

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company M Realisations Limited (formerly Macnoll Limited)	Company number 03268645
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 3829 of 2012

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

I/We (a)
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Zolfo Cooper
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A C O'Keefe
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The Zenith Building
26 Spring Gardens
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M2 1AB

*Delete as applicable

attach a copy of ~~my~~our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b)

Signed


Joint Administrator

Dated

29 June 2012

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 researchers of the

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DX Exchange

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

Joint Administrators' Report and Statement of Proposals

Clinton Cards Plc and other group
companies - in Administration
(together the **Companies**)

29 June 2012

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1 Statutory information

- 1.1 The names, registered numbers, incorporation dates and Administration court references of the Companies are set out below. Please note that the Companies' names have recently been changed and further information on this can be found at section 3.19.

Company name (upon appointment)	Registered number	Incorporation date	Court reference
Clinton Cards Plc (Plc)	00985739	30 July 1970	3810 of 2012
Selectacard Limited (Selectacard)	00543163	11 January 1955	3827 of 2012
GSG Holdings Limited (GSG)	02979953	18 October 1994	3814 of 2012
Papertree Limited (Papertree)	01580506	17 August 1981	3823 of 2012
Macnoll Limited (Macnoll)	03268645	24 October 1996	3829 of 2012
The Greetings Store Group Limited (Greetings)	01363244	17 April 1978	3821 of 2012
Clintons Card Services Limited (CCSL)	03269006	25 October 1996	3828 of 2012
Birthdays Direct Limited (BDL)	04733067	14 April 2003	3808 of 2012
Debbie Lou's Friendship Stores Limited (Debbie Lou's)	02889329	19 January 1994	3817 of 2012
Inspirations (U K) Limited (Inspirations)	02152630	4 August 1987	3816 of 2012
Lancedown Limited (Lancedown)	01994060	28 February 1986	3832 of 2012
William McCracken Limited (WMC)	01291631	21 December 1976	3818 of 2012
Strand Cards Limited (Strand)	00451219	19 March 1948	3819 of 2012

- 1.2 A group structure chart is attached at Appendix A which reflects the relationships between the various entities.
- 1.3 The registered offices of the Companies have been changed from The Crystal Building, Langston Road, Loughton, Essex, IG10 3TH to The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.
- 1.4 Details of the Companies' directors and secretaries are attached at Appendix B.

2 Background to the Administrations

- 2.1 With the exception of Plc, the Companies are non-trading entities. They form part of a group which also includes Birthdays Retail Limited (Birthdays) and Clinton Cards (Essex) Limited (Clintons), (together the Group).
- 2.2 The Group was the largest specialist retailer of cards, gifts and party products in the UK. The business was highly seasonal, and overall results were dependent upon the success of the key trading periods including Christmas, Mother's Day, Father's Day, Valentine's Day, Halloween and the Summer wedding season.
- 2.3 Birthdays and Clintons were the principal trading entities within the Group and operated as greetings card retailers with over 750 stores across the UK. Plc engaged in certain trading relationships (mainly at the insistence of suppliers) and also guaranteed in excess of 200 Clintons leases and six other Group leases.
- 2.4 Plc was incorporated in 1970 and listed on the London Stock Exchange in 1988.

- 2.5 Plc originally acquired Birthdays Limited (BL) in 2004 which resulted in the Group trading in excess of 1,000 stores under the dual brands of Clintons and Birthdays. However, following significant underperformance of the Birthdays branded stores, BL was placed into Administration in 2009. Birthdays was subsequently incorporated in 2009 following the acquisition of 167 of the better performing stores from BL's Administrators.
- 2.6 However, the Birthdays business continued to underperform and approximately 70% of the stores were loss making in the period leading up to the Joint Administrators' appointment.
- 2.7 Similarly, performance at a number of Clintons branded stores was marginal. The Group attempted to control costs by reducing headcount at the store support centre in Loughton, exiting a significant number of stores and renegotiating rent payment dates. However, this did not materially improve the Group's financial position.
- 2.8 The Group's performance was also impacted by the growth in card sales from supermarkets and other non speciality retailers, increased competition from new entrants to the high street greetings card market and the growing popularity of online card retailers.
- 2.9 In early 2012 the directors engaged professional advisers to consider how best to restructure the business and reduce its liabilities, particularly given the large number of loss making stores. In May 2012 the Group prepared a Company Voluntary Arrangement (CVA) with its advisors with the intention of proposing it to its suppliers and other creditors in June 2012.
- 2.10 Given the level of funding required to facilitate the CVA and uncertainty surrounding its viability, Zolfo Cooper LLP (Zolfo Cooper) was engaged by American Greetings Corporation (AG), one of the Group's largest suppliers, in order to assess the options available to AG in relation to protecting its current exposure to the Group.
- 2.11 AG subsequently acquired the Group's secured debt and, following further discussions with the board of directors it was resolved that the Group would be placed into Administration.
- 2.12 As a result, Peter Saville, Simon Freakley and Anne O'Keefe were appointed Joint Administrators of the Group on 9 May 2012. As there was some uncertainty surrounding ownership of the assets, particularly in relation to intellectual property and leases, each of the 15 Group entities were placed into Administration.
- 2.13 All of the Joint Administrators are licensed in the UK by the Insolvency Practitioners' Association.
- 2.14 The Administrations are registered in the High Court of Justice, Chancery Division, Royal Courts of Justice, Companies Court under the references detailed at section 1.1.
- 2.15 The validity of the securities and the appointments have been confirmed by the Joint Administrators' legal advisor, Freshfields Bruckhaus Deringer LLP (Freshfields).
- 2.16 The EC Regulation on Insolvency Proceedings 2000 applies to the Administrations. The proceedings are main proceedings as defined by article 3 of the Regulation. The Companies are based in the UK.
- 2.17 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.

