

AM10

Notice of administrator's progress report



Companies House

TUESDAY



A8HLMBMZ

A18

05/11/2019

#38

COMPANIES HOUSE

1 Company details

Company number 07155929

Company name in full Pyramid Connect Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Lila

Surname Thomas

3 Administrator's address

Building name/number Derby House

Street 12 Winckley Square

Post town Preston

County/Region

Postcode PR13JJ

Country

4 Administrator's name ①

Full forename(s) David

Surname Acland

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Derby House

Street 12 Winckley Square

Post town Preston

County/Region

Postcode PR13JJ

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 1	^m 0	^m 5	^y 2	^y 0	^y 1	^y 9
To date	^d 3	^d 0	^m 1	^m 0	^y 2	^y 0	^y 1	^y 9

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



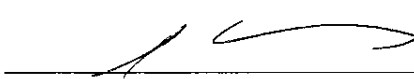
X

Signature date

^d 0	^d 1	^m 1	^m 1	^y 2	^y 0	^y 1	^y 9
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Pyramid Connect Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 01/05/2019 To 30/10/2019 £	From 31/10/2018 To 30/10/2019 £
SECURED ASSETS		
Goodwill	NIL	44,999.00
Contracts	NIL	1.00
Book Debts	NIL	172,483.00
	NIL	217,483.00
COSTS OF REALISATION		
Administrators' Fees	10,000.00	10,000.00
Accountancy Fees	NIL	1,250.00
	(10,000.00)	(11,250.00)
SECURED CREDITORS		
ABN AMRO Commercial Finance	NIL	190,134.00
	NIL	(190,134.00)
ASSET REALISATIONS		
Furniture & Equipment	NIL	8,000.00
Cash at Bank	(165.00)	110.00
Bank Interest Gross	13.27	28.59
	(151.73)	8,138.59
COST OF REALISATIONS		
Bordereau	225.00	225.00
Administrators' Disbursements	49.93	49.93
Administrators Pre-Appointment Fees	NIL	10,000.00
Agents/Valuers Fees (1)	NIL	1,500.00
Legal fees - Pre-Administration	NIL	5,840.66
Stationery & Postage	9.00	9.00
Statutory Advertising	NIL	69.93
Bank Charges - Floating	NIL	0.80
	(283.93)	(17,695.32)
UNSECURED CREDITORS		
(44,873.88) Trade Creditors	NIL	NIL
(29,841.09) HMRC - VAT	NIL	NIL
(23,517.46) HMRC - PAYE/NI	NIL	NIL
(34,873.28) HMRC - Corporation Tax	NIL	NIL
	NIL	NIL
(133,105.71)	(10,435.66)	6,542.27
REPRESENTED BY		
IB Current Floating		4,485.48
Vat Control Account		2,056.79
		6,542.27


Lila Thomas
Joint Administrator

Pyramid Connect Limited (IN ADMINISTRATION) ("THE COMPANY")
The High Court of Justice NO. 8866 OF 2018
The Administrator's Progress Report for the period 01/05/19 – 30/10/19
pursuant to Rule 18.3 of the Insolvency (England and Wales) Rules 2016

1 November 2019

Contents and abbreviations

FRP

Section	Content
1.	Progress of the Administration in the period
2.	Estimated Outcome for the creditors
3.	Administrators' remuneration, disbursements, expenses and pre-appointment costs
Appendix	Content
A.	Statutory information regarding the Company and the appointment of the Administrators
B.	Form AM10, formal notice of the progress report
C.	A schedule of work
D.	Details of the Administrators' disbursements for the Period and cumulatively
E.	Receipts and payments account for the period and cumulative
F.	Statement of expenses incurred in the Period

The following abbreviations may be used in this report:

FRP	FRP Advisory LLP
The Company	Pyramid Connect Limited (In Administration)
The Administrators	Lila Thomas and David Acland of FRP Advisory LLP
The Period	The reporting period 01/05/19 – 30/10/19
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying floating charge holder
HMRC	HM Revenue & Customs
ABN	ABN Amro Commercial Finance plc
ECL / The Purchaser	Executive Connect Limited
KG	Kirivani Group Limited
DSS	Driver Support Services Limited
ESB	Executive Stand-By Limited
WNJ	WNJ Chartered Accountants

1. Progress of the Administration

FRP

Work undertaken during the period

I attach at **Appendix C** a schedule of work undertaken during the period together with a summary of work still to be completed.

