

# AM03

## Notice of administrator's proposals



Companies House

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[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	1	0	3	6	6	9	2	1
Company name in full	Third Eye Consulting Group Limited							

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

### 2 Administrator's name

Full forename(s)	Michael Colin John
Surname	Sanders

### 3 Administrator's address

Building name/number	6th Floor
Street	2 London Wall Place
Post town	London
County/Region	
Postcode	E C 2 Y 5 A U
Country	

### 4 Administrator's name ①

Full forename(s)	James Alexander
Surname	Snowdon

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

### 5 Administrator's address ②

Building name/number	6th Floor
Street	2 London Wall Place
Post town	London
County/Region	
Postcode	E C 2 Y 5 A U
Country	

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

# AM03

## Notice of Administrator's Proposals

**6**

### Statement of proposals

☒ I attach a copy of the statement of proposals**7**

### Qualifying report and administrator's statement <sup>①</sup>

☐ I attach a copy of the qualifying report☐ I attach a statement of disposal

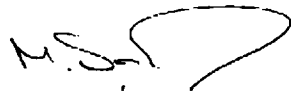
<sup>①</sup> As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

**8**

### Sign and date

Administrator's  
Signature

Signature

**X****X**

Signature date

<sup>d</sup>

1

<sup>d</sup>

6

<sup>m</sup>

0

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<sup>y</sup>

2

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2

<sup>y</sup>

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# AM03

## Notice of Administrator's Proposals



### 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 Newman, Connor

Company name Macintyre Hudson LLP

Address 6th Floor  
2 London Wall Place

Post town London

County/Region

Postcode E C 2 Y 5 A U

Country

DX

Telephone 0207 429 4100



### 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 and dated the form.



### Important information

All information on this form will appear on the public record.



### 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.



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Joint Administrators' Proposals relating to

Third Eye Consulting Group Limited – In Administration (**“the Company”**)

Issued on: 16 January 2024

Delivered to creditors on: 16 January 2024

James Alexander Snowdon and I are the Joint Administrators of the Company, and these are our statutory proposals relating to the Company.

## 1. STATUTORY INFORMATION

### Company Information

Company name: Third Eye Consulting Group Limited  
Company number: 10366921  
Date of incorporation: 8 September 2016  
Trading address: 27 Copperfield Street Ground Floor, London, SE1 0EN  
Current registered office: 27 Copperfield Street Ground Floor, London, SE1 0EN  
Principal trading activity: Information Technology Consultancy Activities

### Appointment Details

Administrators: Michael Colin John Sanders and James Alexander Snowdon  
Administrators' address: MHA, 6th Floor, 2 London Wall Place, London, EC2Y 5AU  
Date of appointment: 20 December 2023  
Court name and reference: In the High Court of Justice Business & Property Courts of England and Wales Number 006584 of 2023.  
Appointment made by: Court  
Actions of Administrators: Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

### Officers of the Company:

Directors:	Name:	Shareholding
	Jeffrey Steinke	50,000
	Kelley Walton	50,000

### Share capital

Authorised	Allotted, called up and fully paid
100,000 ordinary shares 50 pence each	100,000 ordinary shares of 50 pence each

## 2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATORS

Creditors should note that, unless otherwise stated, this section of my proposals has been prepared, based on information provided to me by the directors of the Company, and not from my personal knowledge as Administrator.

The Company was incorporated in September 2018, and began trading as an IT consultancy firm based in Central London. Initially the business was trading profitably from the benefit of long-term contracts, initially in the Education and Real Estate sectors, between 2018 to 2020.

At the onset of Covid-19 and the subsequent numerous lockdowns imposed by the UK government, two key contracts were cancelled. This led to loss in turnover, however, the directors believed that these contracts could be made up in the near future as there was a growing demand within the market. The directors therefore continued to build internal capability in the hopes of winning future long-term contracts.

The pandemic lasted longer than the directors anticipated, leading them to focus on smaller projects primarily in the high-tech sector with the view of obtaining short-term liquidity to fund future growth. In November 2021, several projects were due to commence, however further lockdowns were announced causing further delays until early 2022, resulting in further losses.

In 2022, turnover began to recover allowing the business to become a growing presence in the industry, specifically in the high-tech sector as well as landing larger contracts. The Company had also begun investment conversations to assist with the repayment of historic debts which had accumulated during the period of minimal trading.

Unfortunately, the collapse of Silicon Valley Bank led to the loss of both of the Company's major investors and projects. However, due to previous growth and the Company's place within the market, the business had successfully positioned itself as one of the most respected partners within the industry delivering best in class projects. As a result, the Company was able to pursue the larger scale projects and, in learning from previous mistakes by diversifying their strategy to include projects in other sectors, began bidding for larger digital transformations and increased its sales and marketing efforts to ensure that they were not reliant on a single deal or investors to remain profitable.

The Company saw significant improvements during 2023 where the business secured large, multi-phase projects, with several projects due to commence in Q4 2023 / Q1 2024. Q1 2024 had forecasted comfortable profitability and an increase in turnover, with marketing capabilities demonstrating superior quality pipeline. The directors began to reinstate investor relations and hired a new CFO, as well as experts with access to private banks and investors to assist in increasing profitability.

However, in Q4 2023 the Company came under pressure from HM Revenue & Customs ("HMRC") in relation to outstanding tax arrears. Despite the directors attempting to agree a payment plan with HMRC, an agreement could not be reached. An investor was willing to settle a large majority of the Company's HMRC debt, allowing the business to agree a time-to-pay plan with HMRC for the remainder. Unfortunately, the funds would not be available in time and furthermore HMRC had indicated that they would not accept a payment plan or a part-payment of the outstanding arrears. It is understood that HMRC were due to issue winding up proceedings against the Company without immediate action.

The directors continued to seek options to identify further investment, however, the directors believed potential action from HMRC would result in the loss of current projects.

The directors therefore sought advice from MHA as to their available options and it was decided that an Administration appointment would be the most appropriate option under the circumstances.

A summary of the Company's recent trading performance is shown below.

	Management Accounts YTD 10/23	Statutory Accounts YE 12/22	Statutory Accounts YE 12/21
Turnover	5,445,807	3,967,000	2,439,978
Cost of Sales	(170,631)	(206,614)	(180,673)
Gross Profit	5,275,176	3,760,386	2,259,305
Administrative Expenses	(4,600,957)	(4,871,328)	(2,708,788)
Other Operating Income	5,776	1,000	24,546

Operating (Loss)	(679,995)	(1,109,942)	(424,937)
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It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

### 3. **OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM**

As Joint Administrators of the Company, James Alexander Snowdon and I are officers of the Court, and must perform our duties in the interest of the creditors as a whole, in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) Rescue the Company as a going concern; or
- (b) Achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- (c) Realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as is apparent that the deficit of assets compared to liabilities is too high for the Company to be rescued as a going concern and it would not be possible to trade out of the deficit under administration or otherwise and its financial circumstances, inclusion of concentration of unsecured debt with HMRC, meant that a Company Voluntary Arrangement was not appropriate.

