

**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
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 19/04/2014 to 18/04/2015

Signed



Date

18/5/15

AlixPartners
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

Ref 10570-020/CWIL/SCW/LEB/MBIR/SA

TUESDAY



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Liquidators' Progress Report for the period 19 April 2014 to 18 April 2015

PL Realisations Limited
STC Realisations Limited
Both in Liquidation

18 May 2015

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1 Why this report has been prepared

- 1.1 As you will be aware Anne O'Keefe, Peter Saville and Simon Freakley (the **Liquidators**) were appointed on 19 April 2013.
- 1.2 In accordance with UK insolvency legislation, a liquidator is required to provide a progress report covering the period of 12 months commencing on the date on which a company entered into liquidation and every subsequent period of 12 months. This progress report covers the period 19 April 2014 to 18 April 2015 (the **Period**) and should be read in conjunction with all previous reports.
- 1.3 This report has been prepared in accordance with rule 4.49C of the Insolvency Rules 1986
- 1.4 The purpose of this report is to provide statutory and financial information about the Companies and to provide an update on the progress of the Liquidations, including details of assets realised during the Period, details regarding the Liquidators' fees and the expected outcome for each class of creditor
- 1.5 Details of the Liquidators' fees and costs incurred are detailed at Appendix C to F.
- 1.6 More information relating to the Liquidation process, Liquidators' fees and creditors' rights can be found on AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received.
- 1.7 If you require a hard copy of this report or have any queries in relation its contents or the Liquidations generally, please contact Leeleya Bachoco on 0161 838 4549 or by email creditorreports@alixpartners.com or in writing to the offices of AlixPartners at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

2 Summary information for creditors

Estimated dividend distributions

Description	Claims received £	Likely level of return
Secured creditor	36.8 million	-
Unsecured creditors - PL	169,430	Uncertain
Unsecured creditors - STC	58,098	Uncertain

Notes:

Secured creditor

Barclays Bank PLC (**Barclays**) acting as security agents for Lakeshore Lending Limited (**Lakeshore**) holds fixed and floating charges registered against the Companies and across the other companies in the Clintons group (**the Group**). At the date of appointment, Lakeshore was owed £36.8 million (including accrued interest and charges).

Lakeshore has received distributions totalling £36.8 million in respect of their fixed and floating charges from other entities in the Group. The secured creditor has been paid in full.

Preferential creditors

The Companies have no employees and therefore no preferential claims have been received.

Unsecured creditors

To date, claims totalling £58,098 have been received in STC and £169,430 in PL. Any dividends received in respect of the Companies' unsecured claims against CCE Realisations Limited (formerly Clinton Cards (Essex) Limited) - in Liquidation (**CCE**) will be distributed to the Companies' unsecured creditors after the costs of making the distributions are taken into account. The quantum of the dividends cannot be confirmed until the Liquidators of CCE have declared a dividend.

Funds available for distribution and dividend rates are detailed below taking into account the estimated costs of making the distribution. Please note that the likely levels of returns are based upon estimates and are subject to change.

In respect of unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst all creditors of this class, regardless of the size of their claims.

For further information please refer to section 4 of this report.

3 Progress of the Liquidations

- 3 1** Attached at Appendix B are the Liquidators' Receipts and Payments Accounts for the Period, together with Cumulative Accounts for the period since appointment. No expenses have been incurred during the course of the Liquidations
- 3 2** As detailed in the previous reports, the only assets of the Companies are the intercompany debts due from CCE. An unsecured dividend will be available from CCE, based on CCE's latest progress report, the dividend available to unsecured creditors is estimated to be 0.5 pence in the pound
- 3 3** The Liquidators previously reported that a potential landlord refund may become due to STC. Following a review of the refund, it was found that the refund was due to CCE

4 Estimated outcome for creditors

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

- 4.1 As previously advised, Barclays acts as a security agents for Lakeshore 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 Clinton Cards Plc (formerly in Liquidation, now dissolved), CCE and BRE Realisations Limited – in Liquidation.
- 4.2 To date, £36.8 million (including accrued interest and charges) has been distributed from other entities in the Group and accordingly, the amount due to the secured creditor has now been paid in full

Preferential creditors

- 4.3 The Companies have no preferential creditors

Unsecured Creditors

- 4.4 Where there is a floating charge which was created on or after 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**), commonly known as the 'Prescribed Part'. On the basis that the secured creditor has been paid in full, there is no requirement to set aside Unsecured Creditors' Funds in either of the Companies.
- 4.5 The quantum of the dividend available in CCE has increased but cannot be confirmed at this time. Any surplus funds after taking into account the costs of the Liquidations and making the distributions will be available for the benefit of the Companies' unsecured creditors. The dividend available to the Companies' unsecured creditors is anticipated to be higher than the levels previously reported.

