

The Insolvency Act 1986

Administrator's progress report

Name of Company
STC Realisations Limited (formerly Strand Cards Limited)

Company number
00451219

In the High Court of Justice, Chancery Division, Companies Court
--

Court case number
3819 of 2012

We
Peter Saville
Zolfo Cooper
10 Fleet Place
London
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10 Fleet Place
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Anne O'Keefe
Zolfo Cooper
The Zenith Building
26 Spring Gardens
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M2 1AB

administrators of the above company attach a progress report for the period

From
9 May 2012

To
8 November 2012

Signed


Joint Administrator

Dated

30.11.12

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

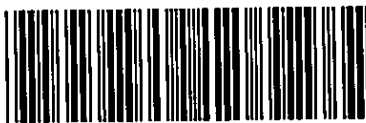
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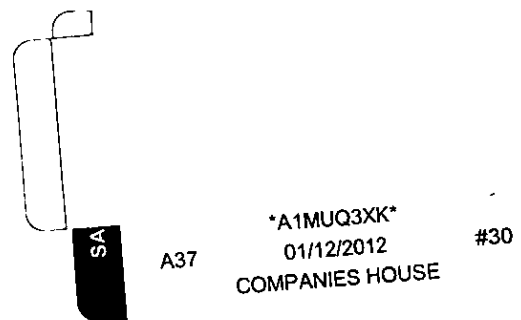
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COMPANIES HOUSE

Joint Administrators' Progress Report for the period 9 May 2012 to 8 November 2012

Clintons Cards Plc and other companies
All in Administration

30 November 2012



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1 Statutory information

- 1.1 Anne O'Keefe was appointed Joint Administrator of Clinton Cards Plc and the six other group companies detailed in section 1.4 below (the **Companies**) together with Peter Saville and Simon Freakley on 9 May 2012. The applications for the appointment of Joint Administrators were made by Barclays Bank PLC, 5 The North Colonnade, London, E14 4BB, acting as Security Agent. It was previously reported that the Security Agent acted on behalf of American Greetings Corporation (AG), however it has since been confirmed that the security is actually held by Lakeshore Lending Limited (**Lakeshore**), a connected company of AG.
- 1.2 The Administrations are being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
- 1.3 With the exception of Clinton Cards Plc (**PLC**), the Companies were non-trading entities. **PLC** engaged in certain trading relationships (mainly at the insistence of suppliers) and also guaranteed in excess of 200 leases held by CCE Realisations Limited (formerly Clintons Cards (Essex) Limited) (**Clintons**) together with a number of other Clintons group (the **Group**) leases.
- 1.4 The Administrations were registered in the High Court of Justice. The full names, former company names, registered numbers and court references in respect of each of the Companies are set out below

Company name	Former company name	Registered number	Court reference
Clinton Cards Plc	N/A	00985739	3810 of 2012
SL Realisations Limited	Selectacard Limited	00543163	3827 of 2012
GSGH Realisations Limited	GSG Holdings Limited	02979953	3814 of 2012
PL Realisations Limited	Papertree Limited	01580506	3823 of 2012
GSG Realisations Limited	The Greetings Store Group Limited	01363244	3821 of 2012
CCS Realisations Limited	Clintons Card Services Limited	03269006	3828 of 2012
STC Realisations Limited	Strand Cards Limited	00451219	3819 of 2012

- 1.5 The registered office of each of the Companies has been changed to The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
- 1.6 In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Joint Administrators are to be exercised by any or all of the Joint Administrators.

2 Progress of the Administration

- 2.1 Attached at Appendix A are the Joint Administrators' Receipts and Payments Accounts for the period 9 May 2012 to 8 November 2012 in respect of each of the Companies
- 2.2 With the exception of PL Realisations Limited (**PL**), no costs have been incurred but not yet paid in the period of this report by any of the Companies to date. It should be noted that certain costs incurred by **PL** have not yet been paid and are not included in the analysis of receipts and payments for the period. These costs are in respect of the Joint Administrators' property agents, Brazier Freeth LLP and the Joint Administrators' legal advisors, Travers Smith LLP. The combined costs incurred to date are estimated to be approximately £3,000.

