson – In Bankruptcy (“the Debtor”)
High Court of Justice No. 8135 of 2010**

Trustee’s Final Report

STATUTORY INFORMATION

Debtor’s name: Adam Johnson

Title of the proceedings: Adam Johnson, currently a sub-contractor, of 50 Maida Avenue, Chingford, Greater London E4 7JJ

Trustee’s name: Deborah Ann Cockerton

Trustee’s address: 2 Nelson Street, Southend on Sea, Essex SS1 1EF

Trustee’s date of appointment: 6 August 2012

TRUSTEE’S ACTIONS SINCE APPOINTMENT

Since my appointment date I have realised the assets listed below, dealt with the Debtor’s bank accounts, made enquiries into the Debtor’s affairs and prepared and issued reports to creditors. Matters are now complete and therefore a final meeting has been convened.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 6 August 2014 to 3 November 2015 is attached at Appendix 1. This has been reconciled with the Insolvency Services Account operated by The Insolvency Service in respect of the Bankruptcy.

ASSETS

Freehold Property – 50 Maida Avenue

The above property was sold for £310,000, after lengthy possession and sale proceedings, and eventual eviction. After deductions of the mortgage, charge and costs relating to the possession proceedings and sale, and payment to the joint owner of their share, the sum of £99,062.94 was paid to the estate.

Vehicles

- **Mitsubishi Cantor**
This van was classified as a tool of the trade and therefore the Debtor was permitted to keep this vehicle.
- **Vauxhall Astra Van**
As per the Official Receiver’s report, this vehicle was estimated to realise £1,000.00. The sum of £475.00 was achieved.
- **Mitsubishi Pick Up Truck**
This vehicle was estimated to realise £5,000 and the sum of £3,500 was achieved.
- **Motorbike**
The motorbike was estimated to realise £2,000. The sum of £2,450 was achieved.

Number Plate

The number plate RO05 0PF was sold for £500 by the instructed agent. This balance was retained by the agent in respect of his final fee.

Other Assets

There has been no other realisation of interest other than net bank interest of £274.73.

LIABILITIES

Secured Liabilities

The Debtor had the aforementioned property which was subject to a mortgage and charge. These were extinguished by the sale and no claims have been received.

Preferential Creditors

The statement of affairs did not anticipate any amount owed to preferential creditors and no claims have been received.

Crown Creditors

The statement of affairs included £145,015 owed to HMRC. HMRC's final claim of £80,492.55 has been received.

Non-preferential unsecured Creditors

The statement of affairs included no non-preferential unsecured creditors To date I have not received claims from 1 creditor for the sum of £3,745.88.

DIVIDENDS

There will not be any further dividend declared to non-preferential unsecured creditors as the funds realised have been used to pay prior dividends to non-preferential unsecured creditors, and to meet the expenses of the Bankruptcy.

Non-preferential unsecured creditors have received a dividend of 50.53 pence in the £, which was paid to creditors on 1 May 2015.

TRUSTEE'S REMUNERATION

My remuneration was previously authorised by creditors at a meeting held on 22 February 2013 to be drawn on a time cost basis. My total time costs to 3 November 2015 amount to £31,389.50, representing 140.70 of hours work charged at an average charge out rate of £223.10 per hour, of which £4,616.00 was incurred in the period since 6 August 2014 to 5 August 2015, at an average charge out rate of £246.84 per hour, and £256.00 of which was incurred in the period 6 August 2015 to 3 November 2015, at an average charge out rate of £320.00

I have drawn £28,905.00 to date of which the whole amount was drawn in the period 6 August 2014 to 5 August 2015.

A schedule of my time costs incurred to date is attached as Appendix 2.

A description of the routine work undertaken since my last progress report is as follows:

1. Administration and Planning
 - Preparing the documentation and dealing with the formalities of appointment.
 - Statutory notifications and advertising.
 - Preparing documentation required.
 - Dealing with all routine correspondence.
 - Maintaining physical case files and electronic case details on Vision Blue Solutions.
 - Review and storage.
 - Case bordereau.
 - Case planning and administration.
 - Preparing reports to creditors.
 - Convening and holding meetings of creditors.
 - Corresponding with the Debtor.
2. Cashiering
 - Maintaining and managing the Trustee's cashbook and bank account.

