

**Notice of move from  
administration to dissolution**

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  
KPMG LLP  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW  
United Kingdom

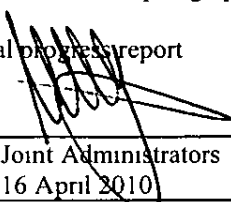
having been appointed Administrators of EF Realisations Plc (formerly Ellis Fairbank Plc)

on 21 October 2008 by the Directors

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed

  
Joint Administrators  
16 April 2010

Dated

**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 public record.

Thomas Hutchinson  
KPMG LLP  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

DX Number DX 724440 Leeds

Tel +44 113 2313362  
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

WEDNESDAY



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21/04/2010  
COMPANIES HOUSE

169



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

**Final Progress Report to  
Creditors pursuant to Rule  
2.110 of the Insolvency  
(Amendment) Rules 2003**

KPMG LLP

16 April 2010

*This report contains 9 pages*

*Appendices contains 12 pages*

MGF/DR/TH



*EF Realisations Plc (formerly Ellis Fairbank Plc) – in Administration  
Final Progress Report to Creditors pursuant to Rule 2.110 of the Insolvency  
(Amendment) Rules 2003  
KPMG LLP  
16 April 2010*

## *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.*



## 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 number 1612 of 2008 respectively
EFL	Ellis Fairbank Limited
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
IHR Group	IHR Group Limited (formerly Inhoco 3359 Limited), EM Group Limited, EPIC Contract Services Limited, The Interim Register Limited
Solicitors	DLA Piper LLP



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## **1 Introduction**

Further to the Joint Administrators' last report dated 16 November 2009, the Joint Administrators set out below their final progress report in accordance with rule 2.110 of the Insolvency (Amendment) Rules 2003. This report provides an update on the progress of the Administration since the appointment of Joint Administrators and covers the period 21 October 2009 to 16 April 2010.

The Joint Administrators' proposals have now been completed. There is no prospect of a dividend to unsecured creditors. As such, the Joint Administrators will now file this report and Form 2.35B at Companies House to enable the Company to be dissolved.

Mark Granville Firmin and Richard Dixon Fleming 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.

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

In accordance with Paragraph 100(2) of Schedule B1 to the Act 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.

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

## **2 Progress of the Administration to 16 April 2010**

Since our previous report all outstanding matters in the Administration have been concluded and the final transactions are included in the abstracts of the Joint Administrators' receipts and payments account for the period from 21 October 2009 to 16 April 2010, attached at Appendices 2 and 3. Details of these receipts and payments are discussed below.



All amounts are shown net of VAT

## **2.1 Realisation of Company assets**

### **2.1.1 Sale of business and assets - goodwill**

The total consideration for the sale of business and assets was £198,000 of which £135,000 was to be deferred and payable on or before 21 April 2010. In July 2009 this deadline was subsequently brought forward to 28 February 2010 as part of a revised priority agreement. Also as part of the revised priority agreement, the Company and the Joint Administrators accepted second ranking debentures over the assets of the purchasing companies within the IHR Group to secure the deferred consideration and outstanding management charges. The debentures rank behind those of the IHR Group's funders.

The new company (Ellis Fairbank Limited, "EFL") entered administration on 29 September 2009. Upon EFL entering administration, an offer of £135,000 was received for the Joint Administrators' second priority security over the companies within the IHR Group. This offer was accepted and the funds have been received and are shown in Appendix 2 to this report.

### **2.1.2 Book Debts**

Book debt realisations relating to the Company's European business were previously held in the Administrators' Euro account. During the period to 16 April 2010, total European book debt realisations of £291,419.16 were transferred to the Administrators' Sterling account.

A further UK book debt realisation of £942.54 was received in the period.

### **2.1.3 Bank interest**

Gross Bank interest of £822.13 has been received in the period to 16 April 2010.

### **2.1.4 Sundry Refunds**

Sundry refunds of £175 have been received in the period.

### **2.1.5 Leasehold Property - Rent Deposit**

A rent deposit surplus of €7,473.03 was been realised in the prior period following the surrender of the Company's Paris office lease. This was transferred to the Administrators' Sterling account in the period and resulted in a realisation of £6,589.39 at an exchange rate of €1.1341 to £1.