- 2.3 As advised in the Joint Administrators' Report and Statement of Proposals in respect of Clinton Cards Plc and other group companies dated 29 June 2012 (the Proposals), the appointment of the Joint Administrators was required over the Group in order to secure the Group's assets and investigate the inter-company debt positions whilst ownership was established.

Inter-company debt

- 2.4 Based on the information currently available, Clintons is forecast to distribute a dividend of less than one pence in the pound to its unsecured creditors via the Unsecured Creditors' Fund. As a result, a number of the Companies are likely to participate in the distribution and the Joint Administrators are currently considering the most efficient way to deal with this matter.

Sale of the business

- 2.5 As set out in the Proposals, the Joint Administrators concluded a sale of certain of the Group's business and assets to Lakeshore for the sum of £23 million on 6 June 2012.
- 2.6 Under the terms of the sale agreement, the allocation of consideration by asset and company was apportioned within 30 days of completion and is set out in the table below.

Company name	Goodwill, intellectual property and business name (£)	Business information (£)	Other property (£)	Business properties and fixtures (£)
Clinton Cards Plc	250,000	1	1	-
SL Realisations Limited	1	1	1	-
PL Realisations Limited	1	1	1	30,000
GSG Realisations Limited	1	1	1	-
STC Realisations Limited	1	1	1	-

Lease position

- 2.7 The Joint Administrators are currently in the process of transferring a number of leases to Lakeshore in respect of transferred stores. The Joint Administrators are also in discussions with landlords regarding the lease surrenders relating to stores which were closed during the Administrations. The Joint Administrators currently estimate that these discussions will be concluded in the next three to six months.

Clinton Cards Plc

- 2.8 In the period of this report, a total of £22,402 has been recovered from the pre-appointment bank accounts and transferred into the Administration accounts.
- 2.9 A rates refund in the sum of £1,686 has been realised and bank interest of £3 has also been received.

3 Assets still to be realised

- 3.1 As discussed in section 2 of this report, with the exception of Plc, the only remaining assets to be realised relate to the inter-company debts
- 3.2 In terms of Plc, this entity recently received a dividend from BIR Realisations Limited (formerly Birthdays Limited) (BIR) in the sum of £164,755. By way of background, BIR entered into Administration on 20 May 2009. Plc was a significant creditor of BIR and the Group subsequently acquired 167 stores together with the Birthdays brand from the joint administrators.
- 3.3 The payment was received on 19 November 2012 and will be allocated in the Receipts and Payments account in the next report

4 Investigations

- 4.1 The Joint Administrators conducted investigations into the conduct of the directors and transactions entered into prior to the Companies' insolvency, as required by the Company Directors' Disqualification Act, and Statement of Insolvency Practice 2 - Investigations by Office Holders in Administrations and Insolvent Liquidations. Our investigations have not yet been concluded and an update will be provided in the next progress report

5 Joint Administrators' remuneration

- 5.1 Lakeshore approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the Administrations
- 5.2 The Joint Administrators' time costs for the period 9 May 2012 to 8 November 2012 and total amount of fees and disbursements drawn on account in respect of each of the Companies are set out below:

Company name	Time costs (£)	Number of hours	Average rate per hour (£)	Fees drawn (£)	Disbursements (£)
Clinton Cards Plc	22,026	75	294	10,656	624
SL Realisations Limited	4,707	16	292	3,352	30
GSGH Realisations Limited	4,692	16	293	3,335	30
PL Realisations Limited	17,593	59	300	3,212	30
GSG Realisations Limited	4,069	14	287	2,978	32
CCS Realisations Limited	4,346	15	286	3,265	73
STC Realisations Limited	4,533	16	282	3,038	30

- 5.3 Lakeshore, has funded the payment of the Joint Administrators' fees in each Administration excluding Plc.
- 5.4 Attached at Appendix B are Time Analyses for the period which provide details of the activity costs incurred by staff grade for each of the Companies.
- 5.5 Principal areas of activity during the period are discussed in further detail below.