3 Strategy and objective of the Administrations

- 3 1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives
- rescuing the Companies as going concerns, or
 - achieving better results for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration), or
 - realising property in order to make distributions to one or more secured or preferential creditors
- 3 2 The first objective under the Administration regime is based on the survival of the existing company through CVA or Scheme of Arrangement (Scheme) under section 425 of the Companies Act. Due to the level of the secured debt, the cash requirement to fund the CVA, and the significant operational turnaround required, the Joint Administrators considered that the first objective could not be achieved.
- 3 3 The Joint Administrators also considered that they would be unable to achieve the second objective, namely achieving better results for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration) as realisations from the assets of the Companies were expected to be minimal.
- 3 4 Therefore the Joint Administrators are pursuing the third objective for all of the Companies, namely to realise property in order to make a distribution to one or more secured or preferential creditors. Due to the Group structure and security in place, the strategy for the Administrations was intrinsically linked to that of Clintons and Birthdays.
- 3 5 In order to achieve this strategy, the Joint Administrators continued to trade stores which were profitable whilst pursuing a going concern sale of the principal trading business.

Trading

- 3 6 Immediately following appointment, the Joint Administrators engaged specialist retail consultants, Retail Agents Limited (RAL), to manage trading performance in the Birthdays stores with a view to driving sales and maximising stock realisations.
- 3 7 The Joint Administrators' staff continued to operate the Clintons estate whilst they established the level of interest in the brand and reviewed performance on a store by store basis.
- 3 8 As a result of this analysis, the Joint Administrators identified a number of stores which were severely underperforming and also had rent payments falling due. As a result of this exercise, 28 Birthdays and 25 Clintons stores were closed shortly after appointment.
- 3 9 Following the sale of the business which is detailed further below, the Joint Administrators have continued to closely monitor trading performance at the remaining retail units and have since closed a further 79 Birthdays stores and 152 Clintons stores. All store closure decisions were based on the trading performance of each individual store.
- 3 10 The store staff were made redundant as and when their store closed and a number of head office staff were also made redundant as the retail store network contracted.
- 3 11 The Joint Administrators are currently continuing to trade from 110 stores in order to dispose of excess stock and maximise realisations for the benefit of creditors.

- 3 12 It is possible that certain stores may be acquired by one or more interested parties. However, in the event that the Joint Administrators cannot secure a sale or sales, the remaining stores will close on or before 31 July 2012.
- 3 13 The Joint Administrators have requested rent free periods from the landlords of the remaining stores in order to facilitate continued trade. A number of landlords have agreed to this request and the Joint Administrators are currently in the process of determining the final Administration period rental costs and expenses.

Sale of business

- 3 14 Immediately following appointment, the Joint Administrators implemented a marketing and disposal strategy.
- 3 15 A number of interested parties were contacted, together with certain selected parties identified from Zolfo Cooper's internal distressed purchaser database who had previously expressed interest in businesses of this nature. As a result, 43 expressions of interest were received and 29 confidentiality agreements were subsequently signed by interested parties, all of whom received a sales memorandum containing further information. The deadline for best and final offers was 21 May 2012.
- 3 16 The Joint Administrators did not receive any offers in respect of the business as a whole. After a comprehensive analysis of the 11 offers that were received, the Joint Administrators concluded a sale of the certain of the Group's business and assets to Lakeshore Lending Limited (the Purchaser) for the sum of £23 million on 6 June 2012.
- 3 17 Under the terms of the sale agreement, the allocation of consideration by asset and company is to be apportioned and finalised within 30 days of completion. The Joint Administrators do not anticipate any allocation to the Companies with the exception of Plc, Greetings, Papertree, Selectacard and Strand. The Joint Administrators will be in a position to provide a further update in the next progress report.
- 3 18 The Purchaser's offer represented the best return to the Group's creditors as a whole. The sale prevented further store closures and redundancies which reduced the level of preferential claims in both Birthdays and Clintons.
- 3 19 The Purchaser has acquired the Group's trading and brand names. As a result, the Joint Administrators have recently filed forms with Companies House to change the Companies' names detailed below in accordance with the sale agreement.

