

WU07

Notice of progress report in a winding-up by the court



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number	0	0	3	9	6	3	8	8
Company name in full	Pochin Construction Limited							

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s)	Kerry
Surname	Bailey

3 Liquidator's address

Building name/number	3 Hardman Street
Street	Spinningfields
Post town	Manchester
County/Region	
Postcode	M 3 3 A T
Country	

4 Liquidator's name ①

Full forename(s)	Andrew
Surname	Palmer

① **Other liquidator**
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number	3 Hardman Street
Street	Spinningfields
Post town	Manchester
County/Region	
Postcode	M 3 3 A T
Country	

② **Other liquidator**
Use this section to tell us about
another liquidator.

WU07

Notice of progress report in a winding-up by the court

6 Period of progress report

From date	^d 3	^d 0	^m 0	^m 7	^y 2	^y 0	^y 2	^y 2
To date	^d 2	^d 9	^m 0	^m 7	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date	^d 2	^d 5	^m 0	^m 9	^y 2	^y 0	^y 2	^y 3
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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Kerry Bailey**

Company name **BDO LLP**

Address **5 Temple Square**

Temple Street

Post town **Liverpool**

County/Region

Postcode

L	2		5	R	H		
---	---	--	---	---	---	--	--

Country

DX

Telephone **+44 (0) 1512 374 500**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Pochin Construction Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs	From 30/07/2022 To 29/07/2023	From 30/07/2021 To 29/07/2023
£	£	£
ASSET REALISATIONS		
Bank Interest Gross	1,296.60	1,359.55
Book Debts	95,000.00	95,000.00
Sale of Claims	10.00	10.00
Transfer from Administration	NIL	73,395.60
VAT Bad Debt Relief Claims	217,017.69	217,017.69
VAT Refund	420,967.42	420,967.42
	734,291.71	807,750.26
COST OF REALISATIONS		
Agents/Valuers Fees (1)	14,250.00	14,250.00
Bank Charges	294.00	393.40
Company SoS fee	NIL	5,000.00
Corporation Tax	53.32	54.51
Online accounting system	NIL	3,375.00
OR General fee	NIL	6,000.00
Printing & Postage	NIL	1,505.00
Sec. of State Remittance Fees	0.15	0.45
Statutory Advertising	NIL	92.00
	(14,597.47)	(30,670.36)
	719,694.24	777,079.90
REPRESENTED BY		
ISA		804,101.06
VAT Control Account		(27,021.16)
		777,079.90



Pochin Construction Limited In Compulsory Liquidation

Joint Liquidators' progress report from
30 July 2022 to 29 July 2023

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GLOSSARY OF TERMS

Abbreviation or term	Meaning
'Act'	Insolvency Act 1986
'ATE'	After the event
'CFA'	Condition fee agreement
'CIS'	Construction Industry Scheme
'First Joint Administrators'	Sarah O'Toole and Jason Bell, both of Grant Thornton UK LLP
'HMRC'	HM Revenue & Customs
'JCT'	The Joint Contracts Tribunal Standard Building Contract
'Joint Liquidators' or 'we'	Kerry Bailey and Andrew Palmer
'LK'	Francis Pearce Partnership Limited t/a Leslie Keats
'NatWest'	National Westminster Bank Plc
'net property'	Floating charge realisations after costs and payment of preferential creditors in full
'Period'	30 July 2022 to 29 July 2023
'PAYE'	Pay as you earn
'PDL'	Pochin Developments Limited
'PL'	Pochin's Limited
'PLDL'	Pochin Land & Development Limited
'PPF'	Pension Protection Fund
'preferential creditors'	Claims for unpaid wages earned in the four months prior to the commencement of the Liquidation up to £800, holiday pay and unpaid pension contributions in certain circumstances
'Prescribed Part'	Where a company has granted a floating charge after 15 September 2003, under Section 176A of the Act a proportion of the net property available to a QFCH is set aside for the unsecured creditors of that company
'PRL'	Pochin Residential Limited
'QFCH'	Qualifying Floating Charge Holder
'Report'	Prepared in accordance with Rules 18.3 and 18.8 of the Rules
'Royal London Mutual'	Royal London Mutual Insurance Society Limited
'Rules'	Insolvency (England and Wales) Rules 2016

'secured creditors'	Creditors whose debt is secured, in accordance with Section 248 of the Act
'SIP'	Statement of Insolvency Practice
'the Additional Joint Administrators'	Kerry Bailey and Andrew Palmer of BDO LLP
'the Bondsmen'	HCC International Insurance Company Plc and Aviva Insurance Limited
'the Company/PCL'	Pochin Construction Limited
'unsecured creditors'	Creditors who are neither secured nor preferential

KEY INFORMATION

Background

Sarah O'Toole and Jason Bell, both of Grant Thornton UK LLP, were appointed as Joint Administrators on 5 August 2019 by the directors of the Company. The Joint Administrators' proposals were modified so that Kerry Bailey and Andrew Palmer, both of BDO LLP, were appointed as additional Joint Administrators to undertake statutory investigations into the affairs of the Company. This appointment was made with effect from 8 November 2019.

In addition, a further modification was approved whereby, should the Company be placed into Liquidation that the Additional Joint Administrators should be appointed as sole liquidators. Accordingly, Kerry Bailey and Andrew Palmer were appointed Joint Liquidators of the Company on 30 July 2021.

