

Stationery chain Paperchase on brink of collapse as hopes of solvent rescue fade

Paperchase, the high street stationery retailer, is close to collapsing into administration as hopes of a solvent rescue deal fade.

Sky News understands the chain's parent company could appoint insolvency practitioners from Begbies Traynor as soon as Tuesday.

Paperchase's shareholders remain in discussions with more than one potential buyer, although insiders said that a sale of the business was now focused on a pre-pack deal, which involves a company's assets being sold immediately after it has fallen into administration.

It is unclear how many jobs or stores would be put at risk by an insolvency.

The latest development follows weeks of talks with prospective buyers, after PricewaterhouseCoopers was appointed to find new backers.

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Sky News recently revealed that Paperchase had been put up for sale just four months after its most recent 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.

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

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Paperchase had previously been one of many retail casualties of COVID-19, having undergone a pre-pack administration in January 2021.

Other notable high street chains to collapse during the pandemic included Debenhams and the Dorothy Perkins-to-TopShop empire, Arcadia Group.

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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 last brush with insolvency.

At that time, 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 Monday how many stores and jobs might be put at risk by another administration process.

A Paperchase spokesman declined to comment.