



For further information, please
refer to our guidance at
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1 Company details

Company number 0 2 8 0 3 1 4 0

Company name in full Tolent Homes Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) James Ronald Alexander

Surname Lumb

3 Administrator's address

Building name/number c/o Interpath Ltd

Street 60 Grey Street

Post town Newcastle upon Tyne

County/Region

Postcode N E 1 6 A H

Country

4 Administrator's name ①

Full forename(s) Howard

Surname Smith

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number c/o Interpath Ltd

Street 60 Grey Street

Post town Newcastle upon Tyne

County/Region

Postcode N E 1 6 A H

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 1	^d 3	^m 0	^m 2	^y 2	^y 0	^y 2	^y 3
To date	^d 1	^d 2	^m 0	^m 8	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

James Lees

X

Signature date

^d 0	^d 6	^m 0	^m 9	^y 2	^y 0	^y 2	^y 3
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**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 **Clare McCain**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street**

Post town **Glasgow**

County/Region

Postcode **G 2 5 H F**

Country

DX

Telephone **Tel +44 (0) 113 521 7510**

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

**Further information**

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Joint
Administrators'
progress report
for the period
13 February
2023 to 12
August 2023

Tolent Homes Limited - in
Administration

6 September 2023

Deemed delivered: 6 September 2023

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://tolenthomes.ia-insolv.com>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 8).

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1 Executive summary

James Lumb and Howard Smith of Interpath Advisory ('Interpath') were appointed as Joint Administrators of Tolent Construction Limited ('TCL') Tolent Solutions Limited ('TSL'), Tolent Living Limited ('TLL'), Tolent Homes Limited ('THL'), Tolent PLC ('TPLC') and Ravensworth Properties Limited ('RPL') on 13 February 2023, and of Coolmore Land Limited ('CLL') on 15 March 2023 (together the 'Group'). For the purpose of this report Tolent Homes Limited is referred to as the 'Company'.

The notice of appointment was lodged at High Court of Justice, Business and Property Court, Leeds, Insolvency and Companies List (ChD) on 13 February 2023 and we were duly appointed.

This progress report covers the period from the date of our appointment to 12 August 2023.

We delivered our Statement of Proposals ('Proposals') to all known creditors on 5 April 2023. They were deemed approved without modification on 19 April 2023.

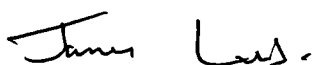
Rental income has been received from tenants in the Echo Building, and we are in the process of preparing to market the apartments for sale (Section 2 - Progress to date).

Based on current information, it is anticipated that IGF's indebtedness will be fully repaid from asset realisations across the Group (Section 3 - Dividend prospects).

We are not aware of any preferential creditors (Section 3 - Dividend prospects).

Based on current estimates it is highly unlikely that there will be a distribution to the unsecured creditors of the Company (Section 3 - Dividend prospects).

Please note: you should read this progress report in conjunction with our Proposals which were issued to the Company's creditors and can be found at <http://tolenthomes.ia-insolv.com>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



James Lumb
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our Proposals.

2.1 Strategy and progress to date

Strategy

Please refer to our detailed Proposals report with regard to the strategy for the Group, a copy of this can be found at <http://tolenthomes.ia-insolv.com>.

The Company owns the long leasehold of 25 apartments in the Echo Building in Sunderland, let out to private tenants, following the historic construction of the scheme by Tolent Construction Limited.

We have engaged with PHD Property Advisory Limited ('PHD') and the incumbent agents Hackett Property Limited ('Hacketts') to assist with the management and sale of the apartments. Our strategy is focused on working with Hacketts and PHD to maximise net rental income whilst exploring relevant sale opportunities.

With our agents we have reviewed rent levels as the apartments come up for renewal and sought to understand and challenge the service charge. To assess the market for the apartments, one apartment will be placed into auction with a second marketed for sale via private treaty. The outcome of the sales will help to determine our strategy as to whether selling the remaining apartments.