## **2.2 Cost of realisations**

### **2.2.1 Joint Administrators' time costs**

In the period from the last reporting date of 21 October 2009 to 9 April 2010, we have incurred time costs of £66,943 representing 250.65 hours at an average rate of £267.08 per hour. In the period from our appointment to 9 April 2010, we have incurred time costs of £464,047 representing 2,010 hours at an average rate of £230.85 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 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 included 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 was fixed with the consent of the Bank as the secured creditor, and a majority of the preferential creditors. At the date of this report agreed fees of £142,862.49 were drawn by the Joint Administrators in the previous period, with no further fees drawn during the final period against outstanding costs.

### **2.2.2 Legal advisors' costs**

In the period from 21 October 2009 to 16 April 2010 legal costs totalling £20,142 have been paid to DLA Piper UK LLP in respect of various legal matters and advice. Also, £120,016 has been paid to DLA Piper in France as a result of significant issues arising in relation to the French division of the Company. In addition, £350 in legal fees have been paid to Clarion Solicitors LLP in respect of book debt collections.

### **2.2.3 Book debt realisation fees**

Fees of £94.25 have been paid to Stenfield Limited in respect of their assistance in the collection of the Company's book debts.





#### **2.2.4 Other costs**

In the period to 19 March 2010, £105 has been paid to insure the assets of the business, bank charges of £205.12 have been incurred and costs of £1,954.18 have been paid in relation to the collection and storage of the Company's books and records.

### **3 Estimated Outcome for creditors**

#### **3.1 Secured creditors**

The Bank holds a debenture dated 20 July 2001 secured over the assets of the Company and has confirmed that at the date of appointment it was owed £9.8 million across the Group. Consequently all surplus realisations after amounts owed to preferential creditors have been paid to the Bank, with no funds available for unsecured creditors. In the period from 21 October 2009 to 16 April 2010, the Joint Administrators made distributions to the Bank of £141,356.10 from the fixed charge asset realisations and £366,461.68 from the floating charge realisations. Overall, total distributions to the Bank from the Administration were £957,817.78.

#### **3.2 Preferential creditors**

In the period prior to this report, the Joint Administrators paid preferential claims in full amounting to £31,399.59. This was in respect of wages and holiday pay owed to employees of the Company prior to the appointment of the Joint Administrators.

#### **3.3 Unsecured creditors**

According to the Directors' statement of affairs unsecured non-preferential creditors total £3,764,543. As noted above there will be no funds available to enable a distribution to the unsecured non-preferential creditors of the Company.

Furthermore, the Prescribed Part provisions set out in Section 176A of the Insolvency Act 1986 do 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).

### **4 Joint Administrators' Proposals**

A copy of the Joint Administrators' proposals was sent to all creditors on 11 December 2008 as part of the initial report to creditors. The proposals are

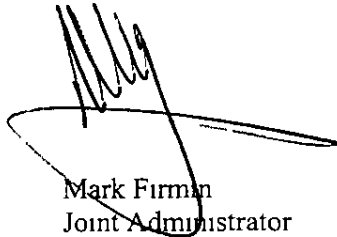


*EF Realisations Plc (formerly Ellis Fairbank Plc) – in Administration*  
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*KPMG LLP*  
*16 April 2010*

Consequently, in accordance with Resolution 1 of the proposals, it is our intention to apply to have the Company dissolved

## 5 Conclusion of the Administration

As referred to above, the Joint Administrators' proposals have been completed and consequently the Company will be moved to dissolution three months after the filing of this report at Companies House



Mark Firman  
Joint Administrator



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*KPMG LLP*  
*16 April 2010*

## 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 <sup>th</sup> Floor, Portland Hs Bressenden Place London SW1E 5BH
	3 <sup>rd</sup> 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



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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



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*KPMG LLP*  
*16 April 2010*

## **Appendix 2**

### **Receipts and payments accounts to 16 April 2010**

<b>RECEIPTS</b>		£
Brought forward from previous Abstract (if Any)		1,377,298 21
Goodwill		135,000 00
Bank interest, gross		150 06
Leasehold property		6,589 39
Book debts		292,361 70
Bank interest, gross		746 73
Sundry refunds & Income		175 00
Floating ch VAT rec'able		132 85
Carried forward to		1,812,453 94
* continuation sheet / next abstract		
<b>PAYMENTS</b>		£
Brought forward from previous Abstract (if Any)		1,157,914 99
Fixed charge creditor		141,356 10
Irrecoverable VAT		3,703 76
Debt Collection Fee		244 25
Legal fees		140,508 86
Storage costs		1,954 18
Insurance of assets		105 00
Bank charges		205 12
Floating charge		366,461 68
Carried forward to		1,812,453 94
* 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



