

The Insolvency Act 1986

Administrators' progress report

Name of Company

Joseph Metcalf Limited

Company number

00221152

In the High Court of Justice

Chancery Division

Manchester District Registry

[full name of court]

Court case number

2830 of 2015

(a) Insert full name(s)
and address(es) of
administrator(s)

I/We (a)

William James Wright
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GHMark Jeremy Orton
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Joint Administrators of the above company attach a progress report for the period

(b) Insert dates from

to

(b) 31 July 2015

(b) 30 January 2016

Signed



Joint Administrator

Dated

26 February 2016

Contact Details:

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

Amy Rose
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH United Kingdom

Tel 0115 935 3582

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Joseph Metcalf Limited - in Administration

Joint Administrators' progress report for the
period 31 July 2015 to 30 January 2016

26 February 2016

Notice to creditors

This progress report provides an update on the administration of the Company

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor

You will find other important information in this progress report such as the costs which we have incurred to date

A glossary of the abbreviations used throughout this document is attached (Appendix 5)

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+JF731F3605.html>. We hope this is helpful to you

Please also note that an important legal notice about this progress report is attached (Appendix 6).



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1 Executive summary

- Mark Orton and I were appointed as Joint Administrators of the Company on 31 July 2015, with the notice of appointment being lodged at High Court Manchester District Registry
- This progress report covers the period from the date of our appointment to 30 January 2016
- We circulated our statement of proposals ('proposals') to all known creditors on 1 September 2015. They were deemed approved without modification on 18 September 2015
- The Company was incorporated in 1927 and is a non-trading subsidiary of the Group. Parent company William Sinclair Holdings Plc also entered administration on 31 July 2015, together with William Sinclair Horticulture Limited and Boothby & Penicuik Peat Company Limited
- As previously reported, the assets held within this Company, a freehold plot of land at Astley and one trademark, were included in the pre-packaged transaction (Section 2 - Progress to date)
- Leumi held a fixed and floating charge security estimated against their indebtedness of £8.4 million on appointment. This indebtedness is expected to be paid in full from the book debt collections and other fixed charge asset realisations within Horticulture. As such, they will not be calling on the cross guarantee in this entity (Section 3 – Dividend prospects)
- There are no employees employed by the Company and therefore we do not anticipate any preferential claims (Section 3 - Dividend prospects)
- HM Revenue & Customs are the only unsecured creditors we have been made aware of, however we do not anticipate that any class of creditor will receive a dividend due to any assets realisation being utilised to cover the cost of the Administration (Section 3 - Dividend prospects)
- Please note you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+JF731F3605.html>
- Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT



Will Wright
Joint Administrator



2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals.

2.1 Strategy and progress to date

Strategy

Immediately following our appointment as Joint Administrators, we completed a sale of the majority of the business and assets of the Group. The sale included assets of the Company comprising freehold property and a trademark.

The consideration was split as follows.

	Sales value	Legal entity
Ellesmere Port (freehold)	2,700,000	Horticulture
Plant and machinery	4,992,000	Horticulture
Vehicles	35,000	Holdings
Stock	4,773,000	Horticulture
Astley Property	20,000	Joseph Metcalf
Scottish peat bogs	225,000	Horticulture
Conditional Scottish peat bogs	191,000	Horticulture
Leasehold interest in the leased Scottish peat bogs	300,000	Boothby
Leasehold interest in the leased Scottish peat bogs	264,000	Horticulture
Goodwill	1	Horticulture
Intellectual property	0.5	Horticulture
Intellectual property	0.49	Holdings
Intellectual property	0.01	Joseph Metcalf
Information technology	1	Horticulture
Customer and supplier contracts	1	Horticulture
Records	1	Horticulture
Total consideration	13,500,005	

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisation during the period is provided below.

Freehold/Leasehold property

As part of the pre-packaged sale, a total of £20,000 has been received from the Purchaser in respect of the freehold site located at Astley. This was in line for the land valuation of the site and took in to consideration the planning permission that was set to expire. This would have resulted in the requirement to demolish a freestanding building.

In addition to the freehold land above, we have been made aware of a leasehold moss site also located at Astley. The lease was determined to hold no value given it expired on 31 December 2015. We have declared no further interest in the site due to these factors.