Purpose of the Report

This is the annual Report for the period from 30 July 2022 to 29 July 2023.

The main purpose of the Report is to provide you with an update on the progress of the Liquidation during the Period.

The Report can be reviewed in conjunction with all other reports regarding this Liquidation on the brportal.bdo.co.uk portal.

Return to creditors

The table below summarises the anticipated outcome for creditors, based on our current understanding of the case. Please note these figures may be subject to change.

Class of creditor	Current estimate	Previous estimate
Secured creditors		
NatWest ¹	Paid in full	Paid in full
Group companies estimated right of contribution ²	£368,498	N/A
Preferential creditors	Paid in full	Paid in full
Unsecured creditors ³	0.32p in the £	0.34p in the £

1. See distributions to creditors section below.
2. NatWest has been paid in full by other group companies. However, there is a potential right of contribution whereby PCL may need to contribute to the other Group that repaid NatWest, under the corporate cross guarantee, for its share of the shortfall to NatWest.
3. Based on the current anticipated final realisations it is estimated that the right of contribution will be paid in full and there will be a surplus available to unsecured creditors. The amount payable to unsecured creditors is estimated to total approximately £247,890, including £129,993 under the Prescribed Part. This estimate does not include any realisations in respect of potential antecedent transactions, discussed later in this report, as the outcome of any actions are currently uncertain.

What creditors need to do

We are seeking approval from the Company's creditors that the Joint Liquidators' remuneration be approved in accordance with the fees estimate at Appendix F.

Notice of a decision by correspondence procedure is attached at Appendix G. In order to vote, please complete the following:

- Voting form - Appendix H; and
- Proof of debt form (if not previously submitted) - Appendix I.

Please return the above forms by post to Valeria Eugenio, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH or via email to BRCMTNorthandScotland@bdo.co.uk on or before 19 October 2023, the Decision Date.

If you have any queries regarding the fees and expenses estimate or need any assistance in completing the voting form, please contact Valeria Eugenio on 0151 237 6632.

Creditors' rights

An overview of the rights of creditors are detailed in Appendix B.

Contact details

Contact: Valeria Eugenio
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Tel: 0151 237 6632
Email: BRCMTNorthandScotland@bdo.co.uk
Reference: 00404009

PROGRESS IN THE PERIOD

Asset realisations

The receipts and payments account attached at Appendix C details the asset realisations during the Period.

Bank Interest Gross

Bank interest of £1,297 has been received in the Liquidation account.

Book Debts/Trade Debtors

The main assets of PCL were its debtors and retentions arising from various construction projects. LK, are specialist construction agents and have been retained to collect the Company's remaining book debts, along with the retentions. Excluding, the potential recovery in respect of one debtor and a VAT bad debt relief claim (see below), LK estimated at the commencement of the Liquidation a further that £127,000 may be realised from debtors and retentions.

In this period the Joint Liquidators reached settlement in respect of the retentions being held by a debtor in the amount of £95,000. This was in line with LK's expected amount to realise and therefore LK recommend acceptance of the offer. These funds were received via LK during the Period. LK now estimate that further debtor collections may total £20,000..

In addition, a total of £225,244.73 is outstanding from one debtor in relation to retentions. The debtor has claimed that no further monies are due under JCT contracts. However, the Joint Liquidators are reviewing the circumstances of the completion of the contracts, along with the rectification works required and the provision of the resulting final accounts. The Joint Liquidators are continuing to seek detailed legal advice in respect to recovering the amounts outstanding, but the level and timing of any recovery remains uncertain.

Discussions with the remaining debtors are ongoing and further updates will be provided in our next report.

Sale of Claims

As previously reported, the Joint Liquidators have undertaken detailed investigations into the affairs of the Company, in particular the circumstance surrounding it being placed into Administration, along with a number of transactions involving connected parties.

The investigations included reviewing the Company's records and documentation in relation to historic transactions as well as e-mails. The Joint Liquidators were assisted by the BDO forensics team, who conducted detailed searches within the records to obtain relevant material for review and further investigation. Our forensics team prepared initial reports detailing potential areas of concern and the merits of potential claims the financial benefits to the estate. Investigation included but was not limited to, claims that may arise as a result of misfeasance, wrongful trading, preference and fraud in accordance with SIP2.

The Joint Liquidators then undertook more detailed investigations and analysis of the potential antecedent transactions and compiled a detailed report with questions for the directors, along with bundles of documents relating to the respective areas. In conjunction with legal advisors, the investigation report was used as a basis to put detailed questions to the key directors of the Company in interviews. The areas discussed during the interviews included the circumstances surrounding the failure of the Company, along with obtaining the rationale and explanations in relation to a number of transactions that occurred prior to the administration.

Based on the outcome of these investigations and interviews, and legal advice, the Joint Liquidators considered that there may be viable claims by the Joint Liquidators against various parties.

The Joint Liquidators also obtained Counsel's advice that the claims have merit and as such, the Liquidators considered the most appropriate realisation strategy.

The first option considered was whether the Joint Liquidators would pursue the claims utilising funds already in the Liquidation estate.

In order to protect the Liquidation estate from an adverse costs award if the claims were unsuccessful ATE Insurance would be required. Based on Counsel's advice the Joint Liquidators solicitors Gateleys approached an ATE funder to provide indicative costs to insure against the risk of an adverse costs award. The premiums quoted were significant and depended on whether the premium was paid upfront or was contingent and at what point in the trial or pre-trial settlement was reached.

