

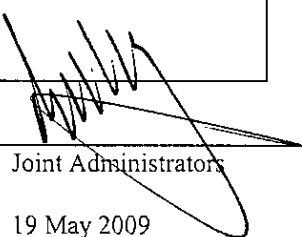
2.24B**Administrator's progress report**

Name of Company EF Realisations Plc (formerly Ellis Fairbank Plc)	Company number 02777292
In the High Court of Justice, Leeds District Registry, Chancery Division	Court case number 1612 of 2008

We
Mark Granville Firmin
KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Richard Dixon Fleming
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1 The Embankment
Neville St
Leeds
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United Kingdom

Administrators of the above company attach a progress report for the period

from	to
21 October 2008	21 April 2009
Signed 	
Joint Administrators	
Dated	19 May 2009

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 searchers of the public record

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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



**EF Realisations Plc (formerly Ellis
Fairbank Plc) – in Administration**

**Progress Report to Creditors
pursuant to Rule 2.47 of the
Insolvency Act 1986**

KPMG LLP

19 May 2009

This report contains 11 pages

Appendices contain 10 pages

MGF/DR/TH



Notice: About this Report

This Report has been prepared by Mark Firmin and Richard Fleming, the Joint Administrators of EF Realisations Plc (formerly known as Ellis Fairbank Plc), solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in EF Realisations Plc.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Mark Firmin is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. Richard Fleming is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

The Joint Administrators act as agents for EF Realisations Plc and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.

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Glossary

the Act	Insolvency Act 1986
Administration Order	The Administration Order granted by the High Court of Justice, Chancery Division, Leeds District Registry in respect of Ellis Fairbank Plc dated 21 October 2008. Court Administration Order numbers 1612 of 2008 respectively.
Agents	Eddison's
the Bank or BoS	Bank of Scotland Plc
the Company / EF	EF Realisations plc (formerly Ellis Fairbank plc) (registered number 02777292)
the Directors	Howard Cross, Jason Martin, Graham Smith
the Group	Chrome Tiger Limited (registered number 04234702), EFH Realisations Limited (formerly Ellis Fairbank Holdings Limited) (registered number 03591731) and EF Realisations plc (registered number 02777292)
Joint Administrators	Mark Granville Firmin and Richard Dixon Fleming of KPMG LLP
KPMG	KPMG LLP
Inhoco	Inhoco 3359 Limited
IHR	IHR Group Limited
Flowing River	Flowing River Limited
EF Limited	Ellis Fairbank Limited (formerly Other Plans Limited)
IHR Group	IHR Group Limited, Flowing River Limited and Ellis Fairbank Limited
Inhoco Group	Inhoco 3359 Limited, EM Group Limited, EPIC Contract Services Limited, The Interim Register Limited.
Solicitors	DLA Piper LLP

1 Introduction

Further to the Joint Administrators report and proposals dated 11 December 2008, the Joint Administrators set out below their six month progress report. This report provides an update on the progress of the Administration since the appointment of Joint Administrators and covers the period 21 October 2008 to 21 April 2009.

Richard Dixon Fleming and Mark Granville Firmin were appointed Joint Administrators of the Company on 21 October 2008 by the Directors of the Company, pursuant to paragraph 22 of Schedule B1 to the Act.

Richard Dixon Fleming is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association and Mark Granville Firmin is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

In accordance with Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the functions of the Joint Administrators may be exercised by either or both of them.

The EC Regulation on Insolvency Proceedings 2000 will apply in this matter and these proceedings will be the main proceedings as defined in Article 3 of the EC Regulation. The Company's registered office and centre of main interests are in the United Kingdom.

This report includes certain information required to be provided to creditors in accordance with Rule 2.47 of the Insolvency Rules 1986.

The Joint Administrators draw creditors' attention to the appropriate statutory information which is set out at Appendix 1.

2 Background

EF Realisations Plc ("the Company") was incorporated on 5 January 1993, and before the appointment of the Joint Administrators operated from various offices in the UK and Europe including four leasehold premises in the UK and also Strasbourg and Paris. Its primary activity was recruitment and human resourcing with its head office located in Horsforth, West Yorkshire.

3 Events leading to the Joint Administrators' appointment

As noted in our previous report, the Company had been experiencing significant difficulties in the 12 months prior to the Joint Administrators' appointment.