- **Administration and planning** - time has been incurred formulating and implementing the initial case strategies, complying with statutory duties and performing general administrative work. Case related treasury time is also recorded here.
 - **Investigations** - time has been incurred conducting investigations into the directors' conduct together with the Companies' dealings prior to the appointment of the Joint Administrators and the submission of reports to the Department for Business, Innovation and Skills pursuant to the Company Directors' Disqualification Act 1986
 - **Realisation of assets - floating charge** - time recorded within this category includes liaising with the Joint Administrators' agents in respect of the leasehold properties, establishing and reviewing the most appropriate realisation strategies and managing the sale processes
 - **Creditors** - time has been incurred notifying all creditors of the appointment, preparing statutory reports and reporting to Lakeshore.
- 5.6 The Joint Administrators confirm that the only category 2 disbursements drawn to date is photocopying. This is charged at the rate of ten pence per sheet
- 5.7 Information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, payment of disbursements and details of current charge-out rates by staff grade is provided in Appendix c.

6 Estimated outcome for creditors

Secured creditor

- 6.1 Barclays Bank PLC acts as Security Agent for Lakeshore and holds fixed and floating charges dated 6 April 2009 and 7 November 2011, in addition to share charges dated 6 April 2009 in Plc, Clintons and BRE Realisations Limited (formerly Birthdays Retail Limited)
- 6.2 At the date of appointment Lakeshore was owed approximately £35 million across the Group (excluding accrued interest and charges). They have received a distribution of £249,390 from Plc

Preferential creditors

- 6.3 The Companies did not employ any staff and, as a result, there will be no preferential claims

Unsecured Creditors' Fund

- 6.4 Pursuant to section 176A of the Insolvency Act 1986 where there is a floating charge which post-dates 15 September 2003, the Joint Administrators are required to create a fund from a company's net property for the benefit of the unsecured creditors (Unsecured Creditors' Fund), which is commonly known as the 'prescribed part'

Clinton Cards Plc

- 6.5 As Plc granted floating charges to the Security Agent after 15 September 2003, the Joint Administrators are required to create Unsecured Creditors' Funds

- 6.6 Based on present information, the value of the Unsecured Creditors' Fund is currently estimated to be approximately £36,000
- 6.7 Based on claims received to date, the unsecured creditors' claims total £9,651,319. This will result in a dividend of less than one pence in the pound via the Unsecured Creditors' Fund, before taking into account the costs of claims agreement and distribution

Other companies

- 6 8 As the remaining companies also granted floating charges to the Security Agent after 15 September 2003, the Joint Administrators are required to create Unsecured Creditors' Funds. Based on the information currently available, the Joint Administrators believe that after taking into account the costs of the Administrations, there will be insufficient funds available in any of the companies to create an Unsecured Creditors' Fund.

7 Ending the Administrations

Clinton Cards Plc

Creditors' voluntary liquidation (CVL)

- 7 1 Based on current information, the Joint Administrators believe that a dividend may be available to the unsecured creditors. In the event that a dividend becomes payable, the Joint Administrators will file a notice with the Registrar of Companies in order that the Administration will cease and the company will move automatically into a CVL. It has been approved that the Joint Administrators will also become the Joint Liquidators of the CVL.

Dissolution

- 7.2 The Joint Administrators believe that Plc will have sufficient property in order to distribute a dividend to the unsecured creditors. However, in the event that there are insufficient funds, the Joint Administrators will file a notice together with the final progress report at court and with the Registrar of Companies to facilitate the dissolution of Plc. The Joint Administrators will send a copy of this document to Plc and its creditors. The appointment will end following registration of the notice by the Registrar of Companies.