2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2) and summarised below

Insurance

During the Period, insurance cost in the sum of £530 has been paid in relation to public liability cover arranged through our insurance broker

Statement of affairs work

A total of £500 was paid during the Period to a director of the Company for the preparation of the Company's statement of affairs

Legal fees

The sum of £127 was paid to Pinsent Masons LLP during the Period in relation to advice provided regarding the leasehold property

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3) and summarised below

Pre-appointment legal fees

An amount of £3,336 is owed to Shakespeare Martineau in respect of confirmation of the validity of our appointment as administrators

Solicitors fees

The sum of £185 is owed to Pinsent Masons LLP in relation to advice provided in relation to the leasehold property

3 Dividend prospects

3.1 Secured creditors

During the Period, we have distributed the sum of £5 414 million to Leumi from Horticulture, in relation to the loan account and stock facility which they provided to that company but cross guaranteed by the Company

We have also distributed £5 million to the Loan Note holders from Horticulture, in respect of the loan notes issued by the Company, and of which was subject to a cross guarantee by the Company - all of which relates to floating charge realisations

3.2 Preferential creditors

We are not aware of any preferential claims against the Company



3.3 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors

4 Joint Administrators' remuneration and disbursements

During the period, the secured creditors have provided approval that

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff according to the charge-out rates included in Appendix 4
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 4

Time costs

From the date of our appointment to 30 January 2016, we have incurred time costs of £31,091. These represent 94 hours at an average rate of £330 per hour.

Remuneration

During the period, we have not drawn any remuneration.

Disbursements

During the period, we have incurred disbursements of £276. None of these have yet been paid.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from our appointment to 30 January 2016. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Completion of ongoing VAT and tax matters, and
- Completion of ongoing statutory requirements
- Discharge of the final costs which will include our remuneration



5.2 Discharge from liability

The secured creditors have granted approval that we be discharged from liability in respect of any actions as Joint Administrators, upon filing of our final Receipts and Payments account with the Registrar of Companies

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us

Should the circumstances of the administration change, we reserve the right to revert to the secured creditors in order to obtain discharge from liability

5.3 Future reporting

We will provide a further progress report within one month of 30 July 2016 or earlier if (1) an extension request is necessary or (2) the administration has been completed prior to that time



Appendix 1 Statutory information

Company information

Company name	Joseph Metcalf Limited
Date of incorporation	11 April 1927
Company registration number	00221152
Present registered office	KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH

Administration information

Administration appointment	The administration appointment granted in High Court Manchester District Registry, 2830 of 2015
Appointor	Directors
Date of appointment	31 July 2015
Joint Administrators' details	Willi Wright and Mark Orton
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	30 July 2016



Appendix 2 Joint Administrators' receipts and payments account

Joseph Metcalf Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 31/07/2015 To 30/01/2016 (£)	From 31/07/2015 To 30/01/2016 (£)
FIXED CHARGE ASSETS			
20,000 00	Freehold property	20,000 00	20,000 00
	Property rights/Patents	0 01	0 01
		<u>20,000 01</u>	<u>20,000 01</u>
FIXED CHARGE CREDITORS			
(20,000 00)	Fixed charge creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
OTHER REALISATIONS			
	Bank interest, gross	33 16	33 16
		<u>33 16</u>	<u>33 16</u>
COST OF REALISATIONS			
	Statement of affairs work	(500 00)	(500 00)
	Legal fees	(127 00)	(127 00)
	Insurance of assets	(530 00)	(530 00)
	Bank charges	(20 00)	(20 00)
		<u>(1,177 00)</u>	<u>(1,177 00)</u>
DISTRIBUTIONS			
(200,020 00)	Ordinary shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(200,020 00)</u>		<u>18,856 17</u>	<u>18,856 17</u>
REPRESENTED BY			
	Floating ch VAT rec'able		329 60
	Floating charge current		18,526 57
			<u>18,856 17</u>



Appendix 3 Schedule of expenses

Schedule of expenses (31/07/2015 to 30/01/2016)

Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Fixed charge costs			
Legal fees	0 00	185 00	185.00
Cost of realisations			
Statement of affairs work	500 00	0 00	500 00
Legal fees	127 00	0 00	127 00
Pre-appointment legal fees	0 00	3,336 00	3,336 00
Statutory advertising	0 00	56 39	56 39
Insurance of assets	530 00	0 00	530 00
Bank charges	20 00	0 00	20.00
TOTAL	1,177 00	3,577 39	4,754 39

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court

The full text of the relevant rules can be provided on request by writing to Amy Earwaker at KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH



Appendix 4 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Amy Earwaker on 0115 9353582.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: Restructuring		
Grade	From 01 Oct 2014 £/hr	From 01 Oct 2015 £/hr
Partner	595	595
Director	535	535
Senior Manager	485	485
Manager	405	405
Senior Administrator	280	280
Administrator	205	205
Support	125	125

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include,



for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows

Mileage claims fall into three categories

- Use of privately-owned vehicle or car cash alternative – 45p per mile
- Use of company car – 60p per mile
- Use of partner's car – 60p per mile

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate

We have incurred the following disbursements from the date of our appointment to 30 January 2016

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Rates	11 00		NIL		11 00
Sundry	265 00		NIL		265 00
Total	276 00		NIL		276 00