The Company did not employ any staff; all central functions were provided by Tolent Construction Limited, another Group company.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Rent

Our agents, Hacketts, have collected £92,601 in respect of rental income from tenants of Echo Building for the period up to 17 July 2023.

In addition, Hacketts have collected additional rental income of £24,381 in the period from 18 July 2023 to 31 August 2023. These funds will be transferred to the joint administrators account in the subsequent period.

Insurance

A pre appointment insurance refund of £9,230 was due to the Company during the period.

Bank interest

£265 in respect of gross interest has been received during the period on monies held in our floating charge bank account.

Sundry refunds

A refund of £62 has been received from British Gas during the period.

Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Service Charges

During the period we have paid £41,957 for the service charge in the Echo Building.

Ground Rent

During the period we have paid £4,862 in ground rent for the Echo Building.

Agents fees – Disbursements cost

During the period we have paid £8,955 to Hacketts in respect of repairs to the apartments incurred in the period to 17 July 2023.

In the period from 18 July 2023 to 31 August 2023 Hacketts have incurred additional costs of £6,514. These costs will be reflected in the subsequent period.

Agents' fees – Management commission

During the period we have paid £5,943 to Hacketts for management services to 17 July 2023 including, collecting rent, dealing with repairs and maintenance and new lettings.

In the period from 18 July 2023 to 31 August 2023 Hacketts have incurred additional management commission costs of £3,863. These costs will be reflected in the subsequent period.

Property Management fees

We have paid £4,000 to PHD Property Limited for their property advice and services during the period, including advice around the sales strategy.

Irrecoverable VAT

The Company is not VAT registered. During the period we have incurred £3,414 of irrecoverable VAT on payments made.

In the period from 18 July 2023 to 31 August 2023 the additional costs incurred by Hacketts have incurred additional irrecoverable VAT of £1,050 which will be reflected in the subsequent period.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

3 Dividend prospects

3.1 Secured creditors

IGF holds security over the Company's assets by virtue of charges dated 21 May 2021. IGF provided an invoice discounting facility accessible to the Group which was used during the ordinary course of trading. In addition, IGF provided a property loan secured by fixed charges against property owned by the Group.

IGF's indebtedness is currently estimated at £4.7 million across the Group. This balance will be offset by debtor monies held, which totalled £0.6 million across the Group at date of the appointment of Administrators.

Based on current information, it is anticipated that IGF's indebtedness will be fully repaid from asset realisations across the Group. IGF is expected to receive a dividend from the Company but the timing and quantum of this is uncertain.

3.2 Ordinary preferential creditors (employees)

We are not aware of any ordinary preferential claims against the Company.

3.3 Secondary preferential creditors (HMRC)

We are not aware of any secondary preferential claims against the Company.

3.4 Unsecured creditors

Unsecured creditors per the directors' statement of affairs total £7,892,896.

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors.

4 Joint Administrators' remuneration, expenses and pre-administration costs

4.1 Joint Administrators' remuneration and expenses

We are seeking approval from IGF, the Secured Creditor, that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 4 and the charge-out rates included in Appendix 6.
- category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 6.
- unpaid pre-appointment costs as set out in our Statement of Proposals will be paid as an expense of the administration.
- the Joint Administrators be discharged from liability in respect of any action of theirs as Joint Administrators on filing their final progress report with the Registrar of Companies.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to seek approval for the basis of our remuneration.

Time costs

From the date of our appointment to 12 August 2023, we have incurred time costs of £166,795. These represent 326 hours at an average rate of £512 per hour.

Remuneration

During the period, we have not drawn any remuneration.

Administrators' Expenses

During the period, we have incurred expenses of £535. None of these have yet been paid.

Additional information

We have attached an updated fees estimate at Appendix 4. Although our estimated time costs have not increased, we have reallocated time within the workstreams. Please see our detailed narrative at Appendix 4.