Gateleys also advised that they would not be able to proceed on a solely success based conditional fee agreement. As such, their fees would need to be paid from existing asset realisations if the claims were not successful. Gateleys estimated their fees would be a significant six figure amount. Gateleys have also estimated that Counsel's fees could be significant. If Counsel were to act under a CFA the fee uplift could be up to 100%. We also note that at the time the Joint Liquidators were selling the claims the Company only had funds in hand of some £41,136 and therefore would not have been in a position to meet an up-front payment in respect of ATE insurance or the likely legal costs that would be incurred.

As such the Joint Liquidators were of the view that pursuing the claims would incur significant cost, potentially reducing the assets available to creditors if the claims were unsuccessful. In light of the funds held, and in acknowledgement of the potential litigation risks, the Liquidators were of the view that to pursue the claims directly carried a risk such that to do so was unlikely to be in the interest of creditors. Therefore, the only realistic option was a sale of the claims to a litigation funder as the best strategy to maximise the return to creditors, while mitigating the risks to the estate.

Two litigation funders, were approached and invited to review the claims with a view to funding or purchasing those claims. In addition, the Liquidators have written to the parties subject to the claims and offered them the opportunity to purchase the claims before selling to one of the litigation funders. The parties either did not respond or confirmed they did not propose to purchase the claims.

Both litigation funders made an offer to purchase the claims and therefore fund all the costs of pursuing the claims.

The Joint Liquidators compared both offers very carefully to ensure the best outcome for creditors. The basis of both offers were similar, whereby one funder offered an initial payment (£10 was subsequently received from Manolete) and then both funders offered a percentage of any recovery after costs will be paid into the insolvency estate. Following an assessment of the offers the Joint Liquidators chose the Manolete offer as it provided for a greater return to the estate because Manolete's offer had a higher ratchet return of any realisations above £2m. Please see table below.

Amount recovered from antecedent transactions, after costs	Percent paid to the Company
<£1m	50%
£1m-£2m	60%
>£2m	70%

In addition, Manolete estimated their total costs would be lower and therefore enable a greater return to the estate.

On this basis the claims were sold to Manolete. The claims include all and any claims that the Company and/or the Joint Liquidator may have and include but are not limited to claims for outstanding loan accounts, debts, damages, breach of contract, breach of duty at common law, breach of fiduciary or statutory or other legal or equitable duty, any claim in fraud whether common law or equitable fraud, conspiracy by unlawful means and/or any claim under the Insolvency Act 1986 and/or the Companies Act 2006.

Certain other claims, discussed below, were excluded from sale.

The initial sum was received in January 2023. Should the claims be taken forward successfully by the purchaser further funds will become available in the Liquidation.

VAT Bad Debt Relief Claims

The Joint Liquidators had been advised by LK that invoiced debts totalling £1,302,106 will not be recovered. These invoices were included in pre-appointment VAT returns. The First Joint Administrators have confirmed that they did not make any VAT bad debt relief claims in respect of the periods before their appointment on 5 August 2019.

Accordingly, a VAT bad debt relief claim in respect of the VAT on these debts of £217,018 was made in the VAT quarter to 30 September 2022.

HMRC confirmed there was no other pre-appointment liability to HMRC (see VAT refund section below), and therefore no set-off amounts were owed against pre-appointment VAT (as PCL was in a VAT repayment position) and therefore the full amount was due and payable. HMRC confirmed that the September VAT return was agreed and the payment of £217,018 has been received into the Liquidation account, during the period.

A further bad debt relief claim of £10,000 has been submitted with the June 2023 quarter VAT return, submitted on 31 July 2023. This relates to one invoice and is the final amount of VAT available for VAT bad debt relief.

VAT Refund

PCL had prepared the July 2019 VAT return showing that there was a VAT reclaim for £420,967. PCL did not submit it due to the Administration. The First Joint Administrators subsequently submitted this VAT reclaim after their appointment. This VAT reclaim was not paid to PCL by HMRC in the usual manner due to the Administration of PCL and the potential for Crown offset by HMRC for other HMRC liabilities.

HMRC subsequently submitted a proof of debt which included a VAT assessment for July 2019 showing a liability to HMRC instead of the submitted VAT repayment as submitted and a claim in respect of payroll taxes. The payroll taxes claim related to PAYE, national insurance contributions and CIS and was exactly the same as the claim made by HMRC in PL. We noted that the employees and the payroll and CIS was operated by PL and therefore the liability should attach to PL. HMRC were advised that the VAT assessment should be withdrawn and replaced with the submitted VAT reclaim for July 2019. In addition, HMRC have also been advised that the payroll taxes claim relates solely to PL and should also be removed.

After due consideration HMRC agreed with our analysis and once the above adjustments were made, the VAT refund of £420,967 has been received during the Period.

Additional Assets to Realise

Architect Claims

The Joint Liquidators have continued negotiations with the solicitors acting for the Company's former architects in respect of claims on two projects and have reached agreement in respect of one of these claims. The amount potentially realisable is currently confidential and subject to ongoing negotiations and finalisation of a settlement agreement. Further detail and the final amount to be realised will be disclosed, subject to any confidentiality clauses, once an agreement has been finalised.

PDL and PLDL

The Joint Liquidators have submitted unsecured claims in the Liquidations of PDL and PLDL for £623,536 and £591,150 respectively.

