

**Liquidator's Progress
Report****S.192****Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

00451219

Name of Company

STC Realisations Limited (Formerly Strand Cards Limited)

I / We
A C O'Keefe
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

P M Saville and S V Freakley
10 Fleet Place
London
EC4M 7RB

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 19/04/2013 to 18/04/2014

Signed



Date

13. 6. 14

Zolfo Cooper
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

Ref 10570-020/CWIL/CES/KWEL/LEB/SA

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COMPANIES HOUSE

Liquidators' Progress Report for the period 19 April 2013 to 18 April 2014

Clinton Cards Plc
PL Realisations Limited
STC Realisations Limited
All in Liquidation

6 June 2014

Contents

1	Statutory Information	1
2	Progress of the Liquidations.....	1
3	Assets still to be realised	2
4	Investigations	2
5	Liquidators' fees... ..	2
6	Estimated outcome for creditors	3
7	Notice of intended dividend for Clinton Cards Plc	4
8	Creditors' rights	5
9	Next report	5

Appendices

Receipts and Payments Accounts for the period 19 April 2013 to 18 April 2014.....	Appendix A
Time Analyses for the period 19 April 2013 to 18 April 2014.....	Appendix B
Additional information in relation to the Liquidators' fees pursuant to Statement of Insolvency Practice 9	Appendix C
Statement of Claim form for Clinton Cards Plc	Appendix D

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1 Statutory information

- 1.1 Anne O'Keefe was appointed Liquidator of the Companies together with Peter Saville and Simon Freakley on 19 April 2013 following the filing of Forms 2 34B - Notice of move from Administration to Creditors Voluntary Liquidation with the Registrar of Companies.
- 1.2 The Liquidations 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 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 90 leases held by CCE Realisations Limited (formerly Clinton Cards (Essex) Limited) - in Liquidation (Clintons) together with a number of other Clinton group companies (the Group) leases.
- 1.4 The registered offices of the Companies have been changed to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB and the Companies registered numbers are detailed below:

Company name	Former company name	Registered number
Clinton Cards Plc	N/A	00985739
PL Realisations Limited	Papertree Limited	01580506
STC Realisations Limited	Strand Cards Limited	00451219

- 1.5 As approved in the former Administrations and pursuant to Rule 4.63A of Insolvency Rules 1986, any act required or authorised to be done by the Liquidators may be done by all or any one or more of them

2 Progress of the Liquidations

- 2.1 The Liquidators' Receipts and Payments Accounts for the period 19 April 2013 to 18 April 2014 are attached at Appendix A.
- 2.2 All costs incurred to date have been paid.

Clinton Cards Plc

- 2.3 A total of £183,324 was transferred from the Administration to the Liquidation in order to finalise all costs and distribute the Unsecured Creditors' Fund to the unsecured creditors.
- 2.4 On the 15 July 2013, the Administrators' bank informed the Liquidators that there had been an error in the bank charges in the Administration. Therefore, a refund of £1,271 was received in the Liquidation.
- 2.5 All accounts have been placed on interest bearing and a total of £604 has been received during the period of this report

STC Realisations Limited and PL Realisations Limited

- 2.6 The only assets of STC and PL are the intercompany debts due from Clintons. An unsecured dividend will be available in Clintons but the timing and quantum is uncertain at this time. A further update will be provided in the next report.
- 2.7 Furthermore, the Liquidators' are investigating a potential landlord refund due to STC.

3 Assets still to be realised

- 3.1 As detailed in section 2.6 the only assets still to be realised are the intercompany debts from Clintons in STC and PL

4 Investigations

- 4.1 The Liquidators conducted investigations into the conduct of the directors and transactions entered into prior to the Companies' insolvencies, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 - Investigations by Office Holders in Administrations and Insolvent Liquidations. Based upon the outcome of the Liquidators' investigations, there were no matters identified that required further action.