5 What happens next

Creditors' rights

- 5.1 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.
- 5.2 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.

Next report

- 5.3 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 completed before then, final meetings will be called, and draft reports circulated before those meetings.

Yours faithfully



Anne O'Keefe
Liquidator

Encs

Appendix A. Statutory information

Company information

Company names	PL Realisations Limited	STC Realisations Limited
Former company names	Papertree Limited	Strand Cards Limited
Registered numbers	01580506	00451219
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	
Former registered office	The Crystal Building, Langston Road, Loughton, Essex, IG10 3TH	

Liquidators' information

Name	Address	IP number	Name of authorising body
Anne Clare O'Keefe	c/o AlixPartners Services UK LLP, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	008375	Insolvency Practitioners Association
Peter Mark Saville	c/o AlixPartners Services UK LLP, 10 Fleet Place, London, EC4M 7RB	009029	Insolvency Practitioners Association
Simon Vincent Freakley	c/o AlixPartners Services UK LLP, 10 Fleet Place, London, EC4M 7RB	008291	Insolvency Practitioners Association

Other relevant information

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

**Appendix B. Receipts and Payments Accounts for the period
19 April 2014 to 18 April 2015 and Cumulative Account for
the period since appointment**

PL Realisations Limited

	Period £	Cumulative £
Receipts	-	-
	-	-
Payments	-	-
	-	-
Total balance	-	-

STC Realisations Limited

	Period £	Cumulative £
Receipts	-	-
	-	-
Payments	-	-
	-	-
Total balance	-	-

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 SOAs were 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. The accounts above represent funds in the Liquidations, and as such, meaningful comparisons to the SOAs by category cannot be made.

Appendix C. Time Analyses and details of time spent

PL Realisations Limited

The Liquidators' time costs for the Period are £5,369 This represents 17 hours at an average rate of £312 per hour Detailed below is a Time Analysis for the Period which provides details of the costs incurred by activity and by staff grade.

	Employee grade (hours)				£	
	Managing director/director	Associate director/Senior associate	Associate/analyst	Junior analyst/support	Total hours	Average rate per hour
Administration and planning	0.4	-	-	-	0.4	213.00
Strategy and control	1.0	-	0.9	0.5	2.4	882.00
Statutory duties	0.6	-	3.8	1.7	6.1	1,709.00
Case administration	0.7	-	1.0	-	1.7	644.00
Accounting and treasury	0.1	-	0.5	-	0.6	192.00
Internal documentation	-	-	-	-	-	-
Realisation of assets floating charge	-	-	0.3	-	0.3	84.00
Dealing with third party assets	-	-	-	-	-	-
Creditors	-	-	-	-	-	-
Reporting to creditors	0.3	0.2	3.8	1.4	5.7	1,588.00
Unsecured creditors	-	-	0.2	-	0.2	66.00
Totals	3.1	0.2	10.3	3.5	17.1	5,369.00

STC Realisations Limited

The Liquidators' time costs for the Period are £5,529 This represents 18 hours at an average rate of £309 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by activity and by staff grade

	Employee grade (hours)				£	
	Managing director/director	Associate director/Senior associate	Associate/analyst	Junior analyst/support	Total hours	Average rate per hour
Administration and planning	0.4	-	-	-	0.4	213.00
Strategy and control	1.1	-	0.9	0.5	2.5	834.00
Statutory duties	0.8	-	3.8	1.4	6.0	1,849.00
Case administration	0.8	-	0.9	-	1.7	688.00
Accounting and treasury	0.1	-	0.4	-	0.5	164.00
Internal documentation	-	-	-	-	-	-
Realisation of assets floating charge	-	-	-	-	-	-
Asset accounting and administration	-	-	-	0.8	0.8	124.00
Creditors	-	-	-	-	-	-
Reporting to creditors	0.3	0.2	4.2	1.5	6.2	1,728.00
Unsecured creditors	-	-	0.2	-	0.2	66.00
Totals	3.3	0.2	10.3	4.2	17.9	5,529.00

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

- Administration and planning - monitoring the case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
- Realisation of assets floating charge - time has been incurred dealing with agents' and landlords' queries in respect of disclaimed leases.
- Creditors - preparing statutory reports, dealing with general creditor communications and lodging claims of unsecured creditors is recorded in this section Time spent reporting to the secured creditor is also recorded in this section

Cumulative Time Analyses for period since the Liquidators' appointment are attached at Appendix D