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*16 April 2010*

## **Appendix 3**

### **Abstract of receipts and payments account to 16 April 2010**

**EF Realisations Plc (formerly Ellis Fairbank Plc)**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

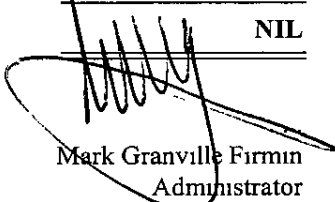
Statement of Affairs		From 21/10/2009 To 16/04/2010	From 21/10/2008 To 16/04/2010
	<b>FIXED CHARGE ASSETS</b>		
1 00	Customer list	NIL	1 00
2,500 00	Shares and investments	NIL	5,202 54
1 00	Property rights/Patents	NIL	2 00
135,994 00	Goodwill	135,000 00	135,994 00
	Bank interest, gross	150 06	156 56
		<u>135,150 06</u>	<u>141,356 10</u>
	<b>FIXED CHARGE CREDITORS</b>		
(885,271 00)	Fixed charge creditor	141,356 10	141,356 10
		<u>(141,356 10)</u>	<u>(141,356 10)</u>
	<b>ASSET REALISATIONS</b>		
500,578 00	Book debts - Inhoco	NIL	371,850 80
	Leasehold property	6,589 39	6,589 39
4,402 00	Other debtors / pre-payments	NIL	1 00
62,000 00	Furniture & equipment	NIL	62,000 00
2 00	Stock - work in progress	NIL	2 00
884,328 00	Book debts	292,361 70	907,709 42
	Cash at bank	NIL	3 01
65,800 00	Rent	NIL	NIL
	Funds Received in Error	NIL	260,543 05
	Property Rates Refund	NIL	2,686 23
		<u>298,951 09</u>	<u>1,611,384 90</u>
	<b>OTHER REALISATIONS</b>		
	Bank interest, gross	746 73	5,648 99
	License fee receivable	NIL	19,901 60
	Sundry refunds & Income	175 00	773 52
		<u>921 73</u>	<u>26,324 11</u>
	<b>COST OF REALISATIONS</b>		
	Statement of affairs work	NIL	6,000 00
	License fee payable	NIL	19,901 60
	Administrators' fees	NIL	142,862 49
	Irrecoverable VAT	3,703 76	3,703 76
	Agents'/Valuers' fees	NIL	1,750 00
	Debt Collection Fee	244 25	106,805 99
	Legal fees	140,508 86	244,508 94
	Storage costs	1,954 18	1,954 18
	Statutory advertising	NIL	407 61
	Other property expenses	NIL	10 00
	Insurance of assets	105 00	1,315 00
	Bank charges	205 12	35 12
	Error Funds Returned	NIL	260,543 05
	Insurance Premium Tax	NIL	50 00
		<u>(146,721 17)</u>	<u>(789,847 74)</u>
	<b>PREFERENTIAL CREDITORS</b>		
	Subrogated EP(C)A claim	NIL	19,569 53
	Employees' wage arrears	NIL	6,206 41
	Employees' holiday pay	NIL	5,623 65
		<u>NIL</u>	<u>(31,399 59)</u>



**EF Realisations Plc (formerly Ellis Fairbank Plc)**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 21/10/2009 To 16/04/2010	From 21/10/2008 To 16/04/2010
FLOATING CHARGE CREDITORS		
Floating charge	366,461 68 (366,461 68)	816,461 68 (816,461 68)
<b>770,335 00</b>	<b>(219,516.07)</b>	<b>(0.00)</b>

