

The Insolvency Act 1986

Administrator's progress report

Name of Company
Genesis Bradford Limited

Company number
02772601

In the
High Court of Justice, Leeds
[full name of court]

Court case number
472 of 2008

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

We (a) Julian Pitts of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ and Mike Saville of c/o Begbies Traynor, 9th Floor, Bond Court, Leeds, LS1 2JZ

administrator(s) of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 4 April 2011

(b) 3 October 2011

Signed


Joint Administrators

Dated

2 / 11 / 11

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

Begbies Traynor (Central) LLP

Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ

Tel Number 0113 2375560

Fax Number 0113 2375561

DX Number



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22/11/2011

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COMPANIES HOUSE

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

TUESDAY

Julian Pitts and Mike Saville were appointed Joint Administrators on 4 April 2008

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as the Company's agents and without personal liability

Pro-Fit International Limited, Genesis Bradford Limited and Pro-Fit Holdings Limited (In Administration)

Progress report of the Joint Administrators pursuant
to Rule 2.47 of The Insolvency Rules 1986

Period: 4 April 2011 to 3 October 2011

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the Administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Pro-Fit International Limited (In Administration)
"the administration"	The appointment of Administrators under Schedule B1 to the Insolvency Act 1986 on 4 April 2008
"the administrators"	Julian Pitts of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ and Mike Saville of c/o Begbies Traynor, 9th Floor, Bond Court, Leeds, LS1 2JZ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Pro-Fit International Limited Genesis Bradford Limited Pro-Fit Holdings Limited
Trading name(s)	N/A
Date of Incorporation	Pro-Fit International Limited – 6 April 1994 Genesis Bradford Limited – 10 December 1992 Pro-Fit Holdings Limited – 7 December 1999
Company registered number	Pro-Fit International Limited - 02915940 Genesis Bradford Limited – 02772601 Pro-Fit Holdings Limited - 03889914
Company registered office	c/o Begbies Traynor, Glendevon House, Hawthorn Park,, Coal Road, Leeds, LS14 1PQ

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators	Julian Pitts, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ and Mike Saville, a Licensed Insolvency Practitioner of c/o Begbies Traynor, 9th Floor, Bond Court, Leeds, LS1 2JZ
Date of administrators' appointment	Pro-Fit International Limited – 4 April 2008 Genesis Bradford Limited – 4 April 2008 Pro-Fit Holdings Limited – 7 April 2008
Date of administrators' resignation	N/A
Court	High Court of Justice, Leeds District Registry
Court Case Number	Pro-Fit International Limited – 471 of 2008 Genesis Bradford Limited – 4 April 2008 Pro-Fit Holdings Limited – 7 April 2008
Person(s) making appointment / application	The Directors of the Company
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 4 April 2008 to 3 October 2011

As advised in previous reports this account solely makes reference to Pro-Fit International Limited, as this is the only Company that trades, due to Pro-Fit Holdings Limited and Genesis Bradford Limited being non-trading dormant Companies which were placed into Administration because they may hold title to some intellectual property of value

Income

You will see from the Income and Expenditure Account that gross receipts including trading sales have remained at the same total of £1,023,595 as detailed in the last report

Expenditure

As detailed in the last report, the Joint Administrators have made a significant effort to keep expenditure to a minimum during the period of zero sales, however the unavoidable expenditure has resulted in substantial losses accruing due to the requirement to maintain the Goodwill and intellectual property assets within the Administration

As previously reported, to alleviate this loss, all staff have been made redundant and an agreement has been reached with the Company's landlords to substantially reduce the rent to be paid until such time as the sale of the business can be concluded

US Bankruptcy Court

Previous progress reports of the Joint Administrators have referred to proceedings within Chapter 15 of the US Bankruptcy Code in which a sale of the Company's assets required approval in the US Bankruptcy Court

Contracts had been exchanged in November 2009 and securing the Court's approval had become a most protracted matter. Contrary to the expectations of counsel, and indeed contrary to indications given in an earlier hearing the sale as agreed was challenged at the final approval hearing and ultimately failed to obtain the Court's approval