It is considered the second objective (b) could not be achieved due to the level of debt to HMRC, and insufficient realisations expected into the Administration, to enable a distribution to unsecured creditors, as most likely the realisations, net of costs, would only be paid to HMRC under its secondary preferential status. A Liquidation would result in the immediate cessation of trade, therefore materially impacting the realisable value of the Company's assets. The value of the Company's goodwill and intellectual property, in particular, would diminish if the business was no longer operating as a going concern. The realisability of the Company's book debts would also be at risk of impairment. A Liquidation would also result in higher quantum of creditor claims, namely the former employees due to redundancy. However, given the size of HMRC's preferential debt, it remained unlikely that the outcome for the creditors as a whole would be better as a result of the Administration as compared to a Liquidation.

As a result, we are seeking to achieve objective (c) for the Company, and will do this by:

- A pre-packaged sale of the Company's business and certain assets.
- Ensuring the collection of the deferred consideration following the sale of the business and certain assets.
- Assisting to realise the Company's outstanding trade debtors.
- Making a distribution to preferential creditors.

The sale of the Company's business and certain assets has also enabled the transfer of the employees to the purchaser, reducing the overall amounts due to preferential creditors and reducing the overall deficiency in respect of the insolvency estate.

In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective (c) is being pursued, I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If we are unable to complete the Administration of the Company within 12 months, then we will either apply to the Court, or seek a decision from the creditors to extend the duration of the Administration.

Furthermore, it is anticipated that the Administration will need to be extended for an additional term in order to realise all of the Company's available assets, as discussed in further detail within the report.

#### 4. DETAILS OF THE PREPACKAGED SALE AND ACTIONS TO DATE

Since my appointment as Joint Administrator, I have undertaken routine statutory and compliance work, such as filed a notice of appointment at Companies House, and prepared a London Gazette Notice, advertising the appointment. These tasks are required by statute, regulatory guidance or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still must be carried out.

Further to these tasks, members of my staff also attended the trading premises to liaise directly with the employees and management staff, to explain further details about the Administration and their employment.

On 2 January 2024, I completed a sale of the business and certain assets of the Company, to TE Digital Limited ("the Purchaser"), a company connected by way of common directorship, with all the directors of the Company also being appointed as directors of the Purchaser. The sale completed for initial consideration of £200,000, and deferred consideration totalling £500,000, the terms of which are detailed below.

The following comprises of my disclosure to creditors to meet the requirements of Statement of Insolvency Practice 16, as regards to the pre-pack sale:

##### Role of the Insolvency Practitioner

The Company's solicitors, Francis Wilks & Jones ("FWJ"), introduced James Snowdon and I on 15 November 2023 to review the Company's financial position and advise on its options. The directors engaged MHA on 22 November 2023, with the scope of work in this letter of engagement being as follows:

*"Detailed below is a summary of the services to be provided to the Company, acting via its Board, which is not exhaustive:*

1. *Advise and assist the Board in relation to the Company's affairs and business prior to the appointment of Administrators.*
2. *Advise and assist the Board in relation to the desirability of any pre-pack sale and the steps that will need to be taken to ensure that if such a sale is undertaken it is in the interests of the creditors as a whole.*
3. *Advise and assist the Board in relation to any discussions or negotiations with the Company's creditors and, in particular any secured lenders and/or Crown creditors.*
4. *Advise and assist the Board in relation to any discussions or negotiations with potential purchasers of the Company's business and assets.*
5. *Instructing agents to advise on the value of the Company's business and assets, and how best to market and realise the business and assets to further the purpose of Administration. The Board is advised that the valuation agents used must be appropriately qualified and experienced to deal with the assets and business of the Company and must hold professional indemnity insurance. The Board is further advised that the marketing of the Company's assets and*



business should comply with the essentials of marketing, details of which are contained in Appendix A.

6. *Instructing solicitors to advise on the disposal of the Company's business and assets, and to draw up sales documentation.*
7. Instructing any other relevant professional advisors to advise on matters relating to how best to further the purpose of Administration.
8. Assisting the Board in dealing with the formalities of compiling the relevant documentation to place the Company into Administration and liaising with any solicitors instructed to assist in completing such formalities.
9. *Contacting all relevant parties on behalf of the Company with a view to carrying out the above functions."*

Prior to the commencement of the Administration, I advised the Board as a whole, acting on behalf of the Company, about the Company's financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics.

As required by the Insolvency Code of Ethics, James Alexander Snowden and I considered the various threats to our objectivity arising from this prior involvement. We concluded that those threats were at an acceptable level such that we could still act objectively and hence could be appointed Administrators of the Company.

Upon review of the Company's financial position and the agreed optimal insolvency procedure, the proposed Joint Administrators discussed with the directors and FWJ the preferred route into Administration. During these discussions, it was decided that an application to Court to consider the appointment of the Joint Administrators in December 2023 would be preferable to allow a sufficient marketing campaign to be conducted whilst being under a moratorium.

A Court application was submitted on 23 November 2023 and was due to be heard on 15 December 2023, allowing sufficient time for Axia to market the business and certain assets for sale and for a sale to be agreed.

However, leading up to the hearing date, the Court advised that they would not be able to conduct the Administration application hearing until the following week and it was agreed that the hearing be delayed until 20 December 2023.

On 20 December 2023, James Alexander Snowden and I were appointed as Joint Administrators by the Court and took over from the Board responsibility for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs.

As indicated above, the purpose of this Administration is to achieve objective (c), to realise property in order to make a distribution to one or more secured or preferential creditors.

In order to help me achieve this objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective (c) is being pursued I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

### Pre-appointment considerations

The Board of Directors were advised of various restructuring options, however, it became apparent during the pre-appointment assignment that it would not be possible for the directors to restructure the business on a solvent basis.

Given the amount of debt owed to HMRC, and significant gap in equity funding it was considered that a Company Voluntary Arrangement ("CVA"), or the continuation of trade, would not have been viable in the circumstances. A CVA would also result reputational damage which significantly reduced future trading prospects, it may also have been difficult to secure given the level of HMRC secondary Preferential debt which would require significant funds in order to pay this in full and make a distribution to the unsecured creditors, which the Company did not have available to it. .

A Creditors' Voluntary Liquidation ("CVL") would result in the immediate cessation of trade, therefore materially impacting the realisable value of the Company's assets. The value of the Company's goodwill and intellectual property, in particular, would diminish if the business was no longer operating as a going concern. The realisability of the Company's book debts would also be at risk of impairment. A CVL would also result in higher quantum of creditor claims, namely the former employees due to redundancy.

