

Paperchase lines up administrators amid search for buyer

The high street stationery chain Paperchase is lining up administrators amid a race to find new backers.

Sky News has learnt that the retailer has put Begbies Traynor, the professional services firm, on standby to handle a potential insolvency.

City sources said that Paperchase was continuing to seek a solvent rescue deal, and that Begbies' prospective role represented "sensible contingency planning" in the event that one did not materialise.

A further pre-pack administration was now increasingly likely, they added.

Earlier this month, Sky News revealed that Paperchase had been put up for sale just four months after its latest change of ownership.

The chain was taken over in August by Steve Curtis, an experienced retail investor who has been involved with Tie Rack and Jigsaw.

It is now being auctioned by PricewaterhouseCoopers (PwC), the accountancy firm.

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Retail Realisation, an industry advisory firm with which Mr Curtis and turnaround firm Rcapital are affiliated, was also involved in last summer's deal.

Paperchase had previously been one of the numerous retail casualties of COVID-19, [having undergone a pre-pack](#)

[administration](#) in January 2021.

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It trades from about 100 stores, and Mr Curtis was said at the time of the most recent takeover to be backing an existing management plan to grow that number to approximately 150 in the coming years.

Permira Credit, the previous owner, had invested in Paperchase's digital offering as well as new shop openings and executive recruitment since its brush with administration.

At the time of its last brush with insolvency, Paperchase employed nearly 1,300 people, and traded from more than 125 sites across the UK.

Its outlets included concessions at House of Fraser, Selfridges and a number of Next stores.

It was unclear on Tuesday how many stores and jobs might be put at risk by another administration process.

The plan to grow the chain by 50% was a bold bet on the potential of the Paperchase brand and business model given the challenging economic backdrop.

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Paperchase was one of dozens of prominent retailers which crashed into insolvency during the COVID-19 crisis, with other notable names including Debenhams and the Dorothy Perkins-to-Topshop empire, Arcadia Group.

A Paperchase spokesman declined to comment.