The competing parties were therefore invited to submit revised bids

Due to the previous bidders failure to secure court approval for a sale of the entirety of the Company's assets it is now more likely that the sale of the Company's US interests will be transacted separately from those assets registered outside the USA

The Joint Administrators are in advanced negotiations which for the avoidance of doubt are not with the party that had previously failed to secure court approval

Those negotiations have regrettably become most protracted and whilst the formal contract is now considered to be near its final form, once signed it will still require sanction by the US Bankruptcy Court

5. EXTENSION APPLICATION

As creditors will be aware from previous updates this matter has become a most complex and drawn out assignment that has already necessitated a number of previous extensions

Due to the requirement for the contract agreed in the United States to attain US Bankruptcy Court approval, it is not possible for matters to be fully completed before the Administrations are due to terminate on 7 October 2011

In the circumstances the Administrators intend to make a further application for extension of the Administration to allow these negotiations to be concluded

6. OUTCOME

Whilst it would not be appropriate to disclose the sale price agreed in an open report of this nature, it should be noted that due to the increasing legal costs both in the UK and the US together with the costs of the Administrators due to the significant amount of time spent dealing with the complexities of the case, there will be insufficient funds in the case to allow any distribution to unsecured creditors

The sale will however enable a distribution to the secured creditor that would not otherwise have been possible In our view therefore the objective of the Administration will be achieved by the sale

7. ADMINISTRATORS' REMUNERATION

In our first report we have stated that costs to the period ending 3 October 2008 were £181,745 However, we felt it unnecessary to provide a further detailed analysis of the time accrued since that report, due to the mounting legal costs it was thought highly unlikely the Joint Administrators' full time costs as at 3 October 2008 would be met in full Accordingly, I propose to continue on this basis, however, should any creditor require such information I would be happy to oblige upon written request

8. CONCLUSION

As advised previously, this has become a drawn out and complex assignment, however, it is the opinion of the Joint Administrators that it can now be successfully concluded with the anticipated sale of the Company's assets

Should any creditor have any questions or require further information, please do not hesitate to contact my colleague David Childe



J.N.R. Pitts
Joint Administrator

Dated 3 October 2011

**Pro-Fit International Limited
(In Administration)**

**Income and Expenditure Account
04 April 2008 to 03 October 2011**

INCOME	Total (£)
Sales	525,662 45
Export Sales	293,531 44
Intellectual Property (Deposit)	30,000 00
Office Furniture & Equipment	2,760 00
Non Factored Book Debts	50,335 30
VAT Refund	34,196 64
Non Refundable Deposit	78,169 66
Bank Interest (Gross)	1,705 95
Third Party Loan	10,000 00
	<hr/> 1,026,361 44 <hr/>

EXPENDITURE	
Purchases	338,499 29
Sub Contractors	82,807 51
Direct Labour	267,040 57
Indirect Labour	15,000 00
Rents	131,879 92
Rates	34,601 80
Heat & Light	51,265 06
Telephone, Internet & I T	39,120 56
Carriage	6,687 19
Insurance	3,324 48
Professional Services	45,490 97
Bank Charges	702 97
Lease/HP Payments	4,022 45
Hire of Equipment	15,804 84
Repairs & Maintenance	690 53
Sales Commission	3,212 53
Factored Book Debts	346 90
Specific Bond	282 00
Office Holders Fees	11,000 00
Office Holders Expenses	2,128 61
Patent Renewals	61,027 81
Agents/Valuers Fees	4,905 40
UK Legal Fees	42,688 24
US Legal fees	32,378 64
Storage Costs	364 94
Statutory Advertising	2,995 93
Insurance of Assets	23,356 16
Bank Charges	67 20
	<hr/> 1,221,692.50 <hr/>

Balance	<hr/> (195,331.06) <hr/>
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MADE UP AS FOLLOWS

Trade Debtors	31,268 77
VAT Receivable	5,102 62
Floating Current A/c	3,004 72

**Pro-Fit International Limited
(In Administration)**

**Income and Expenditure Account
04 April 2008 to 03 October 2011**

Floating Deposit A/c	15,326 37
Trade Creditors	(253,252 28)
VAT Payable	5,470 57
Vat Control Account	(2,251 83)
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	(195,331.06)
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