

The Insolvency Act 1986

Administrator's progress reportName of Company.
Genesis Bradford LimitedCompany number
02772601In the
High Court of Justice, Leeds Registry
[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 October 2011

(b) 5 March 2012

Signed

Joint Administrators

Dated

19/3/12

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.

Begbies Traynor (Central) LLP

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

Tel Number 0113 2375560

Fax Number 0113 2375561

DX Number

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

A20
26/03/2012
#112
COMPANIES HOUSE

MONDAY

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 October 2011 to 5 March 2012

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 5 March 2012

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

The only addition to income since the previous report is receipts from the sale of the office furniture and equipment, no longer required following the cessation of trading activities

Expenditure

As detailed in the last report, the Joint Administrators made a significant effort to keep expenditure to a minimum during the period of zero sales, however certain 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 were made redundant and an agreement was reached with the Company's landlords to substantially reduce the rent to be paid until such time as the premises were vacated. Additionally, these property costs were met by an associated company that had limited use of the premises

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 the Joint Administrators resolved to seek disposal of the Company's US interests separately from those assets registered outside the USA

The Joint Administrators progress report to 3 October 2011 made reference to the advanced negotiations for the sale of the Company's US interests which would still require approval of the US bankruptcy court. We are pleased to confirm that the negotiations were concluded, albeit there were objections from certain third parties, which required a hearing before the court delivered its approval

Approval was given in a hearing on 8 February 2012

The approval order required agreement on wording by all parties concerned which delayed its filing with the court. This was filed in the days preceding production of this report and the 14 day period in which any opposition must be filed is due to expire in the next 7 days.

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.

As indicated above the Joint Administrators have successfully concluded disposal of the Company's US interests, leaving the Company's intellectual property registered outside the United States to realise.

The terms of the transaction conducted in the United States are such that the Administrators cannot take steps to bring the Administration of the Companies to a formal conclusion until the passing of 30 days after the end of the objection period.

In the circumstances even if the Joint Administrators were in a position to conclude the disposal of the non US property before the Administrations are due to automatically terminate at the beginning of April, the Joint Administrators are contractually obliged to maintain the Administration status until the 30 day period has expired which is on or around 11 April 2012.

Notwithstanding the above it is unlikely that the Joint Administrators will be in a position to conclude disposal of the non US assets inside the next 4 weeks.

The Joint Administrators do not however anticipate negotiations in relation to the non US assets becoming protracted in the way the US negotiations did. The Joint Administrators are in receipt of an offer for the subject assets, which at the time of reporting has not been accepted, however, communications with the bidder give the Administrators some confidence that an agreement can be reached in early course.

Furthermore a sale of the non US property will not require court sanction therefore assuming a sale can be agreed, the mechanics of the transaction can be dealt with swiftly.

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

Until such time as the sale agreed in the United States is beyond challenge, it would not be appropriate for the Joint Administrators to disclose the price or further details of the terms in open correspondence.

However we can disclose that the cash element of the consideration will not be sufficient to generate a distribution to the unsecured creditors.

As indicated above however, the Joint Administrators are already in negotiations with a party willing to acquire the remaining assets registered outside the US jurisdiction.

The Joint Administrators are hopeful that if these negotiations can be progressed and a sale concluded it will be of material benefit to the Company and the Administration.

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 conclusion of the United States negotiations and the anticipated sale of the Company's remaining assets.

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



J.M.R. Pitts
Joint Administrator

Dated 6 March 2012

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

**Income and Expenditure Account
04 April 2008 to 05 March 2012**

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)	1,709 53
Third Party Loan	10,000 00
	<hr/> 1,026,365.02 <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	39,100 37
Carriage	6,687 19
Insurance	3,324 48
Professional Services	45,990 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	2,420 31
Patent Renewals	61,027 81
Agents/Valuers Fees	4,905 40
UK Legal Fees	44,805 04
US Legal fees	32,378 64
Storage Costs	412 94
Statutory Advertising	2,995 93
Insurance of Assets	23,356 16
Bank Charges	67 20
	<hr/> 1,224,628.81 <hr/>
 Balance	 (198,263.79) <hr/>
 MADE UP AS FOLLOWS	
Trade Debtors	31,268 77
VAT Receivable	5,672 93
Floating Current A/c	42 91

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

**Income and Expenditure Account
04 April 2008 to 05 March 2012**

Floating Deposit A/c	15,038 95
Trade Creditors	(253,506 09)
VAT Payable	5,470 57
Vat Control Account	(2,251 83)
	<hr/>
	(198,263.79)
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