We have attached a revised expenses estimate at Appendix 5. Our estimated expenses have increased due to additional work required for the production of the Statement of Affairs and additional costs in respect of storage costs and irrecoverable VAT.

We have attached (Appendix 6) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from our appointment to 12 August 2023. We have also attached our charging and expenses policy.

4.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our Proposals:

Pre-administration costs				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the period (£)	Outstanding (£)
Pre administration fees – Interpath	535.50	NIL	NIL	535.50
Legal fees – Shoosmiths	1,922.00	NIL	NIL	1922.00
Total	2,517.50	NIL	NIL	2,517.50

We are seeking approval from the Secured Creditor, IGF, to pay these pre-administration costs as an expense of the administration.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Actively managing the properties, including collecting and reviewing rental income and monitoring and challenging expenses;
- testing sales strategies and delivering apartment sales;
- securing any relevant books and records;
- paying any outstanding costs of the administration;
- drawing our remuneration and paying our expenses; and
- closure of the administration.

5.2 Discharge from liability

We are seeking approval from IGF, the Secured Creditor, that we be discharged from liability in respect of any actions as Joint Administrators, upon the filing of our final progress report with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

5.3 Future reporting

We will provide a further progress report within one month of 12 February 2023 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company name	Tolent Homes Limited
Date of incorporation	24 March 1993
Company registration number	02803140
Present registered office	Interpath Ltd, 60 Grey Street, Newcastle upon Tyne, NE1 6AH
Administration appointment	The administration appointment granted in High Court of Justice, Business and Property Court in Leeds, Insolvency and Companies List (ChD), 000148 of 2023
Appointor	Directors
Date of appointment	13 February 2023
Joint Administrators' details	James Lumb and Howard Smith
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £nil. Estimated Prescribed Part is £nil. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).
Prescribed Part distribution	<p>The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply.</p> <p>However, if the circumstances of the administration change, the Joint Administrators may make a distribution to the unsecured creditors; or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits.</p>
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	12 February 2024

Appendix 2

Joint Administrators' receipts and payments account

Tolent Homes Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 13/02/2023 To 12/08/2023 (£)	From 13/02/2023 To 12/08/2023 (£)
FIXED CHARGE ASSETS			
1,000,000.00	Echo Buildings	NIL	NIL
		NIL	NIL
FIXED CHARGE CREDITORS			
(4,590,383.00)	IGF Business Credit Ltd	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
15,000.00	Rent - Echo Buildings	92,600.81	92,600.81
60,000.00	Service charge 2022 refund	NIL	NIL
10.00	Furniture & equipment	NIL	NIL
	Insurance refund	9,230.00	9,230.00
		101,830.81	101,830.81
OTHER REALISATIONS			
	Bank interest, gross	264.69	264.69
	Sundry refunds	61.68	61.68
		326.37	326.37
COST OF REALISATIONS			
	Service Charges	(41,957.38)	(41,957.38)
	Ground Rent	(4,862.50)	(4,862.50)
	Irrecoverable VAT	(3,414.11)	(3,414.11)
	Agents fees, Disbursement costs	(8,955.48)	(8,955.48)
	Agents fees, Management commission	(5,942.73)	(5,942.73)
	Property Management fees - PHD	(4,000.00)	(4,000.00)
		(69,132.20)	(69,132.20)
FLOATING CHARGE CREDITORS			
(3,590,383.00)	IGF Business Credit Ltd	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(1,831,277.50)	Connected companies	NIL	NIL
(6,061,617.96)	Bond creditors	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			

Tolent Homes Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 13/02/2023 To 12/08/2023 (£)	From 13/02/2023 To 12/08/2023 (£)
(2.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
	(14,998,653.46)	33,024.98	33,024.98
REPRESENTED BY			
	Floating charge current		18,706.49
	Hackett Property – funds held		14,318.49
			33,024.98