We are aware of the existence of a clause in the indemnities of the Bondsmen, which has the effect of preventing the group entities from competing with the Bondsmen in relation to distributions from PDL and PLDL. The Bondsmen released PL (but not PCL) from the indemnity agreements on 13 August 2020.

PCL's claims are accepted in the Liquidations of PDL and PLDL, but no distribution will be made to PCL unless and until the Bondsmen are repaid in full. We are advised that the Bondsmen are unlikely to be repaid in full.

Legal advice was sought by the Additional Joint Administrators in the administration which confirmed the above position.

PRL

In addition, a claim for £17 million was submitted in the Liquidation of PRL, which is also subject to the same restriction. We understand that the estimated dividend will be less than 1p/£ and which will be reliant on a distribution being received from PL. Accordingly, it is unlikely that a dividend will be received from PRL.

Investigations

The Joint Liquidators have completed a review of the Company's affairs and have interviewed all the directors of the Company to establish if there are any actions available to the Joint Liquidators that would realise funds for the benefit of creditors.

Based on the outcome of our investigations to date, and based on legal advice subsequently received, the Joint Liquidators consider that there may be potential claims by the Liquidators against certain identified parties. These claims have now been sold. Please see sale of claims section above.

For reasons of legal professional privilege, and to avoid any commercial prejudice in relation to any claims that the Liquidators may have, which could in turn be contrary to the best interests of the creditors, it would not be appropriate for me to go into greater detail in this report in respect of ongoing or potential litigation. To the extent possible, we will provide further updates to the creditors in future reports.

Distributions to creditors

Secured creditors

The Company had no direct indebtedness with the secured creditor, NatWest. However, the Company had provided a guarantee for the amount owed to NatWest by PL totalling £8.6m. NatWest has been paid in full by various group entities in the preceding administration under the terms of a group cross-guarantee.

The Joint Liquidators are aware of a potential right of contribution that PCL may be required to pay to other group entities in respect of subrogated payments made to NatWest by certain group entities. The estimated amount is £368,498. A formal claim is awaited and will be subject to legal advice. The final amount due to be paid by PCL will also depend on the final level of realisations in PL and the final level of subrogated payments made by PL to the respective group companies.

Preferential creditors

Preferential creditor claims relating to three employees totalling £20,196 were paid in full in preceding Administration.

Prescribed Part

It is currently estimated that the value of the net property will be £634,966 and therefore the Prescribed Part is currently estimated to be £129,993. This estimate does not include any recoveries from the sale of the antecedent transaction claims. The costs associated with agreeing the claims of the unsecured creditors and distributing the Prescribed Part funds to the unsecured creditors will be drawn from the Prescribed Part.

Unsecured creditors

It is anticipated that £117,897 will be available to unsecured creditors in addition to the amount available under the Prescribed Part. However, the timing of any dividend is currently uncertain and is dependent on the timing of future asset realisations.

Other matters

In addition to the above matters, we have dealt with all statutory matters required by legislation and administrative work incidental to our duties as Joint Liquidators in this Liquidation.

Joint Liquidators' remuneration

It is proposed that the remuneration of the Joint Liquidators is approved on a time costs basis in accordance with the fees estimate totalling £317,466.10.

During the Period, time costs of £129,338 were incurred over 419 hours at an average rate of £308 per hour.

A detailed report of the time incurred by the Joint Liquidators and a narrative of the work done during the Period is attached in Appendix D.

The basis of the remuneration agreed in the Administration continues in the Liquidation as the Joint Liquidators were the former Administrators. As the remuneration has been approved on a time costs basis, creditors are required to approve the Joint Liquidators' fees estimate totalling £317,466.10.

The Joint Liquidators will limit the fee drawn to £100,000.00 at this time but with the right to reserve recovery of additional fees up to the level of the fee estimate.

Joint Liquidators' expenses

The Joint Liquidators are authorised to draw mileage based on the scale approved by HM Revenue & Customs, currently 45p per mile, as an expense of the Liquidation.

Creditors approved the above expenses ('category 2 expenses') be drawn from the Liquidation estate.

The expenses which the Joint Liquidators estimate will be incurred in the Liquidation are detailed in the expenses estimate attached at Appendix F.

Expenses paid during the Period are detailed in the receipts and payments account at Appendix C.

A breakdown of expenses incurred is set out in Appendix E.

FUTURE ACTIONS

The following matters will be undertaken before the Joint Liquidators can conclude the Liquidation:

- Provide ongoing assistance in respect of the claims against certain third parties which were sold to Manolete.
 - The Architect claims in respect of the construction contracts are to be finalised in order that funds are realised for the benefit of the creditors.
 - The debt collection is to be completed and the final VAT bad debt relief claim will be collected.
 - Deal with potential right of contribution.
 - The Joint Liquidators will obtain and adjudicate unsecured creditor claims before payment of dividend to unsecured creditors is made under the potential surplus available to unsecured creditors.
 - The Joint Liquidators will continue to undertake ongoing statutory compliance and reporting to creditors, and deal with all statutory matters required by legislation and administrative work incidental to our duties as Joint Liquidators in this Liquidation.
-

APPENDIX A

STATUTORY INFORMATION

Information

Company name	Pochin Construction Limited
Company registration number	00396388
Registered office	C/o BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Court name and reference	High Court of Justice, Business and Property Courts in Manchester -000762 of 2019
Date of appointment	30 July 2021
Joint Liquidators	<p>Kerry Bailey Andrew Palmer</p> <p><i>Under the provisions of section 231 of the Act the Joint Liquidators carry out their functions jointly and severally meaning any action can be done by one Liquidator or by both of them.</i></p>
Joint Liquidators' address	BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT
Data Control and GDPR	<p>Kerry Bailey and Andrew Palmer are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales in the UK. The Joint Liquidators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Liquidation of Pochin Construction Limited. Please see the privacy statement at https://www.bdo.co.uk/en-gb/privacy-notice/insolvencies</p>

APPENDIX B

CREDITORS' RIGHTS

Within 21 days of receipt of the Report (1) a secured creditor, (2) an unsecured creditor with the concurrence of at least 5% in value (including the creditor in question) of the unsecured creditors; or (3) any unsecured creditor with the permission of the court, may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which are itemised in the Report.