The pre-packaged sale of the business enables me to achieve the objective set out above, as the realisations made will enable me to make a distribution to the preferential creditors. Whilst the transfer of the employees to the Purchaser means that the Company has no primary preferential creditors, there remain liabilities to HMRC as a secondary preferential creditor. I also confirm that the outcome achieved as a result of the pre-packaged sale was the best available outcome for creditors of the Company as a whole, in all the circumstances of the case, and that it did not unnecessarily harm the interests of the creditors of the Company as a whole.

Due to the time constraints created by the pressure being applied by HMRC and the Court application to consider the proposed Joint Administrators' appointment, as well as the already unsuccessful attempts to obtain a cash injection to settle HMRC debt, an Accelerated Mergers and Acquisitions ("AMA") process was carried out. Graham Thomas of Axia Valuation Services Limited ("Axia"), a RICS registered valuer, was instructed to assist with valuing the Company's business and certain assets, as well as managing the marketing and sale process, and a deadline of 11 December 2023 was set for initial offers. The sale was advertised on Deal Opportunities on 28 November 2023, as well as targeting potential purchasers within the industry sector and broadcasting the sale directly to Axia's trade contacts.

### Consultation with major creditors

HMRC are the only major preferential creditor of the Company. It was agreed that as HMRC were due to issue winding up proceedings, it was the best strategy to not consult with them regarding the accelerated sale process, in the event that a sale could not be completed prior to the Company being wound up.

### Previous acquisition from an Insolvency Process

I confirm the Company has not been previously acquired from an Insolvency Process.

### Valuation of the business and assets

A valuation of the Company's business and assets has been undertaken by Axia, an independent firm of valuers who has confirmed that it holds appropriate Professional Indemnity Insurance.

Axia was instructed after considering the nature and complexity of the Company's affairs, its experience in dealing with pre-packaged sales and its ability to work within the required deadlines. Axia is a specialist valuation agency and carries adequate professional indemnity insurance. Axia has no previous connection with the Company and is entirely independent. Axia's valuation was undertaken in accordance with the NAVA Valuation Standards.

The valuation report was prepared by Axia, on both Market Value In-Situ (Willing Buyer) and Market Value Ex-Situ (Forced Sale) bases and was based upon the information provided by the management and staff of the Company, as well as the necessary research enquiries conducted.

A summary of Axia's valuation report and the estimated market value of the Company's assets is detailed below:

	£	£
	MV In-Situ	MV Ex-Situ
Office Furniture & Equipment	6,000	1,000
I.T. Equipment	41,000	26,000
Deposits	50,000	NIL
Work-In-Progress	70,000	NIL
Business Intellectual Property	125,000	10,000
<b>Total Market Value In-Situ</b>	<b>292,000</b>	
	+ VAT where applicable	
<b>Total Market Value Ex-Situ</b>		<b>37,000</b>
		+ VAT where applicable

#### Marketing of the business and assets

As detailed above, Axia, a specialist firm of agents and valuers, were instructed by the proposed Joint Administrators, to market the Company's business and certain assets for sale to any interested parties, with a view to procuring a sale of all or part of the Company's business and assets. I confirm that Axia is suitably experienced, qualified and holds the appropriate professional indemnity insurance.

The marketing process resulted in 29 requests for further information.

Two offers were received by the deadline of 11 December 2023. All offers were non-binding and subject to contract. The offers received are summarised below:

Offer One – a connected company, offered initial consideration of £500,000 for the Company's business and certain assets, plus its rights and interest within loans. The offer terms included payment of the initial consideration in full upon completion of sale. Furthermore, the offer included additional consideration based on first year turnover, which would be calculated as follows: 2% of net turnover between £8,500,000 and £10,500,000; plus, 4% of net turnover over £10,500,000. This offer would also retain all employees and was not subject to any conditions.

Offer Two – an unconnected company, submitted an offer of £500,000 for the Company's business and certain assets. The offer included payment in full upon completion of sale. This offer would also retain all employees. The offer was subject to the Company settling all employee payroll costs through to date of sale completion, at the time of the offer received this would have expected to be in the region of £150-300k depending upon the completion date. It is also considered the offer would have been subject to some final due diligence and may have been subject to change.

Upon consideration of the offers received, Axia advised that Offer One represented the best outcome for the creditors of the Company, and recommended this offer for acceptance.

#### Details of the transaction

The purchasing entity was TE Digital Limited ("the Purchaser"), an associated company as both Jeffrey Steinke and Kelley Walton are joint directors and shareholders.

FWJ was instructed to progress with the sale to the Purchaser, which was initially due to complete immediately on appointment which, the originally Court hearing was set for 15 December 2023. However, in light of the rescheduled Administration application hearing, to 20 December 2023, the Directors decided to make the December 2023 payroll run, which had fallen due, from the Company's

account, prior to the appointment of Administrators later on the same day, as the likely delay that would have ensued with setting up the payment post appointment would have put the business continuity at risk and as such the sale in jeopardy. As it had previously been envisaged that the December 2023 salaries would be a liability of the acquiring entity (under "Offer one") and adjustment to the price was necessary and it was agreed a further £200,000 would be paid by 31 January 2024 in addition to the original offer level. The agents were happy to support this figure as a reasonable sum.

Shortly after appointment it became clear that there was likely to be a delay with the third party funder that had agreed to finance the acquisition and as such there followed a short period of negotiation whilst the funding was finalised and cash flows were confirmed. One of the Joint Administrators met with the purchaser, on site, on 8 January 2024, to review the position and try and find a solution that would both work in terms of the Newco's cash flow and also maximise value for the creditors in the administration estate. The outcome of which was the terms of the sale were altered whereby the Company would pay initial consideration of £200,000 and deferred consideration of £500,000 over a period of 5 months.

The sale consideration and apportionment is as follows:

ASSET/PROPERTY	PRICE APPORTIONMENT
The Business Intellectual Property Rights	£299,998
Office Equipment and Computer Hardware	£40,000
Work in Progress	£120,000
Rent Deposit	£50,000
Loans to connected parties	£190,000
Goodwill	£1
Business Contracts	£1
TOTAL	£700,000

Due to the alteration to the terms of the sale and the consideration payments, a retention of title clause has been included within the sale agreement, by which the Company retains full title until payment of the initial and deferred consideration.

There is no condition of the contract that could materially affect the consideration and the apportionment is approximately in line with the valuation undertaken by Axia. Axia were contacted and were satisfied that the revised consideration/payment terms was reasonable in the circumstances and still represented best value for the creditors.

The additional consideration is as follows:

1. Where the Purchaser's turnover is less than £8,500,000 in the initial 12 months from the date of sale, no deferred consideration is due.
2. Where the Purchaser's turnover amounts to a sum of (and including) £8,500,000 to (and including) £10,500,000 in the in the initial 12 months from the date of sale the deferred consideration is 2% of the Purchaser's turnover; and
3. Where the Purchaser's turnover is greater than £10,500,000 in the in the in the initial 12 months from the date of sale the deferred consideration is 4% of the Purchaser's turnover.