Previous company name	New company name
Birthdays Retail Limited	BRE Realisations Limited
Selectacard Limited	SL Realisations Limited
GSG Holdings Limited	GSGH Realisations Limited
Clinton Cards (Essex) Limited	CCE Realisations Limited
Papertree Limited	PL Realisations Limited
Macnoll Limited	M Realisations Limited
The Greeting Store Group Limited	GSG Realisations Limited
Clintons Card Services Limited	CCS Realisations Limited
Strand Cards Limited	STC Realisations Limited
Birthdays Direct Limited	BD Realisations Limited

Debbie Lou's Friendship Limited	DLFL Realisations Limited
Inspirations (U K) Limited	IUK Realisations Limited
Lancedown Limited	L Realisations Limited
William McCracken Limited	WMC Realisations Limited

- 3.20 The Joint Administrators entered into a Transitional Services Agreement (TSA) with the Purchaser in order to facilitate trading. Under the terms of the TSA, the Purchaser has agreed to provide certain services including payroll, sales reconciliations and access to head office staff in order to enable the Joint Administrators to continue trading the retained stores. The Joint Administrators have also agreed to provide certain services to the Purchaser, namely banking facilities, payroll processing and continuity of certain IT functions. The TSA is anticipated to terminate on 30 September 2012.
- 3.21 The Joint Administrators are not aware of any other assets in the Companies but are currently reviewing the tax position across the Group to assess whether any potential refunds are due.

4 Joint Administrators' receipts and payments

- 4.1 As the allocation of sale proceeds has not yet been finalised and there have been no other transactions in the Companies, there are no receipts and payments detailed in the accounts at Appendix C.

5 Financial positions

- 5.1 Attached at Appendix D is a summary of the directors' Statements of Affairs (SOA) which were submitted for GSG, Lancedown, Inspirations, Selectacard, Papertree and Macnoll as at the date of the Joint Administrators' appointments. The SOAs for Plc, BDL, Debbie Lou's, WMC, Strand, Greetings and CCSL were blank and as such these companies are not shown in the summary.
- 5.2 The Joint Administrators have the following observations to make in relation to the summary and the SOAs
- The SOAs are before provision for the costs of the Administrations.
 - The 'Estimated to Realise' asset values were not provided by the director for any assets and the summary has been prepared from the book value entries submitted. As such the SOAs do not calculate the estimated total assets available for creditors or reflect the estimated financial position.
 - None of the pages of the SOAs submitted had been signed and dated.
 - No information on liabilities has been provided in respect of Lancedown, Inspirations, Selectacard, Macnoll and the seven blank SOAs. The Group companies are jointly and severally liable for tax and the claim from HM Revenue and Customs is still to be confirmed. As such there are no creditor listings included.

6 Proposals

It is proposed that the Joint Administrators continue to manage the affairs of the Companies in order to achieve the objective of the Administrations. In the circumstances it is proposed that

- 6.1 The Joint Administrators will continue to manage the affairs of the Companies in order to achieve the intended objective outlined in section 3.4
- 6.2 If the Joint Administrators consider that the Companies have no property which might permit a distribution to their unsecured creditors, they will file a notice with the court and the Registrar of Companies for the dissolution of the Companies. See section 7 below on **Exit routes** for further information on this process
- 6.3 If having realised the assets of the Companies, the Joint Administrators consider that a distribution will be made to the unsecured creditors, they will file a notice with the Registrar of Companies which will have the effect of bringing the appointments of the Joint Administrators to an end and will move the Companies automatically into creditors' voluntary liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Joint Administrators will become the Joint Liquidators of the CVLs and that in that event, any act required or authorised by the Joint Liquidators may be done by any or all of them. See section 7 below on **Exit routes** for further information on this process
- 6.4 If considered appropriate, the Joint Administrators will submit an application to court for approval to make the distribution to unsecured creditors in the Administrations rather than move the Companies into CVL. If granted, the Companies will proceed to dissolution after the distribution has been made
- 6.5 In the event that a dividend is available to unsecured creditors via the Unsecured Creditors' Fund only (see section 9.4), and it is deemed uneconomical to distribute as the Joint Administrators think that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits, an application to court will be made that the Unsecured Creditors' Fund does not apply
- 6.6 If the Joint Administrators believe that there are matters which require further investigation and potential action by a subsequently appointed liquidator, but the circumstances do not allow them to move the Companies into CVL, or they do not consider it appropriate to do so, they will make an application to court for the Administrations to be terminated, and for a winding up order to be made in respect of the Companies
- 6.7 The Joint Administrators shall perform all such other duties, and generally exercise all of their powers as contained in schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administrations