Appendix D. Cumulative Time Analyses for the period since appointment

PL Realisations Limited

	Employee grade (hours)				£		Average rate per hour
	Managing director/Director	Associate director/Senior associate	Associate analyst	Junior analyst/support	Total hours	Total cost	
Administration and planning							
Strategy and control	0.9		1.2	0.2	2.3	868.00	372
Statutory duties	1.5		2.8	1.5	5.8	1,848.00	322
Case administration	1.3	-	5.5	4.7	11.5	3,077.00	268
Accounting and treasury	0.9	0.3	1.0	0.8	3.0	1,003.00	335
Internal documentation	0.1		0.3	2.2	2.6	1,088.00	248
Investigations							
Director conduct reports	0.8		0.9	0.7	2.4	691.00	314
Realisation of assets - floating charge							
Asset realisation strategy	-	-	-	0.1	0.1	10.00	100
Asset identification and valuation	-	-	-	0.8	0.8	85.00	160
Dealing with third party assets	-	-	0.9	0.9	1.8	1,368.00	175
Creditors							
Reporting to creditors	0.3	0.2	4.8	1.7	7.0	1,844.00	279
Secured creditors	-	-	0.1	0.2	0.3	60.00	200
Unsecured creditors	-	0.1	1.5	0.8	2.4	635.00	265
Totals	5.5	0.6	24.8	20.4	50.8	13,503.00	267

STC Realisations Limited

	Employee grade (hours)				£		Average rate per hour
	Managing director/Director	Associate director/Senior associate	Associate analyst	Junior analyst/support	Total hours	Total cost	
Administration and planning							
Strategy and control	0.6		1.2	0.2	2.0	718.00	358
Statutory duties	1.7	-	2.8	1.3	5.8	1,828.00	333
Case administration	1.4	-	5.5	3.8	10.7	2,967.00	279
Accounting and treasury	1.0	-	0.9	0.5	3.4	841.00	350
Internal documentation	0.1	-	3.7	1.6	5.4	1,904.00	287
Investigations							
Director conduct reports	0.6	-	0.2	0.7	1.5	495.00	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	1,608.00	177
Asset accounting and administration	-	-	0.3	1.2	1.5	270.00	180
Creditors							
Reporting to creditors	0.3	0.2	4.9	1.8	7.2	1,880.00	275
Secured creditors	-	-	0.1	0.2	0.3	60.00	200
Unsecured creditors	-	-	0.4	-	0.4	120.00	300
Employees	-	-	0.2	-	0.2	85.00	280
Totals	5.7	0.2	23.4	19.9	49.2	13,066.00	268

Appendix E. Liquidators' fees and disbursements

Fees

A copy of 'A Creditors' Guide to Liquidations' can be downloaded from AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>) If you would prefer this to be sent to you in hard copy please contact the Liquidators and they will forward a copy to you

Where a company which is in administration moves into winding up under paragraph 83 of schedule B1 to the Insolvency Act 1986, and the administrator becomes the liquidator, the basis of fees fixed in the administration automatically applies in the subsequent liquidation. In these cases, the bases agreed is by reference to the time properly spent by the Liquidators and their staff on matters arising in the Liquidations.

To date, no fees have been drawn on account

Disbursements

Pursuant to paragraph 83 of schedule B1 to the Insolvency Act 1986, approval to draw category 2 disbursements were provided in the preceding Administrations and are therefore automatically approved in the Liquidations. No disbursements have been drawn to date.

Appendix F. Additional information in relation to the Liquidators' fees pursuant to Statement of Insolvency Practice 9

Policy

Detailed below is AlixPartners' policy in relation to.

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

Staff allocation and the use of sub-contractors

The 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 managing director, a director, an associate director or 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 Liquidators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, time spent by cashiers in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The Liquidators have not utilised the services of any sub-contractors.

Professional advisors

On these assignments, the Liquidators have not used any professional advisors

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 Liquidators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include.

- 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; and
- business mileage for staff travel - charged at the rate of 45 pence per mile

Charge-out rates

A schedule of AlixPartners' charge-out rates for these assignments effective from 1 April 2015 is detailed below, together with those applicable prior to that date. Time is charged by managing directors and case staff in units of six minutes.

Description £	Rates from 1 April 2015	Description £	Rates pre 1 April 2015
Managing director 1	650	Managing director 1	595
Managing director 2	595	Managing director 2	540
Director	570	Director	520
Associate director	460	Associate director	440
Senior associate	430	Senior associate	390
Associate	350	Associate	330
Analyst	295	Analyst	280
Junior analyst	200	Junior analyst	200
Senior treasury associate	230	Senior treasury associate	230
Treasury associate	155	Treasury associate	155
Treasury analyst	100	Treasury analyst	100
Support	95	Support	84