Within 14 days of receipt of the request, the Joint Liquidators must provide all of the information asked for, unless they think that:

- the time or cost in preparing the information would be excessive, or
- disclosure of the information would be prejudicial to the conduct of the Liquidation or might reasonably be expected to lead to violence against any person, or
- the Joint Liquidators are subject to confidentiality obligations in respect of the information.

The Joint Liquidators must give reasons for not providing all of the requested information.

Any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors may, within eight weeks of receipt of the Report, make an application to court that the basis fixed for the Joint Liquidators' remuneration, the remuneration charged, or the expenses incurred by the Joint Liquidators, as set out in the Report, are excessive.

Copies of BDO LLP's charging and expenses policy, 'A Creditors' Guide to Liquidators' Fees' and information on the rights, duties and functions of a liquidation committee are available at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to us but are not satisfied with the response, then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this Liquidation. A copy of the code can be found at <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

APPENDIX C

RECEIPTS AND PAYMENTS ACCOUNT

Pochin Construction Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs	From 30/07/2022 To 29/07/2023	From 30/07/2021 To 29/07/2023
£	£	£
ASSET REALISATIONS		
Bank Interest Gross	1,296.60	1,359.55
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	734,291.71	807,750.26
COST OF REALISATIONS		
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Bank Charges	294.00	393.40
Company SoS fee	NIL	5,000.00
Corporation Tax	53.32	54.51
Online accounting system	NIL	3,375.00
OR General fee	NIL	6,000.00
Printing & Postage	NIL	1,505.00
Sec. of State Remittance Fees	0.15	0.45
Statutory Advertising	NIL	92.00
	(14,597.47)	(30,670.36)
	719,694.24	777,079.90
REPRESENTED BY		
ISA		804,101.06
VAT Control Account		(27,021.16)
		777,079.90

APPENDIX D

JOINT LIQUIDATORS' REMUNERATION

Time costs of £129,338 have been incurred during the Period and a breakdown is detailed below, together with details of the work undertaken.

Activity	Partner	Director	Senior manager	Manager	Senior executive	Executive	Total hours	Time costs £	Av. Rate £
Planning and strategy	1.65	2.25	16.35		0.85		21.10	13,225.70	626.81
Statutory reporting and decisions	4.00	15.10	33.45	0.10	4.55	4.20	61.40	32,398.35	527.66
General administration	1.10	1.05	1.80	1.85	7.95	9.45	23.20	4,937.85	212.84
Assets	15.00	2.50	17.55				35.05	23,082.15	658.55
Investigations	1.00	10.00	5.75	0.30	4.25	6.20	27.50	11,953.10	434.66
Employees and pensions			0.25				0.25	160.75	643.00
Creditors	3.00		11.40	0.30	36.65	170.15	221.50	27,788.00	125.45
Post appointment taxation		1.25	22.05	0.80	2.00	3.35	29.45	15,791.75	536.22
TOTAL	25.75	32.15	108.60	3.35	56.25	193.35	419.45	129,337.65	308.35

Planning and strategy

- Case reviews
- Internal meetings and discussions
- Preparation and review of strategy documents including estimated outcome statements
- Planning investigation and forensic work

Statutory reporting and decisions

- Preparation of the fees and expenses estimate
- Obtaining remuneration and category 2 expenses approval
- Work to assist the preparation and delivery of the annual progress report

General administration

- Ongoing maintenance and reconciliation of the Liquidation bank account and other cashiering functions
- Dealing with general ongoing queries
- Completion of statutory diary lines
- Holding case strategy meetings

Assets

- Arranging and monitoring of insurance of the Company's assets and instructing Marsh Insurance to undertake an insurance review

- Getting in cash balances from the preceding Administration of £73,396
- Consideration of pursuing claims against third parties. Including obtaining legal and counsel's advice. Obtaining costs quotes for legal advice and ATE insurance to pursue the claims. Analysis of the various options was carried out to ensure the most effective route realise funds into the estate was undertaken.
- Undertaking exercise to offer the potential defendants to the claims the opportunity to purchase or settle the claims themselves before selling them to third parties.
- Identifying suitable litigation funders who specialise in purchasing the potential claims and consideration of their track record, financial stability and size as well as experience and reputation.
- Initial consultations and preliminary discussions of the claims were undertaken to evaluate the litigation funders interest and understand the potential terms on which they may have been interested in purchasing or funding the claims and non disclosure agreements were issued before detailed information was provided.
- The legal merits and risks and potential value of the claims were discussed with the potential litigation funders.
- Set up of data room and providing and controlling the necessary information, including financial records, legal documentation and electronic records, to the potential litigation funders to enable them to properly consider the merits and viability of the claims. Providing further information as required.
- Based on the due diligence undertaken by the litigation funders the Joint Liquidators then negotiated a sales agreement with the selected litigation funder while considering purchase price, associated costs to progress the claims, the success fee and the split and the proposed ratchet mechanism in respect of the net proceeds before completing sale of claims to the third party funder .
- Post sale of claims provision of information and assistance to enable preparation of letter before action.
- Instructing and monitoring specialist construction industry agents LK in respect of the collection of the Company's retentions and debtors and recovery of £95,000 of retention monies
- Negotiations in respect of Architect claims and instructing solicitors
- Investigation of pre-appointment VAT position and HMRC proof of debt and potential recoveries available to PCL of £420,967
- Investigation and preparing and submitting VAT bad debt claim for £217,018