5 Liquidators' fees

- 5.1 The basis of the Liquidators' fees were approved in the preceding Administrations pursuant to rule 2.106 and 4.127 (5A) of the Insolvency Rules 1986 as being by reference to the time properly spent by the Liquidators and their staff on matters arising in the Liquidations
- 5.2 The Liquidators' time costs for the period 19 April 2013 to 18 April 2014 in respect of each of the Companies are set out below

Company name	Time costs (£)	Number of hours	Average rate per hour (£)
Clinton Cards Plc	15,612	78	200
PL Realisations Limited	8,135	33	244
STC Realisations Limited	7,557	31	241

- 5.3 Attached at Appendix B are the Time Analyses for the period which provides details of the costs incurred by activity and by staff grade for each of the Companies
- 5.4 To date, the Liquidators' have not drawn any fees in any of the cases but have drawn disbursements, which can be summarised as follows:

Company name	Category 1 disbursements
Clinton Cards Plc	254
PL Realisations Limited	-
STC Realisations Limited	-

- 5.5 The Joint Liquidators confirm that the no category 2 disbursements have been drawn.

5.6 Principal areas of activity during the period are discussed in further detail below.

- **Administration and planning** - time has been incurred implementing and monitoring the initial case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
- **Investigations** - time has been incurred conducting investigations into the directors' conduct together with the Companies' dealings prior to the appointments of the Liquidators 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 has been incurred dealing with the leases of the Companies, which includes liaising with agents and landlords to disclaim the leases.
- **Realisation of assets - debtors** - time has been incurred in STC with regards to chasing a former landlord in respect to a potential refund.
- **Creditors** - time has been incurred informing creditors of the move from Administration to Liquidation and dealing with statutory tasks. Reporting to the secured creditor and reviewing the claims of unsecured creditors, as well as dealing with queries received is also recorded in this section.

5.7 A copy of 'A Creditors' Guide to Liquidators' Fees' can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>) - click on Creditors' Guide to Fees in the menu on the left side of the screen. If you would prefer this to be sent to you in hard copy please contact Katie Wells on +44 (0) 161 838 4541 or by email to KWells@zolfocooper.eu and a copy will be forwarded to you.

5.8 Additional information in relation to the Liquidators' policy on staffing, the use of sub-contractors, payment of disbursements and details of their current charge out rates by staff grade is provided at Appendix C.

6 Estimated outcome for creditors

Secured creditor - Barclays Bank PLC on behalf of Lakeshore Lending Limited

- 6.1 Barclays Bank PLC acts as a Security Agent (Security Agent) for Lakeshore Lending Limited and holds fixed and floating charges dated 6 April 2009 and 7 November 2011 for the Companies, in addition to share charges dated 6 April 2009 in PLC, Clintons and BRE Realisations Limited - in Liquidation (Birthdays).
- 6.2 At the date of the appointments the secured creditor was owed £35 million across the Group (excluding interest and charges) under its security. To date, the secured creditor has been distributed a total of £28.86 million across the Group, of which, PLC has distributed £99,000 during the period. Further distributions are expected to be made from the Group.

Preferential creditors

- 6.3 There are no preferential creditors in any of the Companies.

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 Liquidators are required to create a fund from the Companies' net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**). Further information in respect of each company can be found below.

Unsecured Creditors' Fund for Clinton Cards Plc (PLC)

- 6.5 As PLC granted a floating charge to the Security Agent after 15 September 2003, the Liquidators are required to create an Unsecured Creditors' Fund
- 6.6 To date, a total of eight creditors have submitted claims in the Liquidation totalling £18,134,472. The Liquidators confirm that, based on realisations to date and anticipated future costs, the amount available for the Unsecured Creditors' Fund is approximately £26,500, resulting in an estimated dividend of 0.15 pence in the pound (less than one pence) to all unsecured creditors. Please see section 7 for further details.

Unsecured Creditors' Fund for PL Realisations Limited (PL)

- 6.7 As PL granted a floating charge to the Security Agent after 15 September 2003, the Liquidators are required to create an Unsecured Creditors' Fund. The Liquidators can confirm that, based on future realisations, the amount estimated to be available for the Unsecured Creditors' Fund is £11,781. However, this is dependent on the value of the Clintons Unsecured Creditors' Fund distribution, as detailed in section 2.6 of this report

Unsecured Creditors' Fund for STC Realisations Limited (STC)

- 6.8 As STC granted a floating charge to the Security Agent after 15 September 2003, the Liquidators are required to create an Unsecured Creditors' Fund. The Liquidators confirm that based on future realisations, the amount estimated to be available for the Unsecured Creditors' Fund is £9,657. However, this is dependent on the value of Clintons Unsecured Creditors' Fund distribution, as detailed in section 2.6 of this report.