- Ensuring statutory lodgements and tax lodgement obligations are met.
3. Creditors
 - Dealing with creditor correspondence and telephone conversations.
 - Preparing reports to creditors.
 - Maintaining creditor information on Vision Blue Solutions.
 - Reviewing and adjudicating on proofs of debt received from creditors.
 4. Investigations
 - Review and storage of books and records.
 - Conduct investigations into suspicious transactions.
 - Review books and records to identify any transactions or actions a Trustee may take against a third party in order to recover funds for the benefit of creditors.
 5. Realisation of Assets
 - Corresponding with the Debtor regarding his property and his vehicles.
 - Instructing and corresponding with an agent for the sale of vehicles.
 - Pursuing possession and sale proceedings in relation to the property, and dealing with the eviction of the debtor and his family.
 - Liaising with the Debtor's bank regarding the closure of the account.

A copy of 'A Creditors Guide to Trustees' Fees' published by the Association of Business Recovery Professionals, is available at the link www.dcabr.co.uk/individual-advice-guides. Please note that there are different versions of the Guidance Notes, and in this case you should refer to the November 2011 version. A hard copy can be obtained on request from the address below. A copy of DCA Business Recovery LLP's fee policy is attached.

TRUSTEE'S EXPENSES

I have incurred total expenses of £3,474.67 since my appointment as Trustee of which £58.21 was incurred in the period 6 August 2014 to 5 August 2015 and £76.62 was incurred in the period 6 August 2015 to 3 November 2015.

I have drawn £3,339.84 to 30 September 2015, of which £1,124.28 was drawn in the period 6 August 2014 to 5 August 2015. No expenses have been drawn in the final period 6 August 2015 to 30 September 2015.

I have incurred the following expenses in the period since my 6 August 2014 to 5 August 2015:

Type of expense	Amount incurred in the period 6 August 2014 to 5 August 2015
Statutory Advertising	£58.21

I have incurred the following expenses in the period since my 6 August 2015 to 3 November 2015:

Type of expense	Amount incurred in the period 6 August 2015 to 3 November 2015
Statutory Advertising	£76.62

I have used the following agents or professional advisors in the reporting period:

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Basis of Fees</u>
General Auctions Ltd	Valuer and Agent	Percentage of realisations & other associate costs
Foot Anstey	Solicitors	Time costs
Nicholls Law LLP	Solicitors	Time costs

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged have and am satisfied that they are reasonable in the circumstances of this case.

Legal and agents fees in this case were higher than would usually be expected, but this was due to the protraction of proceedings dealing with the property. Substantial correspondence was entered into prior to the need to obtain the order for possession and sale, there was further considerable correspondence with the Debtor's wife regarding the property during the proceedings, and the costs of the eventual eviction of the family. On the eviction date, the family had not prepared to leave and therefore additional time was spent by the agent to allow the family to remove essential items. A later visit needed to be arranged to allow the family to remove the remaining belongings.

SUMMARY

The Bankruptcy is now complete and I am able to summon a final meeting of the Debtor's creditors to receive my final report and seek my release as Trustee. A formal notice convening the meeting of creditors is enclosed with this report.

Creditors should note that if I obtain my release as Trustee at the final meeting of creditors on 1 December 2015, my case files are placed in storage thereafter. If creditors have any queries regarding this report, the holding of the final meeting of creditors or the conduct of the Bankruptcy in general, they should contact Keely Edwards on 01702 344558.

At DCA Business Recovery LLP we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of this case, then in the first instance you should contact me at the address given in this letter

If you consider that I have not dealt with your comments or complaint appropriately then you may put details of your concerns in writing to myself as complaints officer. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner; or you can email insolvency.enquiryline@insolvency.gsi.gov.uk; or you may phone 0300 678 0015 - calls are charged at up to 9p per minute from a land line, or for mobiles, between 8p and 40p per minute if you're calling from the UK.


Deborah Ann Cockerton MABRP MIPA
Trustee

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Analysis of Trustee's Time Costs

In accordance with the Statement of Insolvency Practice No.9, creditors are advised that:-

1. The basis of the fees to be taken by the Liquidator was approved at the Meeting of Creditors held on 22 February 2013. It was resolved that such fees be paid on a time cost basis. This firm's standard insolvency rates with effect from 1st April 2014 are as stated below. For periods prior to this date lower rates will have applied. All rates are exclusive of valued added tax.