7 Exit routes

Dissolution of the Companies

- 7.1 The Joint Administrators consider that the Companies will have insufficient property which might permit a distribution to their unsecured creditors. In this situation they will file

notices together with their final progress report at court and with the Registrar of Companies for the dissolution of the Companies. The Joint Administrators will send copies of these documents to the Companies and their creditors. The appointments will end following the 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 Companies.

Creditors' voluntary liquidation

- 7 2 Based on present information, the Joint Administrators do not consider that a dividend will be paid to the unsecured creditors, however, in the event that a dividend becomes available, the Joint Administrators will file notices with the Registrar of Companies in order that the Administrations will cease and the Companies will move automatically into CVL. It is proposed that the Joint Administrators will also become the Joint Liquidators of the CVLs.
- 7 3 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Joint Administrators prior to these Proposals being approved. Where this occurs, the Joint Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Joint Administrators will automatically become the Joint Liquidators of any subsequent CVLs.

Compulsory liquidation

- 7 4 A liquidator of a company has greater powers to investigate, and if required, take action on behalf of the company to recover funds for the benefit of creditors, if prior to its insolvency transactions had been entered into by the company without commercial justifications, which diminished the net asset position of the company.
- 7 5 If the Joint Administrators become aware of transactions requiring further investigation and potential action by a liquidator, they may make an application to court to end the Administrations, and request that the court places any or all of the Companies into compulsory liquidation, if funds are not available for unsecured creditors which would permit the Joint Administrators to exit into CVL. The Joint Administrators will send notice of any such application to the Companies and their creditors.

Discharge from liability

- 7 6 Subject to the approval of the creditors, 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 Joint Administrators' remuneration and disbursements

- 8 1 The basis of the Joint Administrators' remuneration may be fixed on one or more of the following bases, and different bases may be fixed for different duties performed by the Joint Administrators:
- a percentage of the value of the assets with which they have to deal; or
 - by reference to time properly spent by them and their staff dealing with matters arising in the Administrations; or

- as a set amount
- 8.2 If creditors' meetings are held, and creditors resolve to establish committees, they shall as part of their duties determine the basis or bases of the Joint Administrators' remuneration and authorise their disbursements. The committees will assist the Joint Administrators in the conduct of their work
- 8.3 Where no creditors' committees are appointed, the remuneration of the Joint Administrators shall be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the Administrations
- 8.4 If there are no funds to distribute to unsecured creditors, other than by way of an Unsecured Creditors' Fund (see section 9.4), it will fall upon the secured creditors to approve the Joint Administrators' remuneration. Separate approval will be sought from the secured creditor for each of the Companies
- 8.5 Subject to the approval of the creditors, the Joint Administrators will draw remuneration following approval of the basis of their remuneration as and when funds are available.
- 8.6 The Joint Administrators' time costs as at 8 June 2012 are set out below

Company	Time costs (£)	Total hours	Average rate per hour (£)
Plc	4,023	13	309
Selectacard	1,449	4.6	315
GSG	1,421	4.5	316
Papertree	1,309	4.1	319
Macnoll	1,225	3.8	322
Greetings	1,287	4.0	322
CCSL	1,277	4.3	297
BDL	1,974	5.9	334
Strand	1,363	4.2	324
Debbie Lou's	1,139	3.6	316
Inspirations	1,129	3.6	314
Lancedown	1,073	3.4	316
WMC	1,045	3.3	317

- 8.7 Principal areas of activity during the period are discussed in further detail below.
- **Administration and planning** - formulating and implementing the initial case strategies, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here
 - **Investigations** - conducting investigations into the directors' conduct together with the Companies' dealings prior to the appointment of the Joint Administrators
 - **Creditors** - notifying all creditors of the appointments and preparing statutory reports.
 - **Realisation of assets - fixed charge** - formulating a realisation strategy, managing the marketing processes, negotiating with interested parties, reviewing offers received and finalising the sales process

- **Realisation of assets - floating charge** - liaising with the Administrators' agents in respect of the leasehold properties, establishing the most appropriate realisation strategies and managing the sale processes
- 8 8 A copy of 'A Creditors' Guide to Administrators' 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 the Joint Administrators and they will forward a copy to you
- 8 9 Also attached at Appendix E are Time Analyses which provide details of the activity costs incurred by staff grade to the above date across the Companies. The Joint Administrators propose drawing fees in accordance with the proposals outlined above
- 8 10 The Joint Administrators intend to seek approval to draw disbursements which include an element of allocated costs, which are referred to in Statement of Insolvency Practice 9 as category 2 disbursements, and require authorisation in the same manner as the basis of their remuneration. Approval will be sought for the following category 2 disbursements:
- 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
- 8 11 Attached at Appendix F is additional information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, disbursements and details of the current charge-out rates by staff grade