Attached at **Appendix E** is a receipts and payments account detailing both transactions for the period of this report and also cumulatively since my appointment as Administrator.

Investigations

Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. I have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

Further details of the conduct of my investigations are set out in the schedule of work attached. I can confirm that no further investigations or actions were required.

Extension to the initial period of appointment

The period of Administration has been extended for 12 months until 30 October 2020 with the consent of the secured creditor. The relevant notice has been filed with the Registrar of Companies and is also available on the creditors portal.

Anticipated exit strategy

Based on current realisations, the Company has no property which will permit a distribution to its unsecured creditors therefore, it will be appropriate to send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the

Insolvency Act 1986 to bring the administration to an end and three months after the filing of the notice the Company will be dissolved.

2. Estimated Outcome for the creditors

The estimated outcome for creditors was set out in the Administrators proposals.

Outcome for the secured creditors

ABN have been repaid in full, the total sum repaid was £190,134.

Outcome for the preferential creditors

As part of the sale to ECL, all employees have transferred in accordance with TUPE regulations thus mitigating their claims against the Company. Therefore, we do not anticipate to receive any claims in respect of arrears of pay or holiday pay which rank as preferential. The Administrators have submitted a claim to the Redundancy Payments Service in respect of unpaid pension contributions however, based on current realisations it is not anticipated that preferential creditors will receive any distribution.

Outcome for the unsecured creditors

It is currently estimated that there will be insufficient funds available to make a distribution to unsecured creditors.

Prescribed Part

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

Based on current anticipated realisations, the net property is currently £nil therefore the value of the prescribed part fund is £nil. Therefore, the prescribed part rules will be disapplied.

Pyramid Connect Limited (In Administration)
The Administrators' Progress Report

FRP

Pursuant to the Insolvency Rules no dividend will be declared to preferential and unsecured creditors as the funds realised have already been distributed or used or allocated for paying the expenses of the insolvency proceedings.

3. Administrators' remuneration, disbursements, expenses and pre-appointment costs

FRP

Administrators' remuneration

Following circulation of the Administrators' proposals the secured creditor passed a resolution that the Administrators' remuneration should be calculated in part as a percentage of realisations (5% of the gross realisations of all assets realised) and in part as a set amount (fixed fee of £25,000 plus VAT). Details of remuneration charged during the period of the report are set out in the statement of expenses attached. The sum of £10,000 plus VAT has been paid to date.

It is anticipated based on the level of assets identified to date in this matter that these costs will not be recovered in full and fees drawn will be restricted to the level of funds available.

Administrators' disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report are set out in **Appendix D**.

Administrators' expenses

An estimate of the Administrators' expenses was set out in the Administrators' proposals. I attach at **Appendix F** a statement of expenses that have been incurred during the period covered by this report. It is currently expected that the expenses incurred or anticipated to be incurred are not likely to exceed the details previously provided

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. (For ease of reference these are the expenses incurred in the reporting

Pyramid Connect Limited (In Administration)
The Administrators' Progress Report

period as set out in **Appendix F** only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <https://creditors.frpadvisory.com/info.aspx> and select the one for administrations. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Appendix A

Statutory Information

FRP

PYRAMID CONNECT LIMITED (IN ADMINISTRATION)

COMPANY INFORMATION:

Other trading names: HiFlyers Recruitment

Company number: 07155929

Registered office: C/O FRP Advisory LLP, Derby House, 12 Winckley Square, Preston, PR1 3JJ

Previous registered office: Chandler House, 7 Ferry Road Office Park, Preston, PR2 2YH

Business address: 2nd Floor Buckingham House, Glover's Court, Preston, PR1 3LS

ADMINISTRATION DETAILS:

Administrator(s): Lila Thomas & David Acland

Address of Administrator(s): FRP Advisory LLP
Derby House, 12 Winckley Square, Preston, PR1 3JJ

Date of appointment of Administrator(s): 31/10/2018

Court in which administration proceedings were brought: The High Court of Justice, Business & Property Courts

Court reference number: 8866 of 2018

Appointor details: Directors

Previous office holders, if any: None

Extensions to the initial period of appointment: Extended until 30 October 2020 with the consent of the secured creditor

Date of approval of Administrators' proposals: 26 November 2018

Appendix B

CH Form AM10 Formal Notice of the Progress Report

FRP

TUESDAY

Company details

Company number 07155929

Company name in full Pyramid Connect Limited

Administrator's name

Full forename(s) Lila

Surname Thomas

Administrator's address

Building name/number Derby House

Street 12 Winckley Square

Post town Preston

County/Region

Postcode P R 1 3 J J

Country

Administrator's name

Full forename(s) David

Surname Acland

Administrator's address

Building name/number Derby House

Street 12 Winckley Square

Post town Preston

County/Region

Postcode P R 1 3 J J

Country

Other administrator

Use this section to tell us about another administrator.