These difficulties stemmed from a downturn in the prevailing market conditions and culminated in the need for the Joint Administrators to be appointed following a focused marketing campaign.

Immediately following the Joint Administrators' appointment the business and assets of the Company were sold to the IHR Group Limited for a total consideration of £198,000.

It was likely that the Companies' business of recruitment consultancy would have been seriously prejudiced if it had not been sold immediately following insolvency due to a loss of customer confidence, goodwill and key employees. Furthermore, the risks and costs of continued trading during administration were considered to outweigh the benefits.

In our view, this was the only viable option and, the sale secured the repayment of a significant related party debtor balance as well as assistance with book debt collections.

4 Progress of the Administration to 21 April 2009

Abstracts of the Joint Administrators receipts and payments account for the period 21 October 2008 to 21 April 2009 are attached at Appendix 2 and 3 for EF.

All amounts are shown net of VAT.

4.1 Realisation of Company assets

4.1.1 Sale of business and assets

The total consideration for the sale of business and assets was £198,000 of which £135,000 is deferred and payable on 21 April 2010. The Company and the Joint Administrators have been granted debentures over the assets of the purchasing companies within the IHR Groups to secure the deferred consideration.

At the 21 April 2009, £63,000 of initial consideration received at the time of the sale was held by the Administrators' Solicitors, DLA Piper UK LLP. However, this has since been utilised to settle some of their outstanding fee invoices (see section 4.2.2).



4.1.2 Book Debts

The Company's book debts were excluded from the sale and totalled approximately £1.5 million at the date of appointment. A detailed review has been undertaken of the UK and European ledgers by our specialist Receivables Realisations Group.

After taking into account specific and general provisions for bad and doubtful debts, it is considered that these ledgers are estimated to realise between £559,941 as a worst case scenario and £811,443 as a best case scenario.

As part of the sale agreement, IHR Group initially assisted with the collection of the book debts on a commission basis and were granted exclusivity to collect the UK debts for 60 days and the European debts for 80 days for a fee of 25% and 30% of collections (exclusive of VAT where relevant) respectively.

This has led to realisations totalling £455,059 to January 2009 at which point KPMG Receivables Realisation Group took over collections. Further recoveries of £71,931 have since been achieved.

European book debt realisations of €191,302 have been paid by the debtors concerned into the Company's pre-appointment bank account with Société Générale in France. These funds are currently being held by Société Générale pending resolution of a claim against the Company by the French tax authorities.

The administrators are currently negotiating a settlement of a further European book debt which is anticipated to realise over €175,000 once agreed.

4.1.3 Intercompany balances

Inter company debts of £381,573.45 are due to the Company from affiliated companies to the IHR Group and payable over six equal monthly instalments.

The first instalment totalling £63,595.58 was due and received on 17 April 2009. The next instalment was due on 17 May 2009, of which approximately 50% has been received with the balance expected by 6 June 2009.

4.1.4 Bank interest

Gross Bank interest of £2,700.91 has been received to 21 April 2009.

4.1.5 Employees

Under the terms of the sale contract and Transfer of Undertaking (Protection of Employment) Regulations 2006, all existing employees were transferred to the IHR Group.

4.1.6 Investigations

As part of the Joint Administrators' statutory duties, investigations have been made into the conduct of the directors in the three years prior to the appointment. The findings of this investigation are confidential and have been reported to the Department for Business Enterprise and Regulatory Reform in accordance with the Company Directors Disqualification Act 1986.

4.2 Cost of realisations

4.2.1 Joint Administrators' time costs

The Joint Administrators' time costs to 21 April 2009 in respect of EF are £252,629.75 representing 1,162 hours at an average rate of £217 per hour.

A full analysis of these costs, prepared in accordance with the provisions of Association of Business Recovery Professionals' SIP 9, is attached at Appendix 4 along with details of KPMG LLP charge out rates and category 1 expenses.

The Joint Administrators have instructed KPMG LLP Pension, Tax, VAT, HSE (Health, Safety and Environment) and Forensic IT specialists to carry out assessments of the Group's position and their time is included in the above mentioned costs. In addition, please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. However, the cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

The Joint Administrators' proposals include a resolution to draw fees from time to time on the basis of time properly spent at KPMG charge out rates.

A creditors' guide to fees can be found at

[http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf), however, if you are unable to access this guide and would like a copy please contact Tom Hutchinson in our Leeds office.