9 Estimated outcomes

Secured creditors

- 9.1 Barclays Bank PLC acts as Security Agent for AG 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 Birthdays.
- 9 2 At the date of appointment AG was owed approximately £35 million across the Group (excluding accrued interest and charges)

Preferential creditors

- 9 3 The Joint Administrators have been advised that the Companies did not employ any staff and therefore no preferential claims are anticipated

Unsecured Creditors' Fund

- 9 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 the company's net property available for the benefit of the unsecured creditors (Unsecured Creditors' Fund), which is commonly known as the 'prescribed part'

- 9 5 As the Companies granted floating charges to the Security Agent after 15 September 2003, the Joint Administrators are required to create Unsecured Creditors' Funds
- 9 6 Based on present information, the Joint Administrators estimate that after taking into account the costs of the Administrations, there will be insufficient funds available in any of the Companies available to create Unsecured Creditors' Funds

Unsecured creditors

- 9 7 The Joint Administrators anticipate there will be insufficient funds to enable a dividend to be paid to the unsecured creditors of any of the Companies

10 Next report

- 10.1 The Joint Administrators are required to provide a progress report within one month of the end of the first six months of the Administration

11 Meetings of creditors

- 11 1 The Joint Administrators think that the Companies have insufficient property to enable a distribution to be made to their unsecured creditors (other than by virtue of the Unsecured Creditors' Fund) In accordance with paragraph 52(1)(b) of schedule B1 of the Insolvency Act 1986, initial meetings of the Companies' creditors are therefore not convened. However, the Joint Administrators are obliged to hold initial creditors' meetings if 10% in value of the creditors request it. If you wish for a meeting to be held, you must notify us in writing in the prescribed form on or before 16 July 2012