No security has been taken by the Company in respect of the additional consideration as it is based on the Purchaser's future performance.

Given the collectability of the book debts was intrinsically linked with the ability of the Newco to service the customer base the SPA also included a financial incentive for Newco to assist with book debt collections in order to maximise realisations. This is detailed below in section 5.2.

The sale is not part of a wider transaction.

#### Connected Party Transactions

As indicated above, the Purchaser of the business and assets of the Company is a connected party.

A pre-packaged sale to a connected person can only take place if they obtain a qualifying report on the proposed transaction from an independent person known as an evaluator. I can confirm that I have received a report in this case and summarise the conclusion reached below:

"I [the Evaluator] am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.

I am satisfied that the report was made by a suitably qualified and experienced independent person who holds appropriate professional indemnity insurance and who is not excluded by the insolvency legislation from acting as an evaluator. I have reviewed the report and am satisfied that it contains the information required by the insolvency legislation, such that it is a qualifying report."

The evaluator concluded that the consideration for the pre-packaged sale and the grounds for the pre-packaged sale are reasonable in the circumstances. Consequently, I proceeded with the pre-packaged sale of the business and certain assets of the Company on the terms considered and reported on by the evaluator and set out above.

It should be noted that the evaluator provided their comments on the original proposed offer, however, upon review of the circumstances leading to the amendments to the agreed terms of sale and the amended terms, it is still considered that the consideration payable is reasonable. This has been confirmed by the evaluator.

Purchasers who are connected persons are also encouraged to, but are not required to, prepare a viability statement indicating how their business will survive for at least 12 months from the date of the purchase, and detailing what they will do differently from the Company in Administration in order that the business will not fail. A viability statement has not been produced at this point of time but will be disclosed if future reports if subsequently provided to the Joint Administrators.

In addition to the above, I have undertaken routine statutory and compliance work set out at Appendix 1. These are tasks that are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

## 5. FINANCIAL POSITION OF THE COMPANY

A summary of the Company's estimated financial position as at 20 December 2023, which is known as a Statement of Affairs, is attached at Appendix 3.

### 5.1. Sale Proceeds (Initial, Deferred and Additional Consideration)

As detailed above, a sale of the Company's business and certain assets was completed on 5 January 2024.

Further details of these assets are detailed in Section 4 of this report.

I can confirm that the initial consideration of £200,000 has been paid by the Purchaser to FWJ as per the terms of the agreed sale, who are holding the funds to the Joint Administrators' order. The funds will be transferred into the Administration estate in due course.

We will continue to realise the deferred consideration, of £500k, and also make an assessment whether the additional turnover based realisation is due and realise it accordingly.

## 5.2. Book Debts

According to the Company's management accounts as at 18 December 2023, there are outstanding book debts of £676,720.

The Purchaser has been instructed to assist with the collection of these book debts owing to the existing relationship with the debtors and it has been agreed that their cost for assisting with the collection will be as follows:

- 15% of all collections made up to a total value of £300,000 (inclusive of VAT); and
- 20% of all collections made including and over a total of £300,001 (inclusive of VAT).

It is anticipated that book debts of £507,540 will be recovered during the Administration and further updates in this regard will be provided in future progress reports.

## 5.3. Cash at Bank

The Company held accounts with Revolut and Lloyds Bank Plc, holding funds totalling £149,096 as per the signed Statement of Affairs.

Since the appointment, the Joint Administrators have contacted each bank to have the funds remitted to the estate and it is understood that the total credit balance available is £146,303.

To date, no funds have been recovered.

## 5.4. Tax Refund

I understand that there may be a terminal loss relief claim and a Section 455 claim to be submitted to HMRC and this matter will be reviewed further in due course, with a view to engaging an independent firm of accountants in relation to the returns, if necessary.

## 5.5. Preferential creditors

Primary preferential creditors are former employees of the Company for unpaid wages and holiday pay. As all employees have been transferred to the Purchaser, I do not anticipate there being any primary preferential amounts owing.

HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts.

## 5.6. Prescribed part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property.

Up to a maximum of £800,000.

The Company has not created any floating charges, so the prescribed part provisions will not apply.

## **6. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

I attach at Appendix 4, a receipts and payments account to date, which I have reconciled to the financial records that I am required to maintain. The receipts represent the assets realised to date, as detailed above.

## **7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION**

In order to achieve the objective of the Administration of the Company, I propose to realise the remaining deferred consideration in respect of the sale of the business and assets of the Company, as well as collecting the remaining book debts, and cash at bank.

Based on current known information about the Company's financial position, and after taking into account the anticipated office holders' fees and expenses, I believe that there will be sufficient funds to enable a distribution to secondary preferential creditors, however, they will suffer a shortfall, as shown by the enclosed Estimated Outcome Statement at Appendix 5.

## **8. ADMINISTRATORS' REMUNERATION AND EXPENSES**

I attach a copy of my practice fee recovery policy at Appendix 6. In this case I am seeking to fix the basis of my remuneration on more than one basis as detailed below:

### Fixed fee basis:

I am seeking to be remunerated on a fixed fee basis in respect of the work my staff and I undertake in respect of the following categories of work.

### Administration:

This represents the work that my staff and I have to undertake in respect of the routine administrative functions of the case, including preparing, reviewing and issuing statutory reports. It also includes my control and supervision of the work done by my staff on the case, together with the supervisory functions of my managers). Such work does not give direct financial benefit to the creditors, but I have to undertake it in order to meet my obligations under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that I must follow.

### Creditors:

Employees – all employees will be transferred to the Purchaser, therefore there will be no employee creditors. However, should any queries with regard to the transfer of the employees as part of the pre-packaged sale be received, any work done in this regard will be included under this category.

Claims of creditors – I am required to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of my management of the case, and to ensure that I have accurate information about who to send notices and reports to. I will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. I am required to undertake this work as part of my statutory functions.

Dividends – I have to undertake certain statutory formalities in order that I can pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

#### Investigations:

The insolvency legislation gives me powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. I am required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors.

If I identify potential recoveries, or matters for further investigation, then I will need to undertake additional work to investigate them in detail and attempt recovery where necessary. I cannot fix the basis of my remuneration for dealing with such unknown or uncertain assets at present, and if such assets are identified I will seek approval for an appropriate fee basis.

I am also required by legislation to report to the Secretary of State on the conduct of the directors. I have to undertake this work to enable me to comply with this statutory obligation, which is of no direct benefit to the creditors, although it may identify potential recovery actions.