As no creditors' committee has been formed, our remuneration will be fixed following consideration with the secured creditor, the Bank of Scotland. At the date of this report, no fees have been drawn by the Joint Administrators.

4.2.2 Legal advisors' costs

As at 21 April 2009 legal costs totalling £208,494.65 have been incurred as a result of significant issues arising in relation to the French division of the Company. These matters are ongoing although no further significant costs are expected to be incurred.

Subsequent to the 21 April 2009, £103,130.53 of fees have been paid to date in respect of the above mentioned legal costs.

As part of this, funds amounting to £63,000 held by the Administrators' solicitors DLA Piper UK LLP have been utilised to settle their invoices. However, DLA Piper UK LLP's outstanding fee invoices to date were less than this amount, and a balancing repayment has been received.

4.2.3 Book debt realisation fees

As referred to in section 4.1.2 above, fees totalling £98,717.50 (exc. VAT) in relation to the UK debtors ledger collections have been paid to IHR Group.

No fees have been paid to date in relation to European debtor ledger collections until the dispute with Société Générale is resolved as referred to in section 4.1.2 above.

4.2.4 Other costs

Up to 21 April 2009, £217,121 of funds received in error from clients of the IHR Group have been returned to the IHR Group. £1,000 has been paid to insure the assets of the business. £408 has been spent on statutory advertising and £6,000 has been incurred in relation to Statement of Affairs preparation charges.

Agents costs of £1,750 have been incurred in respect of the valuation of the Company's assets.

A payment of £19,901.60 has been made out of the administration in respect of a license fee to allow the IHR Group to occupy the premises at Horsforth, Leeds. This has since been reclaimed from the IHR Group.

5 Estimated Outcome for creditors

5.1 Secured creditors

The Bank of Scotland holds a debenture dated 20 July 2001 secured over the assets of the Company and the Bank has confirmed that at the date of appointment it was owed £9.8 million across the Group. Therefore the Administrators anticipate that all surplus realisations after amounts owed to preferential creditors will be paid to the secured creditor, with no funds available for unsecured creditors.

5.2 Preferential creditors

The Joint Administrators anticipate that there will be sufficient funds to enable a distribution to the preferential creditors of the Company. Amounts owed to employees made redundant before the appointment of the Administrators in respect of wages and holiday pay for employees total approximately £31,222.

5.3 Unsecured creditors

According to the directors' statement of affairs unsecured non-preferential creditors total £3,764,543. Due to the level of the secured creditors' claim, the Joint Administrators anticipate that there will be no funds available to enable a distribution to the unsecured non-preferential creditors of the Company.

Furthermore, the Prescribed Part set out in Section 176A of the Insolvency Act 1986 will not apply in this case because the debenture held by the Bank of Scotland is dated 20 July 2001 which is before 15 September 2003 (the date the Enterprise Act 2002 was introduced).

6 Future conduct of the Administration

6.1 Administrators' actions

It is proposed that the Joint Administrators will continue to manage the affairs, business and property of the Company in order to achieve the purpose of the administration.

This will include:

- realising the remaining assets of the Company, including book debts, the intercompany balances and deferred consideration;
- dealing with statutory reporting and compliance obligations; and
- finalising the administration, including payment of all administration liabilities.

Upon completion of these remaining issues, we will take the necessary steps to end the administration.

6.2 End of the Administration

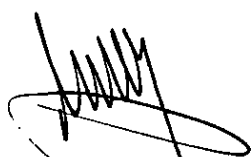
Pursuant to paragraph 76(1) of schedule B1, the administration will automatically end on 21 October 2009, although it can be extended by application to the Court or creditors. In the event that the purpose of the administration cannot be completed by 21 October 2009, the Joint Administrators will either seek an extension of time to complete the administration or place the Company into other insolvency proceedings to enable any remaining issues to be resolved.

If and where appropriate, the Joint Administrators cease to act, they will seek to organise the voluntary or compulsory winding up of the Company or the approval of a voluntary arrangement under Part I of the Insolvency Act 1986 or the striking off of the Company from the Register of Companies, whichever is deemed appropriate.

The deferred consideration is not due to be paid until 21 April 2010 and so it is likely that the Joint Administrators may seek to extend the end of the administration until after this date to enable realisation of this asset for the benefit of the secured creditor.