For and on behalf of
The Companies

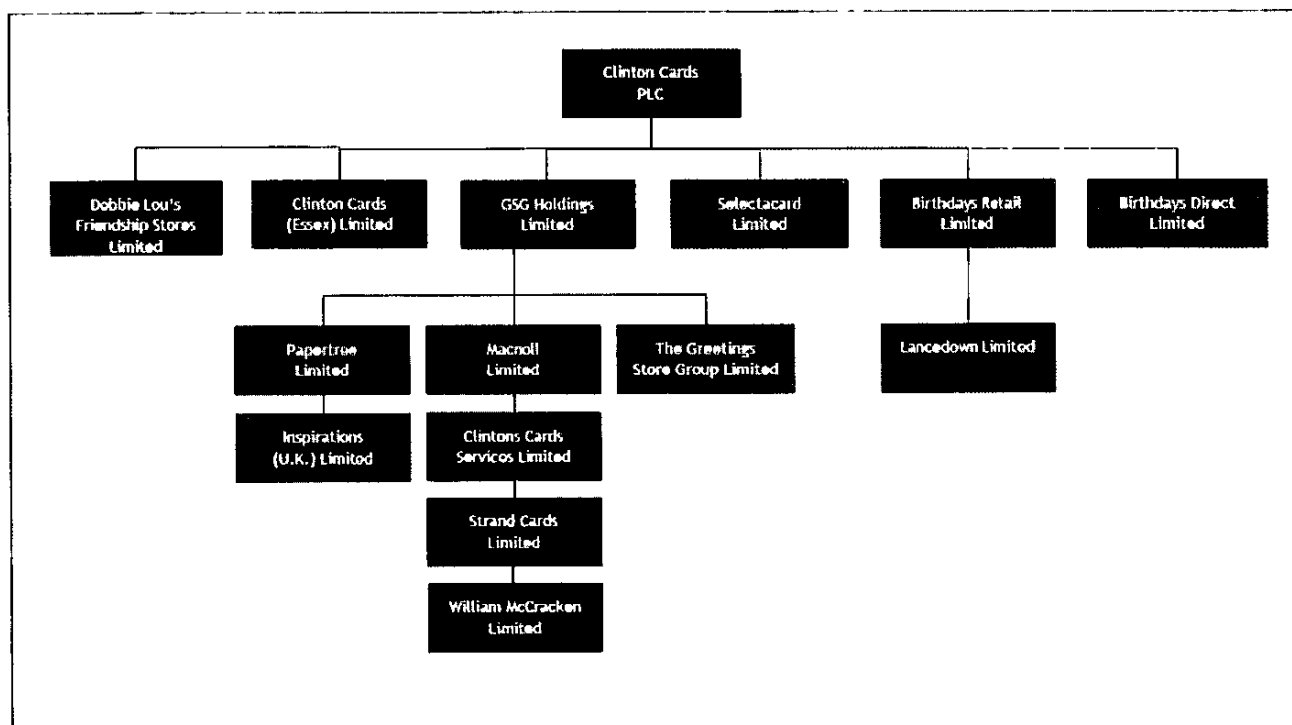


Anne O'Keefe
Joint Administrator

Encs

Group structure

Appendix A



Details of the Companies' directors and secretaries Appendix B

Clinton Cards Plc

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Deborah Michele Darlington	20 September 2000	N/A	30,000	0.03%
Brian Jackson	1 November 2000	N/A	Nil	-
Donald John Lewin	5 June 2011	N/A	7,067,694	5.93%
Clinton Stuart Lewin	5 June 2011	N/A	7,048,360	5.92%
Darcy Willson Rymer	10 October 2011	N/A	Nil	-
Secretary				
No information available				

SL Realisations Limited (formerly Selectacard Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Donald John Lewin	1 January 1992	N/A	1	0.01%
Clinton Stuart Lewin	1 January 1992	N/A	Nil	-
Secretary				
No information available				

GSGH Realisations Limited (formerly GSG Holdings Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Donald John Lewin	12 October 1998	N/A	Nil	-
Clinton Stuart Lewin	12 October 1998	N/A	Nil	-
Secretary				
No information available				

Details of the Companies' directors and secretaries Appendix B continued

PL Realisations Limited (formerly Papertree Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Donald John Lewin	12 October 1998	N/A	Nil	-
Clinton Stuart Lewin	12 October 1998	N/A	Nil	-
Secretary				
No information available				

M Realisations Limited (formerly Macnoll Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Donald John Lewin	12 October 1998	N/A	Nil	-
Clinton Stuart Lewin	12 October 1998	N/A	Nil	-
Secretary				
No information available				

GSG Realisations Limited (formerly The Greetings Store Group Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Donald John Lewin	12 October 1998	N/A	Nil	-
Clinton Stuart Lewin	12 October 1998	N/A	Nil	-
Secretary				
No information available				

CCS Realisations Limited (formerly Clintons Card Services Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Donald John Lewin	12 October 1998	N/A	Nil	-
Clinton Stuart Lewin	12 October 1998	N/A	Nil	-
Secretary				
No information available				

Details of the Companies' directors and secretaries Appendix B continued

STC Realisations Limited (formerly Strand Cards Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Donald John Lewin	12 October 1998	N/A	Nil	-
Clinton Stuart Lewin	12 October 1998	N/A	Nil	-
Secretary				
No information available				

BD Realisations Limited (formerly Birthdays Direct Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Donald John Lewin	6 December 2004	N/A	Nil	-
Clinton Stuart Lewin	6 December 2004	N/A	Nil	-
Secretary				
No information available				

DLFL Realisations Limited (formerly Debbie Lou's Friendship Stores Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Deborah Michelle Darlington	10 February 1994	N/A	Nil	-
Donald John Lewin	10 February 1994	N/A	Nil	-
Clinton Stuart Lewin	10 February 1994	N/A	Nil	-
Secretary				
No information available				

IUK Realisations Limited (formerly Inspirations (U.K) Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Donald John Lewin	12 October 1998	N/A	Nil	-
Clinton Stuart Lewin	12 October 1998	N/A	Nil	-
Secretary				
No information available				

Details of the Companies' directors and secretaries Appendix B continued

L Realisations Limited (formerly Lancedown Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Donald John Lewin	6 December 2004	N/A	Nil	-
Clinton Stuart Lewin	6 December 2004	N/A	Nil	-
Secretary				
No information available				

WMC Realisations Limited (formerly William McCracken Limited)

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors				
Donald John Lewin	12 October 1998	N/A	Nil	-
Clinton Stuart Lewin	12 October 1998	N/A	Nil	-
Secretary				
No information available				

Receipts and Payments Accounts for the Companies Appendix C the period 9 May 2012 to 8 June 2012

Company name	Plc	Selectacard	GSG	Papertree	Macnoll	Greetings	CCSL
Receipts	-				-	-	-
Payments				-	-	-	-
Balance	-	-	-	-	-	-	-

Company name	BDL	Debbie Lou s	Inspirations	Lancedown	WMC	Strand
Receipts			-		-	-
Payments				-		
Balance	-	-	-	-	-	-

Summary of the directors' Statement of Affairs of the Companies as at 9 May 2012 Appendix D