GRADE	Hourly rate from 1st April 2014 £	Hourly rate from 1st April 2013 £	Hourly rate from 1 st December 2012 £
Partner	350	350	350
Senior Manager	275	275	250
Manager	250	250	225
Senior Administrator (Grade 1)	225	225	200
Senior Administrator (Grade 2)	200	200	175
Administrator (Grade 1)	175	175	150
Administrator (Grade 2)	150	150	125
Administrator (Grade 3)	110	110	90

2. The total hours expended by the Trustee and all staff involved with the case during the period 6 August 2014 to 5 August 2015 is 18.70 hours, during the period 6 August 2015 to 3 November 2015 is 0.80 hours, and for the whole period is 140.70 hours. The Trustee has ensured that during each period the appropriate member of staff has undertaken the different tasks involved taking into account the complexity of the task and the qualifications and experience of the person involved.
3. The charge out value of the period 6 August 2014 to 5 August 2015 is £4,616.00 plus VAT, for the period 6 August 2015 to 3 November 2015 is £256.00 plus VAT, and for the whole period is £31,389.50 plus VAT. This equates to an average of £246.84 plus VAT per hour for the period 6 August 2014 to 5 August 2015, £320.00 plus VAT for the period 6 August 2015 to 3 November 2015 and £223.10 plus VAT per hour for the whole period. The Trustee has been paid the sum of £28,905.00 plus VAT on account of time costs incurred during the whole period of the liquidation. This equates to an average of £205.44 plus VAT for the whole period of the bankruptcy.
4. A general analysis of the time incurred during the period 6 August 2014 to 5 August 2015 confirms that work has been undertaken in the following areas:-

HOURS						Time Costs Incurred	Average Hourly Rate
Classification of Work	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration and Planning	4.50	0.80	5.10	4.10	14.50	£3,621.00	£249.72
Investigations	0.10				0.10	£35.00	£350.00
Realisation of Assets	0.50				0.50	£175.00	£350.00
Trading							
Creditors			3.10	0.50	3.60	£785.00	£218.06
Case Specific Matters							
Total	5.10	0.80	8.20	4.60	18.70	£4,616.00	£246.84

5. A general analysis of the time incurred during the period 6 August 2015 to 3 November 2015 confirms that work has been undertaken in the following areas:-

HOURS						Time Costs Incurred	Average Hourly Rate
Classification of Work	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration and Planning	0.70			0.10	0.80	£256.00	£320.00
Investigations							
Realisation of Assets							
Trading							
Creditors							
Case Specific Matters							
Total	0.70			0.10	0.80	£256.00	£320.00

**Re: Adam Johnson
IN BANKRUPTCY**

**TRUSTEE'S RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 6 AUGUST 2014 TO 3 NOVEMBER 2015**

Estimated Realisations per SOA		Year Ended 05/08/2015	Final Period 06/08/15 to 03/11/2015	Cumulative Total to 03/11/2015
<u>RECEIPTS</u>				
	Balance brought forward	83,023.46	0.00	
121,772.00	Freehold Property	0.00	0.00	310,000.00
-	Late interest received in respect of the property sale	0.00	0.00	206.38
4,000.00	Mitsubishi Canter	0.00	0.00	0.00
1,000.00	Vauxhall Astra Van	0.00	0.00	475.00
5,000.00	Mitsubishi Pick Up Truck	0.00	0.00	3,500.00
2,000.00	Motorbike	0.00	0.00	2,450.00
-	VAT Received	0.00	0.00	795.00
-	Gross Bank Interest	286.24	0.00	343.41
<u>133,772.00</u>		<u>83,309.70</u>	<u>0.00</u>	<u>317,769.79</u>

PAYMENTS

Official Receiver's Debit Balance	0.00	0.00	1,126.78
Petitioning Solicitor's Fees	1,350.00	0.00	1,350.00
Statutory Advertising	0.00	0.00	84.60
Agents Fees	0.00	0.00	5,113.75
Trustee's Fees	28,905.00	0.00	28,905.00
Stationery	0.00	0.00	1.05
Postage	0.00	0.00	0.93
Insolvency Bond	676.30	0.00	676.30
Open Cover Insurance	393.98	0.00	393.98
Legal Fees	2,638.98	0.00	10,716.98
Legal Disbursements	0.00	0.00	310.55
Mortgage on Property	0.00	0.00	79,619.91

Charge on Property	0.00	0.00	4,190.63
Third Party Share of Property (Joint Owner)	0.00	0.00	115,293.24
Land Registry Fees	54.00	0.00	54.00
Case Administration Fee	0.00	0.00	110.00
Secretary of State Cheque Fees	8.80	0.00	11.00
Secretary of State Ad Valorem Fees	34.35	0.00	17,666.19
Secretary of State Quarterly Fees	88.00	0.00	264.00
Tax on Interest Earned	57.25	0.00	68.68
Irrecoverable VAT	6,533.65	0.00	9,242.83
Payment to unsecured creditors (50.53 p in £)	42,569.39	0.00	42,569.39
Balance held in an interest bearing Insolvency Services Account	0.00	0.00	0.00
	<u>83,309.70</u>	<u>0.00</u>	<u>317,769.79</u>

All figures are shown net of VAT