Investigations

- Investigation undertaken into the company's affairs to determine the Company's financial position and to identify any misconduct or wrongful trading, misfeasance, preference and fraud in accordance with SIP2, in order to ascertain whether there were any potential recoveries available for the benefit of the liquidation estate.
- Forensic review of the Company's construction industry accounting records and other electronic data, including but not limited to bank statements, financial statements, management accounts, e-mails and contracts to understand various transactions undertaken by the Company in the lead up to the administration in August 2019.
- Investigation and production of detailed reports in respect of potential antecedent claims and potential rights of action
- Conducting recorded interviews with the key directors of the Company to gather further information and understanding of the Company's operations and financial transactions relating to the potential antecedent claims and potential rights of action and whether there had been any misconduct. Discussion of the circumstances surrounding the failure of the Company, along with considering the rationale and explanations provided in relation to a number of transactions undertaken in the period leading up to the administration.

- Obtaining legal advice in respect of the investigations and whether there are potential antecedent actions and rights of action.
- Liaised with Counsel to refine legal advice further and understand the relative strength of the potential claims and obtain an estimate of the likely chance of success if the claims were progress through the court.
- Liaising with litigation funders in order to obtain litigation funding or to sell any claims or actions uncovered by the investigations

As detailed above in the main body of this report, for reasons of legal professional privilege, and to avoid any commercial prejudice in relation to any claims that the Liquidation may have, which could in turn be contrary to the best interests of the creditors, it would not be appropriate for me to go into greater detail in respect of ongoing or potential litigation.

Employees and pensions

- Corresponding with employees
- Dealing with employee tribunal issues
- Notification to and liaising with the Pensions Regulator
- Liaising with scheme managers and the Pensions Protection Fund

Creditors

- Review of secured creditors
- Liaising with the PPF
- Lodging proof of debt forms
- Identifying whether additional supporting evidence is required
- Dealing with creditor enquiries
- Claim adjudication
- Estimation of Prescribed Part unsecured dividend

Post appointment taxation

- Preparation of VAT returns and review for VAT bad debt relief claims as part of VAT
- Review of corporation tax returns and submission of annual returns
- Review for and calculation of any capital gains tax by BDO LLP's tax department
- Obtaining tax clearances

The current charge out rates per hour of staff within the firm who may be involved in working on the Liquidation are as follows:

Grade	£
Partner	745
Director	417-834
Senior Manager	347-694
Manager	190-507

Grade	£
Senior Executive	152-354
Executive	93-186
BDO LLP tax department (max)	1304

The current maximum charge out rates per hour of staff within BDO LLP's forensics department who may be involved in working on the Liquidation are as follows:

Grade	£
Partner	1118
Director	938
Senior Manager	781
Manager	428-571
Senior Executive	342-399
Executive	210

APPENDIX E

JOINT LIQUIDATORS' EXPENSES

The Joint Liquidators' expenses incurred and paid are detailed below.

	Incurred in Period 30/07/2022 to 29/07/2023 £	Total Incurred 30/07/2021 to 29/07/2023 £	Total Paid 30/07/2021 to 29/07/2023 £
Category 1			
Sec. of State Remittance Fees	0.15	0.45	0.45
Company SoS fee	-	5,000.00	5,000.00
OR General fee	-	6,000.00	6,000.00
Agents/Valuers Fees ¹	14,250.00	14,250.00	14,250.00
Corporation Tax	53.32	54.51	54.51
Printing & Postage	-	1,505.00	1,505.00
Online accounting system	-	3,375.00	3,375.00
Statutory Advertising	-	92.00	92.00
Bank Charges	294.00	393.40	393.40
Bonding*	-	100.00	0.00
Data Protection Fee*	-	80.00	0.00
Recorder*	-	24.99	0.00
Software Costs*	133.33	133.33	0.00

Category 2 - There have been no category 2 disbursements.

1. LK were instructed to provide advice and assistance in the collection of debtors and retentions and were selected due to their industry knowledge and expertise.

*Included within disbursements but not yet paid from the case.

The other expenses shown are self-explanatory.

APPENDIX F

FEES AND EXPENSES ESTIMATE AS AT 29 JULY 2023.