Other companies

Dissolution

- 7 3 The Joint Administrators currently consider that the remaining companies will have insufficient property which might permit a distribution to their unsecured creditors. In this circumstance, they will file notices together with their final progress report at court and with the Registrar of Companies to facilitate their dissolution. The Joint Administrators will send copies of these documents to the Companies and their creditors. The appointments will end following registration of the notices by the Registrar of Companies. Based on the information currently available, the Joint Administrators consider that this is the most likely exit route for each of the other companies.

Creditors' voluntary liquidation (CVL)

- 7.4 Based on the information currently available, the Joint Administrators do not believe that sufficient funds will be available to enable a distribution to the unsecured creditors of the other companies. However, in the event that a dividend becomes payable in one or more entities, the Joint Administrators will file notices with the Registrar of Companies to end the Administration and facilitate the automatic move into CVL. It has been approved that the Joint Administrators will become the Joint Liquidators in the event that any of the other companies move into CVL.

Discharge of Liability

- 7.5 The Joint Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointments as Joint Administrators cease to have effect.

8 Creditors' rights

- 8.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 8.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or that the remuneration charged or the expenses incurred by the Joint Administrators as set out in this report are excessive.

9 Next report

- 9.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administrations, or earlier if the Administrations have been finalised.

For and on behalf of
The Companies



Anne O'Keefe
Joint Administrator

Encs

Receipts and Payments Accounts for the period 9 May 2012 to 8 November 2012

Appendix A

Clinton Cards Plc

	£
Fixed charge assets	
Receipts	
Goodwill, intellectual property and business name	250,000
Business information	1
Other property	1
	<u>250,002</u>
Payments	
Joint Administrators' fees	612
	<u>(612)</u>
Distributions	
Fixed chargeholder	249,390
	<u>(249,390)</u>
Floating charge assets	
Receipts	
Cash at bank	22,402
Rates refund	1,686
Bank interest	3
	<u>24,091</u>
Payments	
Joint Administrators' fees	10,044
Category 1 disbursements	
Specific penalty bond	30
Travel and subsistence	291
Stationery and postage	32
Telephone costs	5
Statutory advertising	77
Category 2 disbursements	
Photocopying	189
Legal fees	2,828
Bank charges	64
	<u>(13,560)</u>
Balance	<u>10,531</u>
Represented by	
Interest bearing account	9,126
VAT receivable	11,582
VAT payable	(10,177)
	<u>10,531</u>

Statement of Insolvency Practice 7 states the headings used in the receipts and payments account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement

The SOA was provided by the Companies' directors at the commencement of the Administration which did not provide any information of the assets and liabilities of the Companies and as such, a meaningful comparison to the SOA by category cannot be made

Receipts and Payments Accounts for the period 9 May 2012 to 8 November 2012 (cont'd)

Appendix A

SL Realisations Limited

	£
Fixed charge assets	
Receipts	
Goodwill, intellectual property and business name	1
Business information	1
Other property	1
	<u>3</u>
Distributions	
Fixed chargeholder	3
	<u>(3)</u>
Floating charge assets	
Receipts	
Contribution to costs	3,382
	<u>3,382</u>
Payments	
Joint Administrators' fees	3,352
Category 1 disbursements	
Specific penalty bond	30
	<u>(3,382)</u>
Balance	<u>-</u>

Statement of Insolvency Practice 7 states the headings used in the receipts and payments account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement

The SOA was provided by the Companies' directors at the commencement of the Administration which did not provide any information of the assets and liabilities of the Companies and as such, a meaningful comparison to the SOA by category cannot be made

**Receipts and Payments Accounts for the period
9 May 2012 to 8 November 2012 (cont'd)**
Appendix A
GSGH Realisations Limited

	£
Receipts	
Contribution to costs	3,365
	<u>3,365</u>
Payments	
Joint Administrators' fees	3,335
Category 1 disbursements	
Specific penalty bond	30
	<u>(3,365)</u>
Balance	<u>-</u>