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company

Category 2 disbursements have been approved in the same manner as our remuneration

Narrative of work carried out for the period 31 July 2015 to 30 January 2016

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences, ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment, ■ preparing statutory receipts and payments accounts, ■ arranging bonding and complying with statutory requirements, ■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, ■ briefing of our staff on the administration strategy and matters in relation to various work-streams, ■ regular case management and reviewing of progress, including regular team update meetings and calls, ■ dealing with queries arising during the appointment, ■ reviewing matters affecting the outcome of the administration
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of secured creditors regarding the progress of the administration and case strategy



Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts, ■ preparing and processing vouchers for the payment of post-appointment invoices, ■ creating remittances and sending payments to settle post-appointment invoices, ■ reconciling post-appointment bank accounts to internal systems, ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company, ■ submitting relevant initial notifications to HM Revenue and Customs, ■ reviewing the Company's pre-appointment corporation tax and VAT position, ■ working initially on tax returns relating to the periods affected by the administration, ■ dealing with post appointment tax compliance
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9, ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's properties, including review of leases, ■ performing land registry searches
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets, ■ assessing the level of insurance premiums
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals, ■ drafting our progress report
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration, ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies, ■ reviewing the questionnaires submitted by the Directors of the Company, ■ reviewing pre-appointment transactions, ■ drafting the statutory report and submitting to the relevant authority

Time costs

SIP 9 –Time costs analysis (31/07/2015 to 30/01/2016)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	2 00	410 00	205 00
Reconciliations (& IPS accounting reviews)	0 80	164 00	205 00
General			
Books and records	0 40	162 00	405 00
Statutory and compliance			
Appointment and related formalities	12 45	3,042 25	244 36
Bonding and bordereau	0 40	122 00	305 00
Checklist & reviews	19 30	7,896 50	409 15
Statutory advertising	0 30	61 50	205 00
Statutory receipts and payments accounts	3 50	2,082 50	595 00
Strategy documents	5 20	1,606 00	308 85
Tax			



SIP 9 –Time costs analysis (31/07/2015 to 30/01/2016)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Initial reviews - CT and VAT	1 30	528 00	406 15
Post appointment corporation tax	8 05	2,227 75	276 74
Post appointment VAT	4 25	1,406 25	330 88
Creditors			
Creditors and claims			
General correspondence	1 60	468 00	292 50
Statutory reports	7 80	1,999 00	256 28
Employees			
Pensions reviews	5 30	2,146 50	405 00
Investigation			
Directors			
D form drafting and submission	13 50	3,971 50	294 19
Directors' questionnaire / checklist	0 20	81 00	405 00
Statement of affairs	2 70	993 50	367 96
Realisation of assets			
Asset Realisation			
Freehold property	1 25	306 25	245 00
Health & safety	1 30	366 50	281 92
Leasehold property	1 80	705 00	391 67
Open cover insurance	0 95	344 75	362 89
Total in period	94 35	31,090 75	329 53

Brought forward time (appointment date to SIP 9 period start date)	0 00	0 00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	94 35	31,090 75
Carry forward time (appointment date to SIP 9 period end date)	94 35	31,090 75

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.



Appendix 5 Glossary

Bank/Leumi	Leumi ABL Limited
Company	Joseph Metcalf Limited - in Administration
Group	The Company together with, William Sinclair Holdings Plc ('Holdings') William Sinclair Horticulture Limited (Horticulture') Boothby & Penicuik Peat Company Limited
Joint Administrators/we/our/us	Will Wright and Mark Orton
KPMG	KPMG LLP
Purchaser/Westland	Westland (GB Trading Limited)

Any references in this progress report to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively



Appendix 6 Notice. About this report

This report has been prepared by Will Wright and Mark Orton, the Joint Administrators of Joseph Metcalf Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

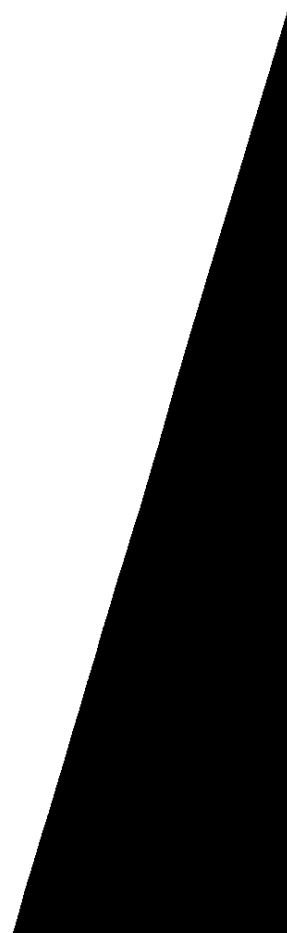
William James Wright is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

Mark Jeremy Orton is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.





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