1	Joint Liquidators' remuneration	Total hours	Average rate £	Estimated time costs £	Incurred to date £
	Steps on appointment	15.10	297.43	4,491.15	3,939.15
	Planning and strategy	84.85	544.16	46,172.15	42,972.65
	Statutory reporting and decisions	67.35	496.94	33,469.20	34,545.60
	General administration	88.65	171.07	15,165.55	12,555.30
	Assets	85.25	519.85	44,316.95	32,754.45
	Investigations	200.50	450.86	90,396.90	78,277.40
	Employees and Pensions	7.45	242.87	1,809.35	1,738.35
	Creditors	315.55	151.52	47,811.35	33,909.45
	Post appointment taxation	52.95	443.63	23,490.00	23,595.60
	Closure	28.00	369.41	10,343.50	131.90
	TOTAL	945.65	335.71	317,466.10	264,419.85

2	Joint Liquidators' category 1 expenses	Estimated £	Incurred to date £
2.1	Agents' fees and expenses	17,250.00	14,250.00
2.3	Legal fees and expenses	43,750.00	14,463.83
2.4	Other expenses		
	Sec of State Remittance Fees	0.90	0.45
	Company SoS Fee	5,000.00	5,000.00
	OR General Fee	6,000.00	6,000.00
	Bonding	100.00	100.00
	Advertising	184.00	92.00
	Printing and postage	3,236.00	1,505.00
	Storage of company records	5,000.00	0.00
	Online accounting system	10,800.00	3,375.00

Bank Charges	643.40	393.40
Data Protection Fee	160.00	80.00
Software Costs	133.33	133.33
Recorder for interviews	24.99	24.00

3	Joint Liquidators' category 2 expenses	N/A
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1 Joint Liquidators' remuneration

The above fees (remuneration) estimate is based on the information currently available. Assuming that there are no major unanticipated factors, we would expect that the Joint Liquidators' remuneration may be lower than the estimate. Where applicable, all remuneration and expenses will be subject to VAT at the prevailing rate.

The Joint Liquidators' remuneration can only be drawn in accordance with the time costs resolution sanctioned in the administration and with the fee estimate and the amount payable will ultimately be dependent on the final level of asset realisations and the recoveries in relation to the claims sold.

The fees estimate has been prepared on the basis that a Liquidation committee is not established. If a Liquidation committee is established there will be additional reporting and it may be necessary to seek further fee approval.

In estimating costs in respect of reporting we have formed a view of the duration of the case and estimated how many reports will be required. These activities do not contribute to the financial outcome for creditors, they are statutory duties imposed by the relevant legislation. However, they do contribute to the creditors' understanding of the work being undertaken on their behalf.

The current hourly charge out rates are detailed in Appendix D.

In addition to the work detailed in Appendix D, the following work is expected to be undertaken.

Planning and strategy

- Case reviews
- Internal meetings and discussions
- Planning investigation and forensic work
- Preparation and review of strategy documents including estimated outcome statements

Statutory reporting and decisions

- Preparation of the fees and expenses estimate
- Preparing records to enable remuneration and category 2 expenses approval and compliance
- Work to assist the preparation and delivery of the annual progress reports

General administration

- Ongoing maintenance and reconciliation of the Liquidation bank account and other cashing functions

- Dealing with general ongoing queries
- Completion of statutory diary lines
- Holding case strategy meetings

Assets

- Provide ongoing assistance in respect of potential claims against certain third parties which have been sold the potential recovery actions.
- Collection of funds from successful outcome of sale of claims to litigation funder
- Monitoring of insurance of the Company's assets
- Assisting and monitoring specialist construction industry agents LK in respect of the collection of the Company's remaining retentions and debtors
- Negotiations in respect of Architect claims
- Recovery of pre-appointment VAT position and HMRC proof of debt and potential recoveries available to PCL of £420,967
- Recovery of VAT bad debt claim for £217,018

Investigations

- Liaising with litigation funders in order to assist in pursuing the sold claims

Employees and pensions

- Corresponding with employees and dealing with any queries that may arise

Creditors

- Review of secured creditors
- Liaising with the PPF
- Lodging proof of debt forms
- Identifying whether additional supporting evidence is required
- Dealing with creditor enquiries
- Claim adjudication
- Estimation of Prescribed Part unsecured dividend

Preferential creditors have been paid in full.

To estimate costs in respect of administering creditor claims we consider the volume of known creditors and the nature of the Company's business. We understand from available records that there are 496 creditors.

No provision has been made to deal with any applications to court brought by creditors in respect of their claims. If we are required to deal with these, it may be necessary to seek further fee approval.

Post appointment taxation

- Preparation of VAT returns and review for VAT bad debt relief claims as part of VAT the debtor recovery work
 - Review of corporation tax returns and submission of annual returns
-

- Review for and calculation of any capital gains tax by BDO LLP's tax department
- Obtaining tax clearances

Closure

- Closure planning
- Preparation and delivery of the final account
- Statutory notifications
- Closure administration

2 Joint Liquidators' category 1 expenses

These are expenses relating directly to the case incurred by an independent third party.

Creditor approval is not required to pay these expenses which will be charged to the case at cost.

2.1 Agents' fees and expenses

Agent's fees will become payable on the collection of debtor monies by LK at 15% of realisations.

2.2 Legal fees and expenses

Legal fees are anticipated in respect of the settlement of the first architect claim and for ongoing general legal insolvency advice.

2.3 Other expenses

In addition to professional fees and expenses other expenses may include items such as bonding, advertising, insurance, external printing costs, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents and storage of the Company's records.

Online accounting system

A further six-month period for the specialist construction industry online accounting system has been provided for, however this cost may be met by the litigation funder in the furtherance of pursuing the claims.

3 Joint Liquidators' category 2 expenses

These are expenses relating directly to the case that have been incurred by an associated party or which have an element of shared costs.