PL Realisations Limited

	£
Fixed charge assets	
Receipts	
Other property	1
Goodwill, intellectual property and business name	1
Business information	1
	<u>3</u>
Distributions	
Fixed chargeholder	3
	<u>(3)</u>
Floating charge assets	
Receipts	
Business properties and fixtures	30,000
	<u>30,000</u>
Payments	
Joint Administrators' fees	3,212
Category 1 disbursements	
Specific penalty bond	30
	<u>(3,242)</u>
Balance	<u>26,758</u>
Represented by	
Interest bearing accounts	26,758
	<u>26,758</u>

Statement of Insolvency Practice 7 states the headings used in the receipts and payments account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement

The SOA was provided by the Companies' directors at the commencement of the Administration which did not provide any information of the assets and liabilities of the Companies and as such, a meaningful comparison to the SOA by category cannot be made

Receipts and Payments Accounts for the period 9 May 2012 to 8 November 2012 (cont'd)

Appendix A

GSG Realisations Limited

	£
Fixed charge assets	
Receipts	
Goodwill, intellectual property and business name	1
Business information	1
Other property	1
	<u>3</u>
Distributions	
Fixed chargeholder	3
	<u>(3)</u>
Floating charge assets	
Receipts	
Contribution to costs	3,009
	<u>3,009</u>
Payments	
Joint Administrators' fees	2,978
Category 1 disbursements	
Specific penalty bond	30
Category 2 disbursements	
Photocopying	2
	<u>(3,009)</u>
Balance	<u>-</u>

Statement of Insolvency Practice 7 states the headings used in the receipts and payments account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement

The SOA was provided by the Companies' directors at the commencement of the Administration which did not provide any information of the assets and liabilities of the Companies and as such, a meaningful comparison to the SOA by category cannot be made

Receipts and Payments Accounts for the period 9 May 2012 to 8 November 2012 (cont'd)

Appendix A

CCS Realisations Limited

	£
Receipts	
Contribution to costs	3,338
	<u>3,338</u>
Payments	
Joint Administrators' fees	3,265
Category 1 disbursements	
Specific penalty bond	30
Stationery and postage	43
	<u>(3,338)</u>
Balance	<u>-</u>

STC Realisations Limited

	£
Fixed charge assets	
Receipts	
Business information	1
Goodwill, intellectual property and business name	1
Other property	1
	<u>3</u>
Distributions	
Fixed chargeholder	3
	<u>(3)</u>
Floating charge assets	
Receipts	
Contribution to costs	3,067
Business properties and fixtures	1
	<u>3,068</u>
Payments	
Joint Administrators' fees	3,038
Category 1 disbursements	
Specific penalty bond	30
	<u>(3,068)</u>
Balance	<u>-</u>

Statement of Insolvency Practice 7 states the headings used in the receipts and payments account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement

The SOA was provided by the Companies' directors at the commencement of the Administration which did not provide any information of the assets and liabilities of the Companies and as such, a meaningful comparison to the SOA by category cannot be made

Time Analyses for the period 9 May 2012 to 8 November 2012

Appendix B

Clinton Cards Plc

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	0.3		2.2		2.5	803.50	321
Statutory duties	1.5	1.0	4.5	0.6	7.6	2,502.00	329
Case administration	3.0		1.6	1.6	6.2	2,082.00	336
Accounting and treasury	0.8		2.5	2.6	5.9	1,488.00	252
Internal documentation	1.1	0.1	1.5	4.5	7.2	1,632.00	227
Investigations							
Director conduct reports	0.3		17.9	1.2	19.4	5,719.50	295
Realisation of assets - fixed charge							
Recovery of assets		0.2			0.2	74.00	370
Realisation of assets - floating charge							
Asset accounting and administration			2.2		2.2	671.00	305
Trading							
Trading activities		0.2			0.2	74.00	370
Accounting and administration			0.5	1.8	2.3	417.00	181
Creditors							
Reporting to creditors	3.8		4.7	0.2	8.7	3,168.50	364
Unsecured creditors	0.1	0.1	1.5	1.3	3.0	722.00	241
Employees			0.2		0.2	56.00	280
Shareholders and other stakeholders			9.2		9.2	2,616.00	284
Totals	10.9	1.6	48.5	13.8	74.8	22,025.50	294

