

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 6GH

Mark 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 January 2016

(b) 30 July 2016

Signed



Joint Administrator

Dated

26 August 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 9353582

When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

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COMPANIES HOUSE



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Joseph Metcalf Limited - in Administration

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

26 August 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

- This progress report covers the period from 31 January 2016 to 30 July 2016
- As previously reported, the assets held within this Company, specifically a freehold plot of land at Astely and one trademark, were included in the pre-packaged sale transactions. There were no further realisations in the period (Section 2 - Progress to date)
- The Administrators have made a claim in William Sinclair Horticulture Ltd in the period to the amount of £1.4 million relating to an inter-group balance. A dividend of between £10,000 and £15,000 is anticipated in the coming six months (Section 2- Progress to date)
- During the period, secured creditors granted a 12-month extension to the period of the administration. The administration is currently due to end on 30 July 2017
- The two secured creditors of this Company are Leumi and the Loan Note Holders. Creditors were previously advised that Leumi's indebtedness is likely to be discharged in full through Horticulture and therefore Leumi will not be claiming in the Company under their cross guarantee. No dividend is likely to be distributed to the Loan Note Holders from this entity (Section 3 - Dividend prospects)
- There are no expected preferential claims as there are no employees in the Company (Section 3 - Dividend prospects)
- HM Revenue & Customs are the only unsecured creditors we have been made aware of. However, we do not anticipate a distribution to be made available to unsecured creditors as the asset realisations will be used to cover the costs of the Administration (Section 3 - Dividend prospects)
- Please note you should read this progress report in conjunction with our previous progress report and proposals issued to the Company's creditors which 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 previous progress report.

2.1 Strategy and progress to date

Sale of Business

As stated in our previous reports, we completed a sale of the majority of the business and assets of the Group to Westland (GB Trading) Limited ('Westland') on 31 July 2015 for a total consideration of £13.5 million. Included in this sale were the Company's Astley property and one trademark, which were sold for a total of £20,000.

Claim in Horticulture

The Company is a creditor in the Administration of William Sinclair Horticulture Limited ('Horticulture') for the amount of £1.41 million. Although no dividend has been paid in the period, a distribution of approximately 1p in the £ is expected from Horticulture which will result in a dividend of between £10,000- £15,000.

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 realisations during the period are provided below.

Bank interest

The only asset realisation in the Period is bank interest of £28.

Inter-group dividend

As outlined above, we anticipate a recovery of approximately £10,000-£15,000 as a result of the sum owed to the Company from Horticulture.

Investigations

We have continued to review the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors. It is not considered appropriate to carry out further investigation work.

2.3 Costs

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

Summaries of the most significant payments made during the period are provided below.

Legal fees

A total of £3,117 was paid to Pinsent Masons LLP in the period. Of this sum, £185 relates to advice provided for the sale of the Astley leasehold property, and the remaining £2,932 relates to ongoing pensions advice.



Pre-appointment legal fees

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

Statutory advertising

Statutory advertising costs of £56 were incurred and paid in the period to Courts Advertising Limited

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)

There are no expenses which have been incurred in the period but have not yet been paid

3 Dividend prospects

3.1 Secured creditors

The two secured creditors of the Company are Leumi and the Loan Note Holders, both of whom are cross-guaranteed by the Company for debts incurred in other group entities. In the previous period, £5 414 million was distributed to Leumi and £5 million was distributed to the Loan Note Holders from Horticulture

No distributions to the secured creditors are expected from the Company

3.2 Preferential creditors

We are not aware of any preferential claims against the Company

3.3 Unsecured creditors

The only unsecured creditor we are aware of in this Company is HM Revenue & Customs. However, as the asset realisations only cover the cost of the administration, it is highly unlikely that there will be a dividend to unsecured creditors based on current estimates

4 Joint Administrators' remuneration and disbursements

4.1 Joint Administrators' remuneration and disbursements

Time costs

From 31 January 2016 to 30 July 2016, we have incurred time costs of £14,968. These represent 46 hours at an average rate of £328 per hour.