Creditor approval has been obtained and is required to pay category 2 expenses but none have so far been incurred.

3.1 Mileage

This is the cost of travel in connection with this Liquidation by staff using their own vehicles or company cars based on the mileage scale approved by HM Revenue & Customs being 45p per mile and which is the amount BDO LLP pays to staff. Creditors approved the above expenses ('category 2 expenses') be drawn from the Liquidation estate. No category 2 expenses have been incurred to date.

BDO LLP

25 September 2023

APPENDIX G

NOTICE OF A DECISION BY CORRESPONDENCE PROCEDURE - RULE 15.8

Pochin Construction Limited - In Compulsory Liquidation ('the Company')
In the High Court of Justice, Business and Property Courts in Manchester - 000762 of 2019
Company registration number: 00396388

NOTICE IS GIVEN that I am proposing that the following decisions ('the Proposed Decisions') be considered by creditors of the Company ('the Creditors') by a decision by correspondence procedure:

1. That the Joint Liquidators' remuneration be approved on a time costs basis in accordance with the fees estimate totalling £317,466.10 circulated to creditors.


Decision Date: 19 October 2023

To vote on the Proposed Decisions please complete and return the attached voting form together with a proof of debt form (unless previously submitted) to me at the contact details below. If your voting form and completed proof of debt form are not received by me by the Decision Date your vote will not be counted.

You may also request that a physical meeting be held to consider the Proposed Decisions. If, by no later than five business days of delivery of this notice, either (i) 10% or more in value of Creditors, (ii) 10% or more in number of Creditors or (iii) 10 or more Creditors who are entitled to vote in this decision procedure request a physical meeting in writing and provide a proof of debt form (unless previously submitted), the decision by correspondence procedure will terminate and a physical meeting convened.

If your debt is treated as a small debt (less than £1,000), or you have opted out of receiving notices, you must still provide a proof of debt form (unless previously submitted) if voting on the Proposed Decisions or requesting a physical meeting.

You may apply to the Court to appeal any decision within 21 days of the Decision Date in accordance with Rule 15.35 of the Insolvency (England and Wales) Rules 2016.



Kerry Bailey
Joint Liquidator and Convener

Date: 25 September 2023

Contact: Valeria Eugenio
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Tel: 0151 237 6632
Email: BRCMTNorthandScotland@bdo.co.uk
Reference: 00404009

APPENDIX H

VOTING FORM

VOTING FORM

Pochin Construction Limited - In Compulsory Liquidation ('the Company')

Company registration number: 00396388

Decision Date: 19 October 2023

Name of Creditor

Address

Email

PROPOSED DECISIONS - I WISH TO VOTE AS INDICATED BELOW:

*Delete as applicable

1. That the Joint Liquidators' remuneration be approved in accordance with the fees estimate totalling £317,466.10 circulated to creditors.

For / Against*

COMPLETE THIS SECTION ONLY IF YOU ARE SEEKING A LIQUIDATION COMMITTEE BE ESTABLISHED AND CONSENT TO BE A MEMBER OF THE COMMITTEE.

*Delete as applicable

I consent to being a member of the liquidation committee.

Yes / No*

I wish to nominate _____ ** (insert name) to act as my representative.

***A body corporate may be a member of a committee, but it cannot act otherwise by a representative*

Signature

Name (BLOCK CAPITALS)

Authority

Dated

Please complete and return this form together with a proof of debt form (unless previously submitted) to Valeria Eugenio, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH or by email to BRCMTNorthandScotland@bdo.co.uk to be received no later than the Decision Date.

Notes:

A committee member may not be represented by:

- Another member of the committee
- A person who is at the same time representing another committee member
- A body corporate
- An undischarged bankrupt
- A person whose estate has been sequestrated and who has not been discharged
- A person to whom a moratorium period under a debt relief order applies
- A person who is subject to a company directors' disqualification order or a company directors' disqualification undertaking
- A person who is subject to a bankruptcy restrictions order (including an interim order), a bankruptcy restrictions undertaking, a debt relief restrictions order (including an interim order) or a debt relief restrictions undertaking.

Please also note that the Joint Liquidators cannot act as a committee member's representative.

A liquidation committee must have at least three members and no more than five members.

APPENDIX I

PROOF OF DEBT FORM

PROOF OF DEBT FORM

Pochin Construction Limited - In Compulsory Liquidation ('the Company')

Company registration number: 00396388

Relevant date: 5 August 2019

Name of Creditor

(If a company please also give company registration number and where registered)

Address of Creditor

including email address for correspondence

Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the relevant date. £

Note: Any trade or other discounts (except discount for immediate or early settlement) which would have been available to the Company but for the insolvency proceedings should be deducted from the above claim where relevant. Where any payment is made in relation to the claim or set-off applied after the relevant date, this should be deducted.

If amount in 3 above includes outstanding uncapitalised interest please state amount. £

Particulars of how and when debt incurred

(If you need more space append a continuation sheet to this form).

Particulars of any security held, the value of the security, and the date it was given.

Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.

Details of attached documents by reference to which the debt can be substantiated.

Signature of creditor

or person authorised to act on his behalf

Name (BLOCK CAPITALS)

Dated

Position with or in relation to creditor

Address of person signing

(if different from 2 above)

Please complete and return this form to Valeria Eugenio, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH or by email to BRCMTNorthandScotland@bdo.co.uk.