I am seeking a fixed fee of £55,000 in respect of this work. In addition to the work specific to the case for which I will be remunerated on a fixed fee basis, as detailed above, information about the routine work that I will also undertake on a fixed fee basis is set out at Appendix No. 1.

I consider that this is a routine case, as highlighted by the information provided above, and consider that this demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. In addition, it is considered that the agreement of a fixed fee will provide certainty to the creditors of the proposed outcome and allow for a more timely distribution to be paid, which would not be the case if the Joint Administrators' fees were agreed on a time costs basis.

Based on the value of the known assets of the Company I anticipate being able to draw this fixed fee in full.

#### Percentage basis:

I am seeking to be remunerated on a percentage of realisations made in respect of the work my staff and I undertake in respect of the following categories of work.

Realisation of assets: This represents the work I will undertake to protect and then realise the Company's assets. It also includes work in connection with supervising the professional advisors that I intend to instruct to assist me in realising the Company's assets. More details about those professional advisors is set out below. If the Company's assets are recovered, I will first use the proceeds to meet the costs and expenses of the case and then distribute any balance to the creditors in the statutory order of priority.

I am seeking to recover 20% of all assets realised during the Administration, which includes those referred to in section 5 of this report and any further assets that are identified during the Administration.

I am seeking to be remunerated on the basis of a percentage of assets realised in respect of the work I am undertaking to realise those assets. I have selected percentage charges that relates to the work involved in realising that type of asset.

Based on the assets of the Company being realised for the amounts as estimated above, then my remuneration based on a percentage of such realisations would be £271,327.



I think the percentage I am seeking approval for reflects the risk that I am taking, the nature of the assets involved, and the complexity of the case, as highlighted above. This fee basis also provides a degree of certainty to creditors in order that the level of Administrators' costs will be capped as a percentage of realisations, as such preserving the significant majority for distribution to the creditor base. As a result, I believe that this demonstrates why the percentages proposed are expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken.

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- Category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- Category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

The following professional advisors have undertaken work on this case to date:

Professional Advisor	Nature of Work	Fee Arrangement
Axia	Valuing and realising assets	Fixed Fee / Time Costs
FWJ	Legal advice	Time Costs
Marsh	Insurance	Fixed Fee
Leonard Curtis	Assistance with preparation of Statement of Affairs	Fixed Fee

My choice of professional advisors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they hold appropriate regulatory authorisations. I consider that the basis on which they will charge their fees represents value for money.

My category 1 expenses incurred to date amount to £16,453 in total, and are made up as follows:

Nature of category 1 expense	Amount incurred/ accrued to date £	Amount still to be paid £
Gazette	100	100
Bonding	20	20
Statement of Affairs Preparation	2,500	2,500
Agents' Fees	2,514	2,514
Solicitors' Fees	11,319	11,319
Total	16,453	16,453

I have not paid any category 1 expenses to date.

I anticipate that category 1 expenses totalling £119,708 will arise in this case, relating to the Joint Administrators' disbursements, agents' fees and solicitors' fees, as detailed in the table below. I am able to pay expenses without needing to obtain approval, but when I issue statutory reports during the Administration, I will compare the actual expenses incurred with the original estimate provided and will explain any material differences.

Nature of category 1 expense	Amount incurred/ accrued to date £	Total amount expected to be incurred £
Joint Administrators' Expenses	120	500
Insurance	-	200
Statement of Affairs Preparation	2,500	2,500
Agents' Fees	2,514	5,000
Solicitors' Fees	11,319	25,000
Debt Collection Fees and Expenses	-	86,508
Total	16,453	119,708

I do not intend to incur any category 2 expenses.

I have already commented in this report about the likelihood of a return being made to each class of creditor of the Company, but also attach at Appendix 5 an estimated outcome statement. This sets out in numerical form the anticipated realisations that will be made, based on the estimated value of the Company's assets as detailed earlier in my report, together with the estimated payments to be made, based on my proposed remuneration and estimated expenses as detailed above. While every effort has been taken to make this as accurate as possible, creditors will appreciate that it will be affected by any differences between the amounts actually realised compared with the estimated value of assets, and by any differences between actual expenses incurred and those included in my estimate.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.mha.co.uk/?/guides-to-fees>. There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed at Appendix 6.

## 9. PRE-ADMINISTRATION COSTS

The Board of Directors instructed me to assist them in placing the Company in Administration on 2 November 2023, details of this engagement are detailed above. This engagement letter detailed that fees of £15,000 plus VAT in relation to my pre-Administration costs would be charged. It was subsequently agreed with the directors that a payment of £15,000 plus VAT would be made by the Company on account and any further time costs incurred prior to the Administration would be paid from the Administration estate. The Joint Administrators' unpaid pre-Administration time costs are £13,866.

I also assisted the Board take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

Axia undertook the necessary to identify, inspect, secure and commence marketing procedures in relation to the attempted sale of the Company's business and assets. Their fees and expenses for providing that work were £38,791, and £202, respectively.

FWJ undertook the necessary legal formalities to put the company into Administration, as well as providing legal advice and assisting with the sale of the business and assets of the Company. It was agreed between FWJ and the Company that £25,000 would be paid on account of their costs, with any additional charges being paid out of the Administration estate following the appointment. FWJ's outstanding pre-Administration costs amount to £17,914 plus VAT.

The following statement sets out my pre-Administration costs incurred. The statement also shows those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

Description	Paid Pre-appointment £	Amount requiring approval £
Administrators' pre-appointment fees	15,000.00	13,866.25
Axia	Nil	38,992.90
FWJ	20,833.33	17,914.00
Total	35,833.33	70,793.15

The requisite approval is being sought for the above costs, together with seeking approval to fix the basis of my remuneration, in the notice of decision at appendix 8.

If a Creditors' Committee is appointed, it will be for the committee to approve payment of the pre-administration costs that have not yet been paid. If a committee is not appointed, then since the pre-administration costs that have not yet been paid cannot be approved as part of these proposals, I will be seeking a separate decision from the creditors in accordance with rule 3.52 at the same time I seek a decision from them on whether or not to approve these proposals.

#### 10. ADMINISTRATORS' INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

#### 11. EU REGULATION ON INSOLVENCY PROCEEDINGS

I consider that these are "COMI proceedings" since the Company's registered office and its trading address are in the United Kingdom, such that its centre of main interest is in the United Kingdom.

#### 12. ADMINISTRATORS' PROPOSALS

In order to achieve the objective, set out at section 3 above, James Snowdon and I formally propose to creditors that:

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
  - (i) Will continue to collect the deferred consideration under the terms of the SPA;
  - (ii) Meet all statutory reporting and filing requirements, including 6 monthly reports, seeking an extension where necessary and issuing a final report and notices; Maintain case files, which must include records to show and explain the administration and any decisions made by the Administrator; conduct periodic case reviews; maintain and update the estate cash book accounts, including regular bank reconciliations and processing receipts and payments;
  - (iii) Sell the Company's assets at such times and on such terms as we consider appropriate;
  - (iv) Investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former

officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and

- (v) Do all such things and generally exercise all their powers as Joint Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.
- (b) The Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.
- (c) The Administration of the Company will end by making an application to Court for an order that the Administration cease.