SL Realisations Limited

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	0.1		0.6		0.7	225.50	322
Statutory duties	0.9		2.8	0.3	4.0	1,284.00	321
Case administration	0.5		0.8	0.5	1.8	555.50	309
Accounting and treasury	0.1		0.7	0.5	1.3	333.50	257
Internal documentation			0.2	0.5	0.7	131.00	187
Investigations							
Director conduct reports	0.2		1.6	1.1	2.9	715.50	247
Realisation of assets - floating charge							
Asset realisation strategy		0.2			0.2	82.00	410
Asset accounting and administration			0.8		0.8	244.00	305
Creditors							
Reporting to creditors	0.6		2.4	0.2	3.2	1,022.00	319
Unsecured creditors			0.2	0.2	0.4	86.00	215
Employees			0.1		0.1	28.00	280
Totals	2.4	0.2	10.2	3.3	16.1	4,707.00	292

Time Analyses for the period 9 May 2012 to 8 November 2012 (cont'd)

Appendix B

GSGH Realisations Limited

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	0.1		0.6		0.7	225.50	322
Statutory duties	0.9		2.9	0.3	4.1	1,319.00	322
Case administration	0.4		0.8	0.5	1.7	510.50	300
Accounting and treasury	0.1		0.7	0.5	1.3	322.50	248
Internal documentation			0.2	0.5	0.7	131.00	187
Investigations							
Director conduct reports	0.2		1.4	1.1	2.7	659.50	244
Realisation of assets - floating charge							
Asset accounting and administration			0.6		0.6	183.00	305
Trading							
Trading activities		0.5			0.5	205.00	410
Creditors							
Reporting to creditors	0.6		2.4	0.2	3.2	1,022.00	319
Unsecured creditors			0.2	0.2	0.4	86.00	215
Employees			0.1		0.1	28.00	280
Totals	2.3	0.5	9.9	3.3	16.0	4,692.00	293

PL Realisations Limited

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	1.3		0.6		1.9	765.50	403
Statutory duties	1.0		3.0	0.4	4.4	1,414.00	321
Case administration	0.5		1.3	1.7	3.5	738.00	211
Accounting and treasury	0.3		0.7	0.4	1.4	401.50	287
Internal documentation	0.1		0.2	0.5	0.8	176.00	220
Investigations							
Director conduct reports	0.3		1.1	1.1	2.5	620.50	248
Trading							
Trading activities		18.1	5.0	11.0	34.1	10,436.00	306
Accounting and administration			6.1		6.1	1,860.50	305
Creditors							
Reporting to creditors	0.6		2.4	0.2	3.2	1,022.00	319
Secured creditors			0.2		0.2	56.00	280
Unsecured creditors				0.5	0.5	75.00	150
Employees			0.1		0.1	28.00	280
Totals	4.1	18.1	20.7	15.8	58.7	17,593.00	300

Time Analyses for the period 9 May 2012 to 8 November 2012 (cont'd)

Appendix B

GSG Realisations Limited

	Employee grade (hours)				£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Average rate per hour
Administration and planning						
Strategy and control	0.1		0.6		0.7	225.50
Statutory duties	0.8		2.5	0.3	3.6	1,145.00
Case administration	0.3		0.8	0.7	1.8	495.50
Accounting and treasury	0.1		0.7	0.4	1.2	311.50
Internal documentation			0.2	0.4	0.6	116.00
Investigations						
Director conduct reports	0.2		1.1	1.1	2.4	575.50
Realisation of assets floating charge						
Asset accounting and administration			0.3		0.3	91.50
Creditors						
Reporting to creditors	0.6		2.4	0.2	3.2	1,022.00
Unsecured creditors				0.2	0.2	30.00
Employees			0.2		0.2	56.00
Totals	2.1	-	8.8	3.3	14.2	4,068.50