Other administrator

Use this section to tell us about another administrator.

Filling in this form

Please complete in typecript or in bold black capitals.

COMPANIES HOUSE

05/11/2019

#39

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AM10
Notice of administrator's progress report

6		Period of progress report		From date d m y 0 1 5 y 0 1 9	To date d m y 3 0 0 y 0 1 9
7		Progress report		☒ I attach a copy of the progress report	
8		Sign and date		Signature X Administrator's signature 	
8		Signature date		d m y 0 1 1 y 0 1 9	X

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Katy Flynn

Company name

FRP Advisory LLP

Address

Derby House

12 Winckley Square

Post town

Preston

County/Region

Postcode

P R 1 3 J J

Country

Telephone

01772 440700

✓ Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

! Important information

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**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

! Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Appendix C

A schedule of work

FRP

Pyramid Connect Limited (IN ADMINISTRATION)**Schedule of Work**

The table below sets out a detailed summary of the work undertaken by the office holder(s) during the reporting period together with an outline of work still to complete. Where work undertaken results in the realisation of funds (from the sale of assets), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

Note	Category		Fee Basis Agreed
1	ADMINISTRATION AND PLANNING Work undertaken during the reporting period	ADMINISTRATION AND PLANNING Future work to be undertaken	Fixed Fee
	General Matters		
	Regularly reviewing the conduct of the case and the case strategy and updating as required by the insolvency practitioners regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing.	Case reviews are completed on a quarterly basis.	
	Case Management Requirements		
	Case strategy has been determined and documented. Setting up and administering insolvent estate bank accounts throughout the duration of the case Compiling a forecast of the work that has been or is anticipated will be undertaken throughout the duration		

Pyramid Connect Limited (IN ADMINISTRATION)

Schedule of Work

	of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed. Correspondence with the former advisors to the Company requesting third party information to assist in general enquiries.			
2	ASSET REALISATION Work undertaken during the reporting period <u>Bank Interest</u> The sum of £13.27 has been received during the period. <u>Cash at Bank</u> The sum of £275 was remitted to the Administrators following the appointment. However, £165 was incorrectly paid into the account by a customer and was ultimately returned leaving a balance of £110.	ASSET REALISATION Future work to be undertaken <u>Sale of the business and assets</u> As previously reported, a sale of the Company's business and assets completed to Executive Connect Limited on 31 October 2018. The sale included an anti-embarrassment clause and an earn-out provision. This potential consideration is based on a percentage of net profits incurred during the earn-out period (50% during the first 12 months). The purchaser has an obligation to provide draft accounts to the Administrators for review to assess whether any monies will be payable.	Percentage of realisations	
3	CREDITORS Work undertaken during the reporting period <u>Secured Creditors:</u> ABN's indebtedness has been repaid in full however, the Administrators continue to liaise with them regarding	CREDITORS Future work to be undertaken <u>Unsecured creditors:</u> If sufficient funds are available to make a distribution to the unsecured creditors the office holder will write	Fixed Fee	

Pyramid Connect Limited (IN ADMINISTRATION)

Schedule of Work

	statutory matters (i.e. extension of the Administration) in accordance with their secured debts. Preferential creditors: Preferential creditor claims in respect of any arrears of wages and holiday pay have been mitigated as all employees have been transferred to ECL in accordance with TUPE regulations. There may be a small claim in respect of unpaid pension contributions, this claim is currently being quantified. HMRC claims: Liaising with HMRC to establish their claim. Landlord: The Company occupied premises at 2nd Floor Buckingham House, Glover's Court, Preston, PR1 3LS. In conjunction with the sale, a licence to occupy was granted to ECL for a three month period to allow them to negotiate with the landlord. Negotiations between the landlord and the purchaser have been protracted. The Administrators were advised that both parties had agreed to the assignment of the existing lease and a licence to assign has been completed. However, the formal deed of assignment has not been completed as the purchaser claims they have agreed terms for a new lease. The licence has expired and we understand the landlord is accepting rent directly from the purchaser.	to all known creditors to notify of the possibility of a distribution and requested submission of claims. To date the IP is aware of 18 potential creditors according to the information currently available. As required the office holder will advertise for claims and adjudicate on them if there are sufficient funds to make a distribution, either agreeing or rejecting, in full or in part. There is a statutory time limit to enable creditors whose claims have been rejected to appeal, once this time limit has passed the office holder will make a distribution to creditors.	
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Pyramid Connect Limited (IN ADMINISTRATION)