Disbursements

During the period, we have not incurred any disbursements

Disbursements of £276 have been incurred in the previous period. These disbursements have yet to be 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 31 January 2016 to 30 July 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:

- obtaining receipt of dividend from Horticulture,
- completion of ongoing VAT and tax matters,
- completion of ongoing statutory requirements, and
- discharge of the final costs which will include our remuneration.

5.2 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of creditors or the Court.

Creditors granted a 12-month extension to the period of the administration.

The administration is currently due to end on 30 July 2017.

5.3 Future reporting

We will provide a further progress report within one month of 30 January 2017 or earlier if (1) a further 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 of Justice, Chancery Division, Manchester District Registry, 2830 of 2015 |
| Appointor | Directors |
| Date of appointment | 31 July 2015 |
| Joint Administrators' details | Will 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 2017 |



Appendix 2 Joint Administrators' receipts and payments account

| Joseph Metcalf Limited - in Administration | | | |
|--------------------------------------------|----------------------------|--------------------------------------|--------------------------------------|
| Abstract of receipts & payments | | | |
| Statement of affairs (£) | | From 31/01/2016 To 30/07/2016 (£) | From 31/07/2015 To 30/07/2016 (£) |
| FIXED CHARGE ASSETS | | | |
| 20,000 00 | Freehold property | NIL | 20,000 00 |
| | Property rights/Patents | NIL | 0 01 |
| | | NIL | 20,000 01 |
| FIXED CHARGE COSTS | | | |
| | Legal fees | (185 00) | (185 00) |
| | | (185 00) | (185 00) |
| FIXED CHARGE CREDITORS | | | |
| (20,000 00) | Fixed charge creditor | NIL | NIL |
| | | NIL | NIL |
| OTHER REALISATIONS | | | |
| | Bank interest, gross | 28 02 | 61 18 |
| | | 28 02 | 61 18 |
| COST OF REALISATIONS | | | |
| | Statement of affairs work | NIL | (500 00) |
| | Legal fees | (2,932 00) | (3,059 00) |
| | Pre-appointment legal fees | (3,336 00) | (3,336 00) |
| | Statutory advertising | (56 39) | (56 39) |
| | Insurance of assets | NIL | (530 00) |
| | Bank charges | NIL | (20 00) |
| | | (6,324 39) | (7,501 39) |
| DISTRIBUTIONS | | | |
| (200,020 00) | Ordinary shareholders | NIL | NIL |
| | | NIL | NIL |
| (200,020 00) | | (6,481 37) | 12,374 80 |
| REPRESENTED BY | | | |
| | Floating ch VAT rec'able | | 1,968 28 |
| | Floating charge current | | 11,366 32 |
| | Fixed charge VAT rec'able | | 37 00 |
| | Floating ch VAT control | | (996 80) |
| | | | 12,374 80 |



Appendix 3 Schedule of expenses

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

| Expenses (£) | Incurred and paid in the period (£) | Incurred in the period not yet paid (£) | Total (£) |
|-----------------------------|-------------------------------------|-----------------------------------------|------------------|
| Cost of realisations | | | |
| Legal fees | 2,932 00 | 0 00 | 2,932 00 |
| Pre-appointment legal fees | 3,336 00 | 0 00 | 3,336 00 |
| Administrator's fees | 0 00 | 14,968 00 | 14,968 00 |
| Statutory advertising | 56 39 | 0 00 | 56 39 |
| TOTAL | 6,324 39 | 14,968 00 | 21,292 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 Rose 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 Rose 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.

Table of charge-out rates

| Charge-out rates (£) for: Restructuring | |
|------------------------------------------------|-----------------------|
| Grade | From 01 Oct 2015 £/hr |
| Partner | 595 |
| Director | 535 |
| Senior Manager | 485 |
| Manager | 405 |
| Senior Administrator | 280 |
| Administrator | 205 |
| Support | 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 not incurred any disbursements during the period