7 Notice of intended dividend for Clinton Cards Plc

- 7.1 At present, sufficient funds are in hand to enable a dividend to the unsecured creditors. It is the Liquidators' intention to pay a first and final dividend to non preferential creditors within the next two months from the final date of proving and enclosed for your attention at Appendix D is a Statement of Claim Form for those who have not yet registered their claim.
- 7.2 If you have not submitted a claim in the Liquidation please complete and return the enclosed Statement of Claim Form before 2 July 2014, otherwise you will be excluded from any dividend payable after that date.

8 Creditors' rights

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

9 Next report

- 9.1 The Liquidators are required to provide a progress report within two months of the end of the next year of the Liquidations. If the Liquidations have been completed before then final meetings will be called, and a draft report circulated before the meetings.

Yours faithfully



Anne O'Keefe
Liquidator

Encs

**Receipts and Payments Accounts for the period
19 April 2013 to 18 April 2014**

Appendix A

Clinton Cards Plc

	£
Receipts	
Transferred from Administration	183,324
Refund of Administration bank charges	1,271
Bank interest	604
	<u>185,199</u>
Payments	
Category 1 disbursements	
Statutory advertising	254
Bank charges	52
	<u>(306)</u>
Distributions	
Floating chargeholder	99,000
	<u>(99,000)</u>
Total balance	<u>85,893</u>
Represented by	
Interest bearing account	85,893
	<u>85,893</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 Company's directors at the commencement of the Administration and provided estimated to realise values for the categories of assets to be realised.

The receipts above represent funds passed into Liquidation from the Administration, and as such, a meaningful comparison to the SOA by category cannot be made

**Receipts and Payments Accounts for the period
19 April 2013 to 18 April 2014 (continued)**

Appendix A

PL Realisations Limited

	£
Receipts	
	-
Payments	
	-
Total balance	-

STC Realisations Limited

	£
Receipts	
	-
Payments	
	-
Total balance	-

Statement of Insolvency Practice 7 states the headings used in the Receipts and Payments Accounts 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 Administrations and provided estimated to realise values for the categories of assets to be realised.

Time Analyses for the period 19 April 2013 to 18 April 2014

Appendix B

Clinton Cards Plc

	Employee grade (hours)				£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Average rate per hour
Administration and planning						
Strategy and control	2.9		1.3	1.3	5.5	1,642.00
Statutory duties	1.1		1.9	1.4	4.4	1,012.00
Case administration	0.8		2.5	2.0	5.3	1,110.50
Accounting and treasury	1.1		2.9	11.7	15.7	2,340.50
Internal documentation			9.0	2.8	11.8	2,340.00
Investigations						
Director conduct reports	0.4		1.6	0.5	2.5	579.50
Other investigations			2.0	0.5	2.5	502.50
Realisation of assets - floating charge						
Asset identification and valuation				0.7	0.7	87.50
Dealing with third party assets			1.0	1.5	2.5	421.50
Asset accounting and administration	0.1			2.5	2.6	311.00
Creditors						
Reporting to creditors			1.1	0.3	1.4	295.50
Secured creditors	0.1		0.5	0.2	0.8	177.00
Employees		0.1	7.8		7.9	1,874.00
Shareholders and other stakeholders			1.8	3.5	5.3	821.50
Unsecured Creditors - Fund						
Internal documentation	0.3		4.9	0.3	5.2	1,115.50
Creditor strategy			0.4		0.7	204.00
Unsecured creditors	0.6	0.2	1.7	0.8	3.3	777.00
Totals	7.4	0.3	40.4	30.0	78.1	15,611.50

PL 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	0.5		1.2	0.2	1.9	643.00
Statutory duties	0.5		1.9	1.0	3.4	986.50
Case administration	0.7		1.9	3.0	5.6	1,367.50
Accounting and treasury	0.2	0.3		0.8	1.3	359.50
Internal documentation	-		4.8	2.2	7.0	1,696.00
Investigations						
Director conduct reports	0.6		0.9	0.7	2.2	691.50
Realisation of assets - floating charge						
Asset realisation strategy				0.1	0.1	16.00
Asset identification and valuation			-	0.6	0.6	96.00
Dealing with third party assets			0.6	6.9	7.5	1,224.00
Creditors						
Reporting to creditors			1.0	0.3	1.3	356.00
Secured creditors			0.1	0.2	0.3	60.00
Unsecured creditors		0.1	1.3	0.8	2.2	579.00
Totals	2.5	0.4	13.7	16.8	33.4	8,135.00