7 Statement concerning the EC regulations

The EC Council Regulations on Insolvency Proceedings apply to this administration and the proceedings are main proceedings. This means that this administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.



Mark Firmin
Joint Administrator

Appendix 1

Statutory information

Company name	EF Realisations Plc	
Date of incorporation	5 January 1993	
Company number	02777292	
Previous registered office	2 Manor Road, Horsforth Leeds LS18 4DX	
Present registered office	C/o KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW	
Trading addresses	2 Manor Road Horsforth Leeds LS18 4DX	10 th Floor, Portland Hs Bressenden Place London SW1E 5BH
	3 rd Floor Old Colony Hs 6 South King Street Manchester M2 6DQ	8-12 Torphichen St Edinburgh EH3 8JQ
	151 West George St Glasgow G2 2JJ	12 Bon Accord Sq Aberdeen AB11 6DJ
	Suite 24b, Castlecroft Business Centre Tom Johnston Road Dundee	Building Gaveau 11 Avenue Delclasse Paris 75008
	27 Rue du Vieux Marché Aux Vins Strasbourg 67000	An der Welle 4 Frankfurt Am Main 60322



EF Realisations Plc (formerly Ellis Fairbank Plc) – in Administration
Progress Report to Creditors
KPMG LLP
19 May 2009

Called up share capital	50,000 ordinary £1 shares
Shareholders	EFH Realisations Limited, 50,000 ordinary shares
Directors	Mr Howard John Cross, Mr Jason Darren Martin, Mr Graham Smith
Company Secretary	Mr Howard John Cross
Previous names	Ellis Fairbank Plc



EF Realisations Plc (formerly Ellis Fairbank Plc) – in Administration
Progress Report to Creditors
KPMG LLP
19 May 2009

Appendix 2

Receipts and payments account to 21 April 2009

EF Realisations Plc (formerly Ellis Fairbank Plc)
(In Administration)

Administrators' Abstract Of Receipts And Payments
To 21 April 2009

	Fixed Charge £	Floating Charge £	Total £
RECEIPTS			
Book debts - Inhoco		94,659.64	94,659.64
Book debts		508,244.94	508,244.94
Cash at bank		3.01	3.01
Funds Received in Error		233,543.37	233,543.37
Property Rates Refund		2,686.23	2,686.23
Bank interest, gross		2,700.91	2,700.91
License fee receivable		19,901.60	19,901.60
Sundry refunds		998.72	998.72
Bank charges		195.00	195.00
Floating ch. VAT payable		3,482.78	3,482.78
	0.00	866,416.20	866,416.20
PAYMENTS			
Statement of affairs work		6,000.00	6,000.00
License fee payable		19,901.60	19,901.60
Agents'/Valuers' fees		1,750.00	1,750.00
Debt Collection Fee		98,717.50	98,717.50
Legal fees		8,811.75	8,811.75
Statutory advertising		407.61	407.61
Other property expenses		10.00	10.00
Insurance of assets		1,000.00	1,000.00
Error Funds Returned		182,038.70	182,038.70
Insurance Premium Tax		50.00	50.00
Floating ch. VAT rec'able		21,412.50	21,412.50
	0.00	340,099.66	340,099.66
Balances in Hand	0.00	526,316.54	526,316.54
	0.00	866,416.20	866,416.20



EF Realisations Plc (formerly Ellis Fairbank Plc) – in Administration
Progress Report to Creditors
KPMG LLP
19 May 2009

Appendix 3

Abstract of receipts and payments account to 21 April 2009

0

RECEIPTS		£
Brought forward from previous Abstract (if Any)		0.00
Book debts - Inhoco		94,659.64
Book debts		508,244.94
Cash at bank		3.01
Funds Received in Error		233,543.37
Property Rates Refund		2,686.23
Bank interest, gross		2,700.91
License fee receivable		19,901.60
Sundry refunds		998.72
Bank charges		195.00
Floating ch. VAT payable		3,482.78
Carried forward to		866,416.20
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		0.00
Statement of affairs work		6,000.00
License fee payable		19,901.60
Agents'/Valuers' fees		1,750.00
Debt Collection Fee		98,717.50
Legal fees		8,811.75
Statutory advertising		407.61
Other property expenses		10.00
Insurance of assets		1,000.00
Error Funds Returned		182,038.70
Insurance Premium Tax		50.00
Floating ch. VAT rec'able		21,412.50
Carried forward to		340,099.66
* continuation sheet / next abstract		

* Delete as appropriate

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed.