### 13. APPROVAL OF PROPOSALS

Since the purpose of the Administration is to achieve objective (c), that is to realise property in order to make a distribution to one or more secured or preferential creditors of the Company, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals.

I intend to utilise the legislation in accordance with Paragraph 52(1) of Schedule B1 of the Insolvency Act, whereby as there will be no prospect of making a distribution under the Prescribed Part in the Administration, the Joint Administrators' Proposals will be deemed to have been approved unless a decision has been requested under Paragraph 52(2) of Schedule B1.

However, a creditor, or creditors, whose debts amount to at least 10% of the total debts of the Company can require me to hold a decision procedure to enable creditors to consider whether or not to approve these proposals and/or to consider such other decision as they see fit. Such a request must be received by me within 8 business days from the date these proposals are delivered to the creditors. If creditors do not require me hold a decision procedure within that time period, then these proposals will be deemed to have been approved.

Creditors should note that I need not initiate the decision procedure unless the creditor, or creditors, requisitioning the decision procedure provides me with such amount that I request from them to meet the expenses of the requisitioned decision procedure.

I am, however, seeking decisions by correspondence from the creditors to approve a number of decisions, such as approval of my pre-Administration costs and to fix the basis of my remuneration and notice of the decision procedure can be found at Appendix 7 along with a voting form. If a creditor wishes to vote on the decisions, they must complete and return the enclosed voting form to me by no later than 23.59 on 31 January 2024, the decision date. If a creditor has not already submitted proof of their debt, they should complete the enclosed form and return it to me, together with the relevant supporting documentation. A vote on the decisions by a creditor will not count unless they have lodged proof of their debt by no later than 23.59 on 31 January 2024.

Creditors are also invited to determine whether to form a Creditors' Committee, and a notice of invitation to form a Creditors' Committee and further instructions are enclosed at Appendix 8. To enable the creditors to make an informed decision as to whether they wish to either seek to form a committee, or to nominate themselves to serve on a committee, further information about of the role of the Committee and what might be expected from its members has been prepared by R3 and can be found is available at the link <http://www.creditorinsolvencyguide.co.uk/>.

Please note that I must receive at least one vote by the decision date, or the decisions will not be made. I would therefore urge creditors to respond promptly.

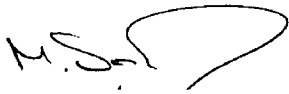
Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within 5 business days of the delivery of the notice that accompanies this letter. Such requests must be

supported by proof of their debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

#### 14. FURTHER INFORMATION

To comply with the Provision of Services Regulations, some general information about MHA, including about our complaints policy and Professional Indemnity Insurance, can be found at <https://www.mha.co.uk/legal-disclaimer>.

If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available on-line, they should contact Connor Newman on the above telephone number, or by email at [Connor.Newman@mha.co.uk](mailto:Connor.Newman@mha.co.uk).

A handwritten signature in black ink, appearing to read 'M. Sanders', with a large, sweeping flourish extending to the right.

Michael Colin John Sanders  
Joint Administrator

The Joint Administrators are agents of the Company and act without personal liability.

## Appendix 1: Details of work undertaken to date

### Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their staff). It does not give direct financial benefit to the creditors but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holders' estate bank account.
- Creating, maintaining and managing the office holders' cashbook.
- Overseeing and controlling the work done on the case by case administrators.
- Filing notices at Companies House.

### Creditors

The office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

### Realisation of assets:

- Liaising with the Purchaser to have the proceeds of the sale of the business and assets remitted to the estate.
- Monitoring debtor realisations and deferred consideration with the Purchaser.
- Arranging suitable insurance cover over assets.
- Regularly monitoring the suitability and appropriateness of the insurance cover in place.
- Supervising the work of advisors instructed on the case to assist in dealing with the collection of book debts; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- Liaising with the bank regarding the realisation of cash at bank and the closure of the account.

## Appendix 2: Details of work to be undertaken in the Administration

Work for which the Administrator is seeking to be remunerated:

### Administration:

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- Preparing, reviewing and issuing proposals to the creditors and members.
- Filing the proposals at Companies House.
- Seeking approval of the proposals and fee basis by decision procedure.
- Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court.
- Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 month progress reports to creditors and members.
- Filing progress reports at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing final reports to creditors and members.
- Filing final reports at Companies House.

### Realisation of assets:

- Liaising with the Purchaser to have the proceeds of the sale of the business and assets remitted to the estate.
- Monitoring debtor realisations and deferred consideration with the Purchaser.
- Arranging suitable insurance over assets.
- Regularly monitoring the suitability and appropriateness of the insurance cover in place.
- Supervising the work of advisors instructed on the case to assist in dealing with the collection of book debts; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- Liaising with the bank regarding the realisation of cash at bank and the closure of the account.

### Creditors:

- Corresponding with employees regarding their TUPE transfer.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Liaising with HMRC to establish their claim.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.

- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Calculating and paying a dividend to preferential creditors, and issuing the notice of declaration of dividend.

Investigations:

- Recovering the books and records for the case.
- Listing the books and records recovered.
- Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.
- Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors.



### Appendix 3: Statement of Affairs

## Statement of affairs

Name of Company <b>Third Eye Consulting Group Limited</b>	Company number <b>10366921</b>
In the <b>High Court of Justice The Business and Property Courts of England and Wales</b> <small>(full name of court)</small>	Court case number <b>006584 of 2023</b>

(a) Insert name and address of registered office of the company

(b) Insert date

Statement as to the affairs of (a) Third Eye Consulting Group Limited 2 London Wall Place, London, EC2Y 5AU ("the company")

on the (b) 20 December, 2023, the date that the company entered administration.

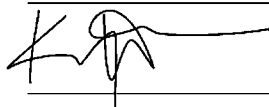
### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 20 December, 2023 the date that the company entered administration. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

---

Full name      **Ms. Kelley Elyse Walton**

Signed



Date

**January 12th, 2024**

A - Summary of Assets

Uncharged Assets

	Book Value £	Estimated to Realise £
Business Intellectual Property Rights	Nil	299.998
Goodwill	Nil	1
Business Contracts	Nil	1
Leasehold Improvements	31.237	Nil
Computer & Office Equipment	95.613	40.000
Work In Progress	Nil	120.000
Rent Deposit	114.122	50.000
Directors' Loan Account	380.188	190.000
Debtors	676.720	507.540
Cash at Bank / In Hand	149.096	149.096
Prepayments	172.740	Nil
S455 Tax Refund	35.758	Nil
Estimated Total Assets Available to Preferential Creditors	1.655.474	1.356.636

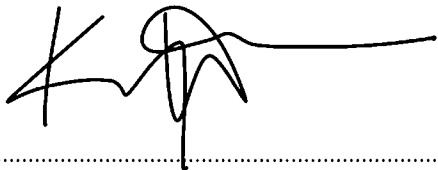


Kelley Walton  
Co-Founder & Director

Signature: .....