CCS Realisations Limited

	Employee grade (hours)				£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Average rate per hour
Administration and planning						
Strategy and control	0.1		0.6		0.7	225.50
Statutory duties	0.9		2.0	0.2	3.1	1,129.00
Case administration	0.4		0.8	0.7	1.9	540.50
Accounting and treasury	0.2		1.0	0.6	1.8	377.00
Internal documentation			0.2	0.5	0.7	131.00
Investigations						
Director conduct reports	0.2		1.2	1.0	2.4	588.50
Realisation of assets floating charge						
Asset accounting and administration			0.3		0.3	91.50
Trading						
Accounting and administration	0.2			0.6	0.8	183.00
Creditors						
Reporting to creditors	0.6		2.4	0.2	3.2	1,022.00
Unsecured creditors				0.2	0.2	30.00
Employees			0.1		0.1	28.00
Totals	2.6	-	8.6	4.0	15.2	4,346.00

Time Analyses for the period 9 May 2012 to 8 November 2012 (cont'd)

Appendix B

STC Realisations Limited

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	0.1		0.6		0.7	225.50	322
Statutory duties	0.9		2.5	0.4	3.8	1,207.00	318
Case administration	0.4		0.8	0.8	2.0	555.50	278
Accounting and treasury	0.1		0.7	0.4	1.2	311.50	260
Internal documentation			0.2	0.4	0.6	116.00	193
Investigations							
Director conduct reports	0.2		0.8	1.0	2.0	476.50	238
Realisation of assets - floating charge							
Asset accounting and administration			0.3		0.3	91.50	305
Trading							
Trading activities		0.6			0.6	246.00	410
Creditors							
Creditor claims				1.3	1.3	195.00	150
Reporting to creditors	0.6		2.4	0.2	3.2	1,022.00	319
Unsecured creditors				0.2	0.2	30.00	150
Employees			0.2		0.2	56.00	280
Totals	2.3	0.6	8.5	4.7	16.1	4,532.50	282

Additional information in relation to the Joint Administrators' remuneration pursuant to Statement of Insolvency Practice 9

Appendix C

1 Policy

Detailed below is Zolfo Cooper's policy in relation to

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements

1.1 Staff allocation and the use of sub-contractors

The Joint Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a partner, a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Joint Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The Joint Administrators have not utilised the services of any sub-contractors in these cases

1.2 Professional advisors

On these assignments the Joint Administrators have used the professional advisors listed below. The Joint Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Freshfields Bruckhaus Deringer LLP (legal advice)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
Edward Symmons LLP (valuation and disposal advice)	Hourly rate and disbursements

The Joint Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document

storage Any properly reimbursed expenses incurred by the Joint Administrators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors. Category 2 disbursements that may be incurred are as follows

- Photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying.
- Printing - charged at the rate of ten pence per sheet for black and white printing and 15 pence per sheet for colour
- Business mileage for staff travel - charged at the rate of 45 pence per mile

2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 January 2011 is detailed below. Time is charged by case staff in units of six minutes

Description	£
Partner/director	
Partner 1*	575
Partner 2*	520
Director	450
Senior associate	
Senior associate 1*	410
Senior associate 2*	370
Associate/analyst	
Associate	305
Analyst*	280
Junior analyst and support staff	
Junior analyst*	150
Senior treasury associate	220
Treasury associate	150
Treasury analyst	95
Support	80
*Key	
<i>Partner 1 - partners with three or more years' experience at partner level</i>	
<i>Partner 2 - partners with fewer than three years' experience at partner level</i>	
<i>Senior associate 1 - staff with two or more years' experience at senior associate level</i>	
<i>Senior Associate 2 - staff with fewer than two years' experience at senior associate level</i>	
<i>Analyst - staff with more than one year's experience at analyst level</i>	
<i>Junior analyst - first year analysts</i>	