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

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

The key areas of work have been

| | |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Statutory and compliance | <ul style="list-style-type: none">■ preparing statutory receipts and payments accounts,■ obtaining approval from creditors of a 12-month extension of the administration,■ ensuring compliance with all statutory obligations within the relevant timescales |
| Strategy documents, Checklist and reviews | <ul style="list-style-type: none">■ regular case management and reviewing of progress, including regular team update meetings and calls,■ reviewing and authorising junior staff correspondence and other work,■ dealing with queries arising during the appointment,■ reviewing matters affecting the outcome of the administration,■ allocating and managing staff/case resourcing and budgeting exercises and reviews,■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters,■ complying with internal filing and information recording practices, including documenting strategy decisions |
| 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">■ 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">■ analysing VAT related transactions, |



| | |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | ■ dealing with post appointment tax compliance |
| General | ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9, ■ dealing with the ongoing storage of the Company's books and records |
| Asset realisations | ■ reviewing the inter-company debtor position between the Company and other group companies |
| Property matters | ■ reviewing the Company's leasehold properties, including review of leases |
| Open cover insurance | ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place, ■ assessing the level of insurance premiums |
| Pensions | ■ collating information and reviewing the Company's pension schemes |
| Creditors and claims | ■ responding to enquiries from creditors regarding the administration and submission of their claims, ■ drafting our progress report |

Time costs

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

| | Hours | Time Cost (£) | Average Hourly Rate (£) |
|--------------------------------------------|-------|---------------|-------------------------|
| Administration & planning | | | |
| Cashiering | | | |
| General (Cashiering) | 2 20 | 451 00 | 205 00 |
| Reconciliations (& IPS accounting reviews) | 1 80 | 369 00 | 205 00 |
| General | | | |
| Books and records | 1 30 | 266 50 | 205 00 |
| Fees and WIP | 1 00 | 485 00 | 485 00 |
| Statutory and compliance | | | |
| Appointment and related formalities | 0 40 | 82 00 | 205 00 |
| Checklist & reviews | 4 50 | 1,622 50 | 360 56 |
| Statutory receipts and payments accounts | 0 30 | 61 50 | 205 00 |
| Tax | | | |
| Post appointment VAT | 4 00 | 780 00 | 195 00 |
| Creditors | | | |
| Creditors and claims | | | |
| Secured creditors | 2 80 | 1,358 00 | 485 00 |
| Statutory reports | 15 00 | 4,055 00 | 270 33 |
| Employees | | | |
| Pensions reviews | 6 50 | 2,736 50 | 421 00 |
| Realisation of assets | | | |
| Asset Realisation | | | |
| Debtors | 3 10 | 1,503 50 | 485 00 |
| Open cover insurance | 0 40 | 82 00 | 205 00 |
| Other assets | 2 30 | 1,115 50 | 485 00 |



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

| | Hours | Time Cost (£) | Average Hourly Rate (£) |
|----------------------------------------------------------------------|--------------|------------------|-------------------------|
| Total in period | 45 60 | 14,968 00 | 328 25 |
| Brought forward time (appointment date to SIP 9 period start date) | 94 35 | 31,090 75 | |
| SIP 9 period time (SIP 9 period start date to SIP 9 period end date) | 45 60 | 14,968 00 | |
| Carry forward time (appointment date to SIP 9 period end date) | 139 95 | 46,058 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 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 |
| Loan Note Holders | The various beneficiaries of loan notes held in the Company |
| 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.

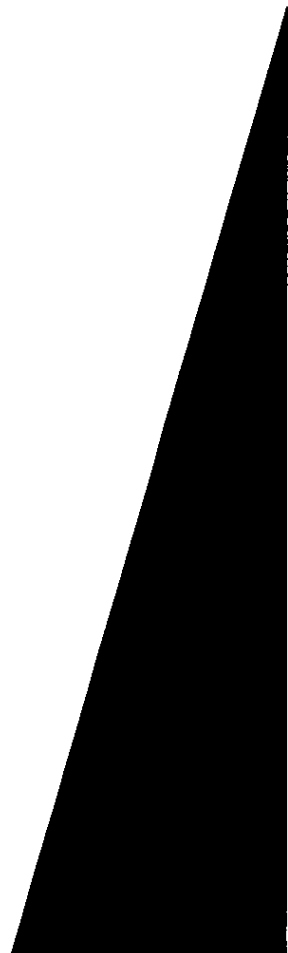
William James Wright is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

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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