Date: 11 January 2024

A1 - Summary of Liabilities		Estimated to Realise £
Estimated Total Assets Available for Preferential Creditors		1.356.636
Preferential Creditors		
Nil		-
Estimated Total Assets Available for Secondary Preferential Creditors		1.356.636
Secondary Preferential Creditors		
HM Revenue and Customs - PAYE & VAT	(3.685.903)	(3.685.903)
Estimated Deficiency as regards Secondary Preferential Creditors (carried forward)		(2.329.267)
Estimated Total Assets Available to Unsecured Creditors		Nil
Trade & Expense Creditors	(6.766)	
Unsecured Connected Creditors	(60.000)	
Other Unsecured Creditors	(96.465)	(163.231)
Estimated Surplus / (Deficit) as regards Unsecured Creditors		(163.231)
Estimated Deficiency as regards Secondary Preferential Creditors (bought down)		(2.329.267)
Estimated Total Surplus / (Deficit) as regards Creditors		(2.492.498)
Issued and Called Up Capital		
Ordinary £0.50 Shares		(50.000)
Estimated Total Surplus / (Deficit) as regards Members		(2.542.498)


  
Signature: .....  
Kelley Walton  
Co-Founder & Director

Date: 11 January 2024

THIRD EYE CONSULTING GROUP LIMITED (IN ADMINISTRATION)  
REGISTERED NUMBER: 10366921

COMPANY CREDITORS

Name of Creditor or Claimant	Address			Post Code	Amount £	Details of Security	Date security given	Value of Security
<b>Secondary Preferential Creditors</b>								
HM Revenue & Customs - VAT & PAYE	HMRC	Direct		BX5 5BD	3,685,903.93	None	-	-
<b>Total Secondary Preferential Creditors</b>					<u>3,685,903.93</u>			
<b>Total Preferential Creditors</b>					<u><u>3,685,903.93</u></u>			
<b>Unsecured Trade and Expense Creditors</b>								
BT	Kings House	4 Elm Court	Stratford Upon Avon	CV37 6PA	5,389.20	None	-	-
PEAC Solutions Inspired	Easthampstead Road	Bracknell		RG12 1YQ	1,376.32	None	-	-
<b>Total Trade and Expense Creditors</b>					<u>6,765.52</u>			
<b>Unsecured Connected Creditors</b>								
Dan & Beth Steinke					60,000.00	None	-	-
<b>Total Unsecured Connected Creditors</b>					<u>60,000.00</u>			
<b>Other Unsecured Non Preferential Creditors</b>								
Smart Pension	The Smart Building	136 George Street	London	W1H 5LD	1,666.67	None	-	-
Funding Circle Limited	71 Queen Victoria Street	London		EC4V 4AY	94,798.10	None	-	-
<b>Total Other Unsecured Non Preferential Creditors</b>					<u>96,464.77</u>			
<b>Consumer Creditors</b>					Nil	None	-	-
<b>Total Consumer Creditors</b>					<u>-</u>			
<b>Total Unsecured Creditors</b>					<u><u>163,230.29</u></u>			
<b>Total Creditors</b>					<u><u>3,849,134.22</u></u>			

Signature:  Kelley Walton  
Co-Founder & Director

Dated: 11 January 2024

THIRD EYE CONSULTING GROUP LIMITED (IN ADMINISTRATION)  
REGISTERED NUMBER: 10366921

COMPANY SHAREHOLDERS

Name of Shareholder	Address		Post Code	Number of Shares Held	Nominal Value £	Details of Shares Held
Jeffrey Steinke	2 London Wall Place	London	EC2Y 5AU	50.000	25.000	Ordinary £0.50 shares
Kelley Walton	2 London Wall Place	London	EC2Y 5AU	50.000	25.000	Ordinary £0.50 shares
Total				100.000	50.000	

Signature: 

Kelley Walton  
Co-Founder & Director

Dated: 11 January 2024

Appendix 4: Receipts and Payments Account

Third Eye Consulting Group Limited  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments  
To 16/01/2024

S of A £	£	£
		NIL
REPRESENTED BY		NIL

## Appendix 5: Estimated Outcome Statement

Third Eye Consulting Group Limited (in Administration)  
Estimated Outcome Statement as at 16 January 2024

	Notes	Book Value £	Estimated to Realise £
Uncharged Assets			
Business Intellectual Property Rights		-	299,998
Goodwill		-	1
Business Contracts		-	1
Leasehold Improvements		31,237	-
Computer & Office Equipment		95,613	40,000
Work In Progress		-	120,000
Rent Deposit		114,122	50,000
Directors' Loan Account		380,188	190,000
Debtors		676,270	507,540
Cash at Bank / In Hand		149,096	149,096
Prepayments		172,740	-
S455 Tax Refund		35,758	-
Turnover Consideration	1	-	Uncertain
Total		1,655,024	1,356,636
Less: Floating Charge Costs			
Joint Administrators' Fees			(327,552)
Joint Administrators' Expenses			(500)
Joint Administrators' Fees Pre Appointment			(13,866)
Agents' Fees Pre Appointment			(38,993)
Agents' Fees			(7,500)
Legal Fees Pre Appointment			(17,914)
Legal Fees			(25,000)
Insurance			(200)
Debt Collection Fees and Expenses			(86,508)
Total			(518,033)
Amounts Available to Preferential Creditors			838,603
1st Ranking: Employees			-
2nd Ranking: HMRC			(3,685,904)
Amounts Available to Prescribed Part			(2,847,301)
Prescribed Part			-
Amounts Available for Floating Charge Creditors			(2,847,301)
Floating Charge Creditors			-
Amounts Available for Unsecured Creditors			(2,847,301)
Unsecured Creditors			(163,230)
Total Surplus/(Deficit) to Unsecured Creditors			(3,010,532)

### Notes

1. Turnover consideration is dependant on the performance of the Purchaser in the first 12 months of trading post sale.



## Appendix 6: Practice Fee Recovery Sheet

AUDIT • TAX • ADVISORY

Now, for tomorrow

FOCUS ON

### Restructuring and Recovery - CHARGE OUT RATES

The below information is to assist creditors in making an informed decision on any resolution seeking approval of the office holder's remuneration.

MHA's Restructuring and Recovery charge out rates (exclusive of VAT).