REPRESENTED BY

  
**NIL**  
 Mark Granville Firmin  
 Administrator



## Appendix 4

### Joint Administrators' time costs to 9 April 2010

#### EF Realisations Plc (formerly Ellis Fairbank Plc)

Reporting Period 21/10/2009 to 09/04/2010

	Partner / Director	Manager	Administrator	Total hours	Time cost	Average hourly rate
<b>Administration &amp; planning</b>						
General (Cashing)			4.80	4.80	£804.00	£167.50
Reconciliations (& IPS accounting reviews)			3.90	3.90	£667.50	£171.15
Books and records			0.50	0.50	£82.50	£165.00
Appointment and related formalities			1.50	1.50	£247.50	£165.00
Checklist & reviews		2.00	6.75	8.75	£1,923.75	£219.86
Closure and related formalities			10.00	10.00	£1,650.00	£165.00
Reports to debenture holders	1.00	25.50	3.50	30.00	£11,420.00	£380.67
Statutory receipts and payments accounts		2.00		2.00	£810.00	£405.00
Strategy documents		2.00		2.00	£810.00	£405.00
Post appointment corporation tax		10.70	16.20	26.90	£7,944.50	£295.33
Post appointment VAT			2.40	2.40	£540.00	£225.00
<b>Creditors</b>						
General correspondence		1.50		1.50	£807.50	£405.00
Legal claims			2.50	2.50	£562.50	£225.00
Payment of dividends			2.50	2.50	£412.50	£165.00
Secured creditors		1.00	28.00	29.00	£6,645.00	£229.14
Statutory reports		1.00	23.60	24.60	£4,659.00	£189.39



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Investigation	Correspondence with directors	8.00	2.00	10.00	£3,570.00	£357.00
	Correspondence re investigations	23.00	10.55	34.05	£11,313.25	£1,895.00
Realisation of assets	Debtors	2.00	38.25	40.25	£8,906.25	£221.27
	Leasehold property	2.50		2.50	£1,012.50	£405.00
	Open cover insurance		0.50	0.50	£82.50	£165.00
	Other assets		9.00	9.00	£2,025.00	£225.00
	Sale of business		1.50	1.50	£247.50	£165.00
Total in period				250.65	£66,943.25	£267.08

		Fees drawn	Hours / cost to date	
B/f			1,759.54	£397,103.75
In the period		142,862.49	250.65	£66,943.25
C/f		142,862.49	2,010.19	464,047.00



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### Expenses

Grade	£
Travel	2,862 49
<b>Total expenses</b>	<b><u>2,862.49</u></b>

### KPMG Charge out rates as at 04 September 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 5**

### **Joint Administrators Proposals**

#### **Resolution 1:**

- to continue to do all such things reasonably expedient and generally exercise all their powers as contained in Schedule B1 to the Insolvency Act 1986 as Joint Administrators as they, in their absolute discretion, consider desirable in order to maximise realisations from the assets of the Company,
- to investigate and, if appropriate, pursue any claims the Company may have,
- to seek an extension to the administration period if deemed necessary by the Joint Administrators pursuant to Paragraph 76 of Schedule B1 to the Insolvency Act 1986,
- to allow the administration to cease to have effect following its 12 month period or any extension thereof,
- to seek if appropriate, permission of the Court to make a distribution to unsecured creditors of the Company pursuant to Paragraph 65 of Schedule B1 to the Insolvency Act 1986 and to seek, if appropriate, any other directions from the Court,
- when it is considered that no further distributions to creditors will be made and that the Joint Administrators have concluded their duties, to take the necessary steps to move the Company from administration to Dissolution, pursuant to Paragraph 84 of Schedule B1 to the Insolvency Act 1986,
- if the Joint Administrators consider that a distribution will be made to unsecured creditors of the Company, and if deemed appropriate by the Joint Administrators, to take the necessary steps to move the Company into Creditors' Voluntary Liquidation pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986,
- if Creditors' Voluntary Liquidation is deemed appropriate, the Joint Administrators will seek the appointment of Richard Dixon Fleming and Mark Firmin of KPMG LLP as Joint Liquidators of EF Realisations Plc, without any further recourse to creditors. In accordance with Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved,
- if one of the criteria set out in paragraph 79(2) of Schedule B1 to the Insolvency Act 1986 apply to the Company, the Joint Administrators can make an application to court to end the administration and, if deemed appropriate, to petition the Court for the winding up of the Company. If appropriate, the Joint Administrators will, at the same time, apply to be appointed as Joint Liquidators under Section 140(1) of the Insolvency Act 1986,



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- in the event that Richard Dixon Fleming and Mark Granville Firmin are appointed Joint Liquidators then they will be allowed to act jointly and severally, and
- the Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect

**Resolution 2:**

- that in the event that no creditors' committee is formed, the Joint Administrators will be authorised to draw fees on account from the assets of the Company from time to time during the period of administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment. In the event that Richard Dixon Fleming and Mark Granville Firmin be appointed Joint Liquidators then they will be able to draw fees on the same basis as the Joint Administrators as agreed by the Company's creditors. Also, the Joint Administrators will be authorised to draw disbursements from time to time to include category 2 disbursements, and
- that the costs of KPMG LLP in respect of HSE, Pension, Tax, Receivables Realisation Group and VAT advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of the Company