Time Analyses for the period 19 April 2013 to
18 April 2014 (continued)

Appendix B

STC Realisations Limited

	Employee grade (hours)				Total hours	£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support		Total cost	Average rate per hour
Administration and planning	0.2		1.2	0.2	1.6	502.00	314
Strategy and control			1.9	0.8	3.3	994.50	301
Statutory duties	0.6		1.9	2.4	5.1	1,338.00	262
Case administration				0.5	0.7	173.00	247
Accounting and treasury	0.2		5.3	1.6	6.9	1,740.00	252
Internal documentation							
Investigations							
Director conduct reports	0.6		0.2	0.7	1.5	495.50	330
Other investigations				0.7	0.7	112.00	160
Realisation of assets - debtors							
Debt collection			0.1	-	0.1	28.00	280
Realisation of assets - floating charge							
Asset identification and valuation			-	0.5	0.5	80.00	160
Dealing with third party assets			1.1	7.4	8.5	1,508.00	177
Asset accounting and administration			0.3	0.4	0.7	146.00	209
Creditors							
Reporting to creditors			0.7	0.3	1.0	260.00	260
Secured creditors			0.1	0.2	0.3	60.00	200
Unsecured creditors			0.2		0.2	64.00	320
Employees			0.2	-	0.2	56.00	280
Totals	2.4	-	13.2	15.7	31.3	7,557.00	241

Additional information in relation to the Liquidators' fees 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 Liquidators' 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 Liquidators' 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 Liquidators have not utilised the services of any sub-contractors in this case.

1.2 Professional advisors

On this assignment the Joint Liquidators have used the professional advisors listed below. The Joint Liquidators have also indicated alongside, 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

The Joint Liquidators' 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.

Additional information in relation to the Liquidators' fees pursuant to Statement of Insolvency Practice 9 (continued) Appendix C

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 Liquidators 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 previously approved by creditors. Category 2 disbursements that may be incurred are as follows.

- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying.
- Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour.

2 Charge-out rates

A schedule of Zolfo Cooper LLP charge-out rates for this assignment effective from 1 April 2014, [, together with those applicable prior to that date, is detailed below. Time is charged by partners and case staff in units of six minutes.

Description	Rates from	Description	Rates pre
	1 April 2014		1 April 2014
	£		£
Partner 1*	595	Partner 1*	595
Partner 2*	540	Partner 2*	540
Director	520	Director	470
Associate director	440	Associate director	430
Senior associate	390	Senior associate	390
Associate	330	Associate	320
Analyst	280	Analyst	280
Junior analyst	200	Junior analyst	160
Senior treasury associate	230	Senior treasury associate	230
Treasury associate	155	Treasury associate	155
Treasury analyst	100	Treasury analyst	100
Support	84	Support	84

*Key

Partner 1 - partners with three or more years' experience at partner level

Partner 2 - partners with fewer than three years' experience at partner level

Statement of claim form for Clinton Cards Plc

Appendix D

**CLINTON CARDS PLC - IN LIQUIDATION
CREDITOR'S STATEMENT OF CLAIM**

Name and address of creditor:

Company reg. number if applicable

Amount claimed in the Administration:

(Including VAT)

£ _____

Signature of creditor:

Name of creditor:

Telephone:

Fax:

E-mail:

Date:

_____/_____/_____

Please provide appropriate documentation in support of your claim.
If you are registered for VAT the amount claimed should include VAT even if VAT bad
debt relief has been claimed under the Value Added Tax Act 1994.

Please return this form when you have completed it to Leeleya Bachoco at The Zenith
Building, 26 Spring Gardens, Manchester, M2 1AB.

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with
Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is
six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-
debts-account.

Claims lodged in the Administration should be gross, including any VAT element. Amounts
claimed should be net of any discount, and any adjustment made to set off amounts
owed by the creditor to the company in administration. If/when dividends are paid,
creditors who have claimed VAT bad debt relief must apportion the dividend between
VAT and the net element of their claim and account to HM Revenue & Customs for the
VAT element through their VAT return.

Insolvency Practitioners have no role in administering VAT bad debt relief under the
Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact
their VAT office or take professional advice.