Schedule of Work

	INVESTIGATIONS Work undertaken during the reporting period	INVESTIGATIONS Future work to be undertaken	Fixed Fee
4	None	None	
5	STATUTORY COMPLIANCE AND REPORTING Work undertaken during the reporting period The case is adequately bonded. Dealing with post appointment VAT and/or other tax returns. The Company was deregistered for VAT purposes on 1 August 2019. A progress report was completed for the period 31 October 2018 to 30 April 2019. A copy was sent to the Registrar of Companies on 22 May 2019 and uploaded to the creditors portal. The Administration period has been extended until 30 October 2020 with the consent of the secured creditor.	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken To deal with the statutory requirements in order to bring the case to a close and for the office holders(s) to obtain their release from office; this includes preparing final reports for stakeholders, statutory advertising and filing the relevant documentation with the Court/Registrar of Companies	Fixed Fee
6	LEGAL AND LITIGATION Work undertaken during the reporting period None	LEGAL AND LITIGATION Future work to be undertaken None	Fixed Fee

Details of the Administrators’ disbursements for the period and cumulative

Disbursements	Period £	Cumulative £
Category 1		
Postage	-	9.00
Prof. Services	-	49.93
Bonding	-	225.00
Grand Total	-	283.93

Appendix E

Receipts and payments account for the period and cumulative

FRP

**Pyramid Connect Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 01/05/2019 To 30/10/2019 £	From 31/10/2018 To 30/10/2019 £
SECURED ASSETS		
Goodwill	NIL	44,999.00
Contracts	NIL	1.00
Book Debts	NIL	172,483.00
	NIL	217,483.00
COSTS OF REALISATION		
Administrators' Fees	10,000.00	10,000.00
Accountancy Fees	NIL	1,250.00
	(10,000.00)	(11,250.00)
SECURED CREDITORS		
ABN AMRO Commercial Finance	NIL	190,134.00
	NIL	(190,134.00)
ASSET REALISATIONS		
Furniture & Equipment	NIL	8,000.00
Cash at Bank	(165.00)	110.00
Bank Interest Gross	13.27	28.59
	(151.73)	8,138.59
COST OF REALISATIONS		
Bordereau	225.00	225.00
Administrators' Disbursements	49.93	49.93
Administrators Pre-Appointment Fees	NIL	10,000.00
Agents/Valuers Fees (1)	NIL	1,500.00
Legal fees - Pre-Administration	NIL	5,840.66
Stationery & Postage	9.00	9.00
Statutory Advertising	NIL	69.93
Bank Charges - Floating	NIL	0.80
UNSECURED CREDITORS		
Trade Creditors	(44,873.88)	
HMRC - VAT	(29,841.09)	
HMRC - PAYE/NL	(23,517.46)	
HMRC - Corporation Tax	(34,873.28)	
REPRESENTED BY		
IB Current Floating	4,485.48	
Vat Control Account	2,056.79	
	(10,435.66)	6,542.27
		6,542.27

Lila Thomas
Joint Administrator

Appendix F

Statement of expenses incurred in the Period

FRP

Pyramid Connect Limited - in Administration Statement of expenses for the period ended 30 October 2019		
Expenses	Period to 30 October 2019 £	Cumulative period to 30 October 2019 £
Office Holders' remuneration (Fixed Fee)	-	25,000
Office Holders' disbursements	-	284
Legal Fees	-	5,841
Accountancy Fees	-	1,250
Agents Fees	-	1,500
Statutory Advertising	-	70
Total	Nil	33,945

AM10

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Contact name	Katy Flynn
Company name	FRP Advisory LLP
Address	Derby House 12 Winckley Square
Post town	Preston
County/Region	
Postcode	P R 1 3 J J
Country	
DX	cp.preston@frpadvisory.com
Telephone	01772 440700



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