Our current charge-out rates which may be amended from time to time are as follows:

Position	Rates from 1 April 2022 – 31 March 2023	1 April 2023 – 31 March 2024
Partner	565	595
Director	475 - 565	595
Manager	350 - 450	450 - 475
<b>Administrators</b>		
Senior Administrator	235 - 330	350
Administrator	250 - 310	220 - 325
Assistant	190 - 195	220
Cashier	205	250

It is the firm's policy to recharge all disbursements properly incurred to the relevant insolvency case where there is identifiable specific expenditure. Any costs which may involve an element of shared or allocated costs or are for services provided by the firm, are detailed in the firm's receipts and payments accounts as 'Category 2 Disbursements'.

MHA's Restructuring and Recovery disbursements charges (exclusive of VAT).

Our current disbursement charges which may be amended from time to time are as follows:

Disbursement	Charge £
Photocopying	15p per copy
Postage	per current postal charges
Travel	As per cost
Car Mileage	48p per mile
Document storage (internal)	70p per box per month
Storage	£5 per box per month
Room Suite 1 & 2 half day/evening hire	£150
Room Suite 1 & 2 full day	£300
Room Suite 1, 2 & 3 half day/evening	£200
Room Suite 1, 2 & 3 full day	£400

Please note that no charge is made relating to the recovery of the firm's overhead costs

#### Contact

Should you require clarification on any of the above, do not hesitate to contact us on **+44(0)20 7429 4100** or email: [MHARestructuringRecovery@mhlip.co.uk](mailto:MHARestructuringRecovery@mhlip.co.uk)

[mha.co.uk](http://mha.co.uk)

MHA is the trading name of MHA (Insolvency) Limited, a limited liability partnership registered in England with registration number 06215112. A list of current partners is open for inspection at its registered office, 201 Silkbury Boulevard, Milton Keynes MK14 1JZ.



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## Appendix 7: Notice of Decision via Correspondence

Third Eye Consulting Group Limited – In Administration  
In the High Court of Justice The Business and Property Courts of England and Wales Number  
006584 of 2023

(Company Number 10366921)

Notice is given by Michael Colin John Sanders and James Alexander Snowdon to the creditors of Third Eye Consulting Group Limited that set out below are decisions for your consideration under paragraph 51 of Schedule B1 of the Insolvency Act 1986. Please complete the voting section below indicating whether you are in favour or against the following decisions:

i). That the Administrators' Pre-Administration costs, the details of which are set out in the Administrators' proposals and issued with the notice of the decision procedure, be approved.

ii). That the Administrators' fees be approved on a combination of a fixed fee basis and percentage basis for different categories of work, the details of which are set out in the Administrators' proposals and issued with the notice of the decision procedure.

The final date for votes is 31 January 2024, the decision date.

1. In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at MHA, 6th Floor, 2 London Wall Place, London, EC2Y 5AU by no later than 23.59 hours on 31 January 2024. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
2. Creditors must lodge proof of their debt (if not already lodged) at the offices of Michael Colin John Sanders or James Alexander Snowdon by no later than 23.59 on 31 January 2024, without which their vote will be invalid.
3. Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
4. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decisions provided they have lodged proof of their debt.
5. Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decisions above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
6. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to Court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of the Decision Date.

Creditors requiring further information regarding the above, should either contact me at 6th Floor, 2 London Wall Place, London, EC2Y 5AU, or contact Connor Newman by telephone on 0207 429 4100, or by email at Connor.Newman@mha.co.uk.

DATED THIS 16TH DAY OF JANUARY 2024

  
Michael Colin John Sanders  
JOINT ADMINISTRATOR

THIRD EYE CONSULTING GROUP LIMITED - In Administration

(Company Number 10366921)

Voting on Decisions

- i). That the Administrators' Pre-Administration costs, the details of which are set out in the Administrators' proposals and issued with the notice of the decision procedure, be approved.

For / Against

- ii). That the Administrators' fees be approved on a combination of a fixed fee basis and percentage basis for different categories of work, the details of which are set out in the Administrators' proposals and issued with the notice of the decision procedure.

For / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of  
creditor: \_\_\_\_\_

Signature of  
creditor: \_\_\_\_\_

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which  
signing document: \_\_\_\_\_

Dated \_\_\_\_\_

## **Appendix 8: Notice of invitation to form a Creditors' Committee**

Third Eye Consulting Group Limited – In Administration  
In the High Court of Justice The Business and Property Courts of England and Wales Number  
006584 of 2023

(Company Number 10366921)

NOTICE IS GIVEN by Michael Colin John Sanders and James Alexander Snowdon to the creditors of Third Eye Consulting Group Limited of an invitation to establish a Creditors' Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016.

1. In addition to seeking a decision on the matters set out in the accompanying notice, creditors are also invited to determine by correspondence, at the same time, whether a Creditors' Committee should be established.
2. A Committee may be formed if a minimum of 3 and a maximum of 5 creditors are willing to become members.
3. Nominations can only be accepted for a creditor to become a member of the Committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes.
4. The specified date for receipt of nominations for creditors to act as a member of the Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016 is 31 January 2024, the Decision Date.
5. Please complete the form sent with this notice and include the name and address of any person you wish to nominate to act as a member of the Committee. The completed document should be returned to Macintyre Hudson LLP of 6th Floor, 2 London Wall Place, London, EC2Y 5AU so that it is received by no later than 23.59 hours on 31 January 2024, the decision date.

Note: Further information on the rights, duties and the functions of a committee is available in a booklet published by the Association of Business Recovery Professionals (R3). This booklet can be accessed at <http://www.creditorinsolvencyguide.co.uk/>. If you require a hard copy of the booklet, please contact Connor Newman of Macintyre Hudson LLP by email at [Connor.Newman@mha.co.uk](mailto:Connor.Newman@mha.co.uk), or by phone on 0207 429 4100.

The final date for votes to establish a committee is 31 January 2024, the decision date.


1. In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at Macintyre Hudson LLP, 6th Floor, 2 London Wall Place, London, EC2Y 5AU by no later than 23.59 hours on 31 January 2024. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
2. Creditors must lodge proof of their debt (if not already lodged) at the offices of Michael Colin John Sanders or James Alexander Snowdon by no later than 23.59 on 31 January 2024, without which their vote will be invalid.
3. Creditors with small debts, that is claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
4. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision provided they have lodged proof of their debt.
5. Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decision above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A

meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

6. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to Court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of the Decision Date.

Creditors requiring further information regarding the above, should either contact me at 6th Floor, 2 London Wall Place, London, EC2Y 5AU, or contact Connor Newman by telephone on 0207 429 4100, or by email at Connor.Newman@mha.co.uk.

DATED THIS 16TH DAY OF JANUARY 2024

A handwritten signature in black ink, appearing to read 'M. Sanders', with a large, sweeping flourish extending to the right.

Michael Colin John Sanders  
JOINT ADMINISTRATOR