Bal : 526,316.54.



EF Realisations Plc (formerly Ellis Fairbank Plc) – in Administration
Progress Report to Creditors
KPMG LLP
19 May 2009

Appendix 4

Joint Administrators' time to 21 April 2009



Expenses

Grade	£
Travel	113.00
Total expenses	<u>113.00</u>

KPMG Charge out rates as at 21 April 2009

Grade	1 April 2009 onwards	1 Oct 2008 - 1 April 2009
Partner	640	600
Director	560	525
Senior Manager	460	430
Manager	360	340
Senior Administrator	260	240
Administrator	200	190
Support	105	100

Appendix 4 - Joint Administrators' time costs to 21 April 2009

Reporting period: 21 October 2008 to 21 April 2009

	Partner / Director	Management	Administrator / support	Total hours	Time cost £	Average hourly rate £
Administration & planning						
General (Cashing)	-	6.50	59.90	66.40	13,720.50	206.63
Reconciliations (& IPS accounting reviews)	2.00	-	4.30	6.30	1,398.00	221.90
Books and records	-	13.25	7.00	20.25	5,277.50	260.62
Fees and WIP	-	-	0.20	0.20	19.00	95.00
General correspondence	1.00	7.00	8.00	16.00	4,220.00	263.75
Notification of appointment	1.00	0.40	6.35	7.75	1,563.50	201.74
Reports to OR on conduct	-	-	2.00	2.00	330.00	165.00
Statutory reports	-	19.10	40.39	59.49	13,554.50	227.85
Appointment and related formalities	2.00	3.30	80.70	86.00	14,602.00	169.79
Bonding and bordereau	-	-	3.00	3.00	567.50	189.17
Checklist & reviews	-	3.50	11.00	14.50	3,512.50	242.24
Pre-appointment checks	-	0.50	-	0.50	145.00	290.00
Reports to debenture holders	4.00	14.90	25.30	44.20	11,563.50	261.62
Statutory advertising	1.00	-	-	1.00	465.00	465.00
Statutory receipts and payments accounts	-	-	1.00	1.00	150.00	150.00
Strategy documents	9.80	12.50	4.40	26.70	9,944.50	372.45
Initial reviews - CT and VAT	2.00	6.35	6.30	14.65	3,933.00	268.46
Post appointment corporation tax	-	1.60	21.61	23.21	4,153.00	178.93
Post appointment PAYE	-	-	1.51	1.51	226.50	150.00
Post appointment VAT	-	1.00	24.92	25.92	5,544.50	213.91
	22.80	89.90	307.88	420.58	94,890.00	4,594.06
Creditors						
Meetings	-	-	6.00	6.00	1,065.00	177.50
Reports	-	-	6.10	6.10	1,162.50	190.57
Agreement of unsecured claims	-	-	22.85	22.85	3,427.50	150.00
General correspondence	1.50	7.30	50.90	59.70	12,983.25	217.47
Notification of appointment	1.00	-	16.00	17.00	3,745.00	220.29
Pre-appointment VAT / PAYE / CT	-	0.50	7.00	7.50	1,535.00	204.67
Secured creditors	0.50	-	3.50	4.00	910.00	227.50
Statutory reports	0.50	-	9.50	10.00	2,097.50	209.75
Agreeing employee claims	-	2.00	-	2.00	730.00	365.00
Correspondence	0.50	1.00	14.40	15.90	2,757.50	173.43
Pension funds	-	-	0.50	0.50	75.00	150.00
	4.00	10.80	136.75	151.55	30,488.25	2,286.18
Investigation						
Correspondence with directors	-	-	2.84	2.84	583.50	205.46
D form drafting and submission	-	13.50	115.90	129.40	25,247.50	195.11
Directors' questionnaire / checklist	-	2.00	1.10	3.10	895.00	288.71
Statement of affairs	-	-	3.32	3.32	498.00	150.00
Correspondence re investigations	11.00	21.50	0.50	33.00	12,387.50	375.38
Review of pre-appt transactions	1.00	-	-	1.00	465.00	465.00
	12.00	37.00	123.66	172.66	40,076.50	1,679.66

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.