Company name	GSG Holdings Limited	Lancedown Limited	Inspirations (U K) Limited	Selectacard Limited	Papertree Limited	Macnoll Limited
Assets						
Uncharged assets						
Property	2,000					
Investment in subsidiaries	8,869,000					
Investment in Clinton Card Services Limited						2
	8,871,000					2
Amounts due from related parties						
Strand Limited	5,654,329					-
Clinton Card Services Limited	2,045,302					
Clinton Cards (Essex) Limited				55,174	10,747,493	
GSG Holdings Limited					26,015	
	7,699,631		-	55,174	10,773,508	
Total	16,570,631	-	-	55,174	10,773,508	2
Liabilities						
GSG Holdings Limited (Cumulative redeemable preference shares)					1,000,000	
Clinton Cards PLC (Cumulative redeemable preference shares)	7,355,000				-	
Papertree Limited	26,015					
Greeting Store Group Limited	5,003,788					
Clinton Cards (Essex) Limited	2,935,434					
	15,320,237				1,000,000	
Issued and called up share capital	31,000	100,000	171,000	2,502	20,743	2

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

Appendix E

Clinton Cards Plc

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0.1				0.1	45.00	450
Statutory duties	0.8	1.0	1.7	0.2	3.7	1,305.50	353
Case administration	0.2	-	0.4	0.1	0.7	224.00	320
Accounting and treasury	0.1	-	1.5	0.4	2.0	565.50	283
Internal documentation		-	0.2		0.2	61.00	305
Investigations							
Director conduct reports			1.7		1.7	476.00	280
Creditors							
Unsecured creditors		-	1.0		1.0	305.00	305
Employees		-	0.2		0.2	56.00	280
Shareholders and other stakeholders			3.4		3.4	984.50	290
Totals	1.2	1.0	10.1	0.7	13.0	4,022.50	309

SL Realisations Limited (formerly Selectacard Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0.1	-			0.1	45.00	450
Statutory duties	0.6	-	1.2	0.1	1.9	643.50	339
Case administration	0.2		0.2	0.1	0.5	168.00	336
Accounting and treasury			0.4	0.1	0.5	144.00	288
Investigations							
Director conduct reports	-	-	1.3		1.3	364.00	280
Creditors							
Unsecured creditors	-	-	0.2	-	0.2	56.00	280
Employees			0.1	-	0.1	28.00	280
Totals	0.9	-	3.4	0.3	4.6	1,448.50	315

**Time Analyses for the period 9 May 2012 to
8 June 2012 continued**

Appendix E

GSGH Realisations Limited (formerly GSG Holdings Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0 1	-	-	-	0 1	45 00	450
Statutory duties	0 6	-	1 3	0 2	2 1	693 50	330
Case administration	0 2	-	0 2	0 1	0 5	168 00	336
Accounting and treasury	-	-	0 4	-	0 4	122 00	305
Investigations							
Director conduct reports	-	-	1 1	-	1 1	308 00	280
Creditors							
Unsecured creditors	-	-	0 2	-	0 2	56 00	280
Employees	-	-	0 1	-	0 1	28 00	280
Totals	0 9	-	3 3	0 3	4 5	1,420 50	316

PL Realisations Limited (formerly Papertree Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0 1	-	-	-	0 1	45 00	450
Statutory duties	0 6	-	1 2	0 2	2 0	665 50	333
Case administration	0 2	-	0 2	0 1	0 5	168 00	336
Accounting and treasury	-	-	0 4	-	0 4	122 00	305
Investigations							
Director conduct reports	-	-	0 8	-	0 8	224 00	280
Creditors							
Secured creditors	-	-	0 2	-	0 2	56 00	280
Employees	-	-	0 1	-	0 1	28 00	280
Totals	0 9	-	2 9	0 3	4 1	1,308 50	319

**Time Analyses for the period 9 May 2012 to
8 June 2012 continued**

Appendix E

M Realisations Limited (formerly Macnoll Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0 1	-		-	0 1	45 00	450
Statutory duties	0 6	-	1 1	0 2	1 9	637 50	336
Case administration	0 2		0 2	0 1	0 5	168 00	336
Accounting and treasury	-		0 4		0 4	122 00	305
Investigations							
Director conduct reports			0 8		0 8	224 00	280
Creditors							
Employees	-	-	0 1	-	0 1	28 00	280
Totals	0 9	-	2 6	0 3	3 8	1,224 50	322

GSG Realisations Limited (formerly The Greetings Store Group Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0 1		-		0 1	45 00	450
Statutory duties	0 6	-	1 3	0 1	2 0	671 50	336
Case administration	0 2	-	0 2	0 1	0 5	168 00	336
Accounting and treasury	-	-	0 4		0 4	122 00	305
Investigations							
Director conduct reports			0 8		0 8	224 00	280
Creditors							
Employees			0 2		0 2	56 00	280
Totals	0 9	-	2 9	0 2	4 0	1,286 50	322

