

The Insolvency Act 1986

Administrator's progress report

Name of Company
Genesis Bradford Limited

Company number
02772601

In the
High Court of Justice, Leeds District
Registry
{full name of court}

Court case number
472 of 2008

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

I / 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 (Central) LLP, 9th Floor, Bond Court, Leeds LS1
2JZ

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

(b) Insert dates

from

to

(b) 4 October 2009

(b) 6 April 2010

Signed


Joint Administrator(s)

Dated

6 April 2010

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



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COMPANIES HOUSE

FRIDAY

Julian Pitts and Mike Saville were appointed Joint Administrators on 4 and 7 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 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 2009 to 6 April 2010

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Pro-Fit International Limited (In Administration) Genesis Bradford Limited (In Administration) Pro-Fit Holdings Limited (In Administration)
"the Administration"	The appointment of Administrators under Schedule B1 to the Insolvency Act 1986 on 4 April 2008
"the Joint Administrators"	Julian Pitts of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ and Mike Saville of Begbies Traynor, 9th Floor, Bond Court, Leeds, LS1 2JZ
"the Act"	The Insolvency Act 1986
"the Rules"	The Insolvency Rules 1986
"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(a), Insolvency Act 1986)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security 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(b), Insolvency Act 1986)
"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 Companies	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 Joint 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 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 – 472 of 2008 Pro-Fit Holdings Limited – 473 of 2008
Person(s) making appointment / application	The directors of the company
Acts of the Joint Administrators	The Joint 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	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 receipts and payments account for the period from 4 April 2008 to 24 February 2010. It will be noted that this account makes reference to Pro-Fit International Limited only, as this is the only company that trades, with 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 trading sales have increased to just £819,130 from the £792,535 quoted in the last report.

The marked slow down in sales is due to market forces making it difficult for the company to compete in this current restricted format of the administration. To win sales the Company would have to commit to longer term high volume orders with suppliers to enable the corresponding economies of scale to be passed on to customers.

EXPENDITURE

Whilst efforts have been made to keep expenditure to a minimum during this period of falling sales, the unavoidable expenditure has resulted in substantial losses accruing. To alleviate this, staff has 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.

Given that there are currently insufficient resources to meet all the liabilities incurred during the period of the administration, it is imperative that the sale agreed, for which a deposit of £30,000 has been paid, is completed, thus enabling these liabilities to be discharged and the company's affairs brought to a conclusion.

US BANKRUPTCY COURT

Creditors may recall from our previous report that it was envisaged that the last extension to 7 April 2010 approved by a court order would be sufficient to enable the process to be concluded.

There have been substantial delays in drafting, amending and approving motions to submit to the US Court. It would however now appear that the matter is drawing to a conclusion with all motions very close to being approved and the first hearing to consider the application due to take place prior to the end of March 2010 in Los Angeles.

5. FURTHER EXTENSION OF ADMINISTRATION PERIOD

Therefore, given the above, regrettably the Joint Administrators have been required to make a further application for the period of the administration to be extended beyond the current term due to expire on 7 April 2010. As the administration period has already been extended once by creditor approval and on a second occasion by Court application, this latest extension must also be an application to the High Court of Justice.

Should any creditor have any objection to the proposed extension please write to that effect, stating your reasons for the objection, within seven days.

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 ended 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 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 March 2010

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

**Income and Expenditure Account
04 April 2008 to 03 March 2010**

INCOME	Total (£)
Sales	525,599 45
Export Sales	293,531 44
Intellectual Property (Deposit)	30,000 00
Non Factored Book Debts	50,335 30
VAT Refund	34,196 64
Non Refundable Deposit	78,169 66
Bank Interest (Gross)	1,688 19
Third Party Loan	10,000 00
	<hr/> 1,023,520.68 <hr/>

EXPENDITURE	
Purchases	356,155 73
Sub Contractors	79,046 44
Direct Labour	250,852 71
Indirect Labour	15,000 00
Rents	116,182 08
Rates	22,571 48
Heat & Light	28,076 96
Telephone	27,211 80
Carriage	6,687 19
Insurance	2,863 52
Professional Fees	30,577 14
Bank Charges	692 97
Lease/HP Payments	14,867 41
Hire of Equipment	3,320 29
Repairs & Maintenance	690 53
Sales Commission	3,212 53
Specific Bond	282 00
Office Holders Fees	11,000 00
Office Holders Expenses	1,892 82
Patent Renewals	53,527 11
Agents/Valuers Fees	4,905 40
UK Legal Fees	40,191 88
US Legal fees	32,378 64
Storage Costs	216 10
Statutory Advertising	2,995 93
Insurance of Assets	6,008 14
Bank Charges	12 00
	<hr/> 1,111,418.80 <hr/>
Balance	<hr/> (87,898.12) <hr/>

MADE UP AS FOLLOWS

Trade Debtors	163,292 58
VAT Receivable	8,919 87
Floating Current A/c	17,720 29
Floating Deposit A/c	15,758 61
Trade Creditors	(298,785 70)

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

**Income and Expenditure Account
04 April 2008 to 03 March 2010**

VAT Payable

5,196 23

(87,898.12)