**Time Analyses for the period 9 May 2012 to
8 June 2012 continued**

Appendix E

CCS Realisations Limited (formerly Clinton Card Services Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0.1		-	-	0.1	45.00	450
Statutory duties	0.6		0.9	0.1	1.6	559.50	350
Case administration	0.2		0.2	0.1	0.5	168.00	336
Accounting and treasury	0.1		0.4	0.6	1.1	224.00	204
Investigations							
Director conduct reports			0.9	-	0.9	252.00	280
Creditors							
Employees	-	-	0.1		0.1	28.00	280
Totals	1.0	-	2.5	0.8	4.3	1,276.50	297

STC Realisations Limited (formerly Strand Cards Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0.1				0.1	45.00	450
Statutory duties	0.6		1.5	0.2	2.3	749.50	326
Case administration	0.2		0.2	0.1	0.5	168.00	336
Accounting and treasury	-	-	0.4		0.4	122.00	305
Investigations							
Director conduct reports	-		0.5	-	0.5	140.00	280
Realisation of assets - floating charge							
Dealing with third party assets		0.2			0.2	82.00	410
Creditors							
Employees	-	-	0.2		0.2	56.00	280
Totals	0.9	0.2	2.8	0.3	4.2	1,362.50	324

**Time Analyses for the period 9 May 2012 to
8 June 2012 continued**

Appendix E

BD Realisations Limited (formerly Birthdays Direct Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0 1	-	-		0 1	45 00	450
Statutory duties	0 6	-	1 3	0 2	2 1	693 50	330
Case administration	0 2	-	0 3	0 1	0 6	196 00	327
Accounting and treasury	-		0 4		0 4	122 00	305
Investigations							
Director conduct reports	-		0 8		0 8	224 00	280
Creditors							
Employees	0 8		1 1		1 9	693 00	365
Totals	1 7	-	3 9	0 3	5 9	1,973 50	334

DLFL Realisations Limited (formerly Debbie Lou's Friendship Stores Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0 1	-	-		0 1	45 00	450
Statutory duties	0 5		0 9	0 2	1 6	524 00	328
Case administration	0 2		0 2	0 1	0 5	168 00	336
Accounting and treasury	-		0 4		0 4	122 00	305
Investigations							
Director conduct reports			0 7		0 7	196 00	280
Creditors							
Secured creditors	-	-	0 2		0 2	56 00	280
Employees	-	-	0 1		0 1	28 00	280
Totals	0 8	-	2 5	0 3	3 6	1,139 00	316

**Time Analyses for the period 9 May 2012 to
8 June 2012 continued**

Appendix E

IUK Realisations Limited (Inspirations (U.K) Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0.1				0.1	45.00	450
Statutory duties	0.5	-	0.8	0.2	1.5	486.00	324
Case administration	0.2	-	0.2	0.1	0.5	168.00	336
Accounting and treasury	-		0.4	-	0.4	122.00	305
Investigations							
Director conduct reports		-	0.9		0.9	252.00	280
Creditors							
Unsecured creditors			0.1		0.1	28.00	280
Employees			0.1		0.1	28.00	280
Totals	0.8	-	2.5	0.3	3.6	1,129.00	314

L Realisations Limited (formerly Lancedown Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0.1				0.1	45.00	450
Statutory duties	0.5		0.6	0.2	1.3	430.00	331
Case administration	0.2	-	0.2	0.1	0.5	168.00	336
Accounting and treasury		-	0.4		0.4	122.00	305
Investigations							
Director conduct reports	-		0.9		0.9	252.00	280
Creditors							
Unsecured creditors		-	0.1		0.1	28.00	280
Employees			0.1		0.1	28.00	280
Totals	0.8	-	2.3	0.3	3.4	1,073.00	316

**Time Analyses for the period 9 May 2012 to
8 June 2012 continued**

Appendix E

WMC Realisations Limited (formerly William McCracken Limited)

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	0.1				0.1	45.00	450
Statutory duties	0.5		0.7	0.2	1.4	458.00	327
Case administration	0.2	-	0.2	0.1	0.5	168.00	336
Accounting and treasury	-	-	0.4		0.4	122.00	305
Investigations							
Director conduct reports			0.6	-	0.6	168.00	280
Creditors							
Unsecured creditors	-	-	0.1		0.1	28.00	280
Employees	-	-	0.2		0.2	56.00	280
Totals	0.8	-	2.2	0.3	3.3	1,045.00	317

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

Appendix F

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, the Joint Administrators advise that time spent by our treasury department in relation to specific tasks on an assignment is charged. The Joint Administrators only seek to charge and recover secretarial time 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, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Joint Administrators and their staff.

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 Joint Administrators' Proposals. 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

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 less 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 less 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>	