Appendix 3 Schedule of expenses

Cost of realisations

Service Charges	41,957.38	0.00	41,957.38
Ground Rent	4,862.50	0.00	4,862.50
Irrecoverable VAT	3,414.11	0.00	3,414.11
Agents' fees, Disbursement costs	8,955.48	0.00	8,955.48
Agents' fees, Management commission	5,942.73	0.00	5,942.73
Property Management fees - PHD	4,000.00	0.00	4,000.00
Statement of Affairs	0.00	3,000.00	3,000.00
TOTAL	69,132.20	3,000.00	72,132.20

The Joint Administrators are entitled to receive remuneration for their services; pending agreement of the basis of the Joint Administrators' remuneration, it has been accrued on a time cost basis. Where appropriate, this will be adjusted once creditors have approved the basis.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Linda Robinson at Interpath Ltd, 60 Grey Street, Newcastle upon Tyne, NE1 6AH.

Estimated time costs for the engagement				
	Narrative	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning				
Cashiering - processing receipts, payments and bank reconciliations	Note 1	84.25	36,571.75	434.09
General - books & records, fees & work in progress	Note 2	151.35	76,334.00	504.35
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	217.05	101,407.25	467.21
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	92.55	53,107.25	573.82
Creditors				
Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 5	331.65	159,133.50	479.82
Investigations				
Directors - correspondence, statement of affairs, questionnaires	Note 6	51.50	26,271.00	510.12
Investigations - director conduct and affairs of the Company	Note 6	0.55	291.50	530.00
Realisation of Assets				
Asset Realisation - including insurance of assets	Note 7	432.65	242,522.00	560.55
Total		1,361.55	695,638.25	510.92

Whilst specific notes have been provided below to give more context around the fees estimate, these should be read in conjunction with the Joint Administrators' Proposals and this report as a whole.

Please note, whilst the above table estimates that our time costs at scale rates will total £695,638, the fees drawn in this case will be limited dependent upon the total level of asset realisations.

Fee approval will be sought, and fees will be drawn in accordance with the approvals to be obtained from the Company's Secured creditor. Should we seek to draw remuneration in excess of this sum, we will revert to the appropriate class of creditors for further approval in due course.

Note 1 – Cashiering

Following our appointment, fixed and floating charge bank accounts were opened with Barclays Bank Plc for receipts and payments relating to the administration.

Our anticipated work will include preparing regular bank reconciliations, and processing and authorising transactions in the administration. These are likely to include regular receipts and payments in respect of rental collections.

To date, time has been spent on preparing the receipts and payments account for inclusion in the Proposals and this report, receipts of funds and various payments. In addition, time will be spent making payments to settle post-appointment costs.

Note 2 – General

Our expected work will include the collection of the Company's physical books and records, their ongoing storage and eventual destruction as relevant. To date, we have incurred time in assessing the Company's books and records and formulating a strategy for their collection and storage.

We have also incurred significant time across the Group to ensure that we have accessible copies of relevant electronic records.

Time will also be spent on arranging for our fees to be settled in line with the approvals received and on seeking approval to draw our fees and expenses from the Secured creditors. Time has so far been spent on assessing our future time costs and creating this fee estimate.

Our time costs will be subject to regular review and compared to our fees estimate to minimise potential cost overruns. Additional time reports will be provided in future reports to creditors and these will be prepared in accordance with Statement of Insolvency Practice 9.

Note 3 – Statutory and compliance

We will continue to comply with our statutory obligations as Administrators of the Company, including notifying Registrar of Companies and the Company's creditors of our appointment.

Our estimate includes costs for initial appointment related formalities, including giving notice to creditors and other third parties regarding our appointment as administrators.

Due to the nature of the Company's assets, it is likely that the administration will exceed 12 months and therefore our estimate includes statutory costs throughout the full duration of the administration.

Our strategy will be reviewed and updated on an ongoing basis through the course of the administration, which will include updating checklists, performing formal file reviews and documenting key strategy decisions.

We have thus far spent time in formulating the initial strategy for the administration, updating our initial checklists, documenting decisions and updating our strategy documents.

We are required to maintain a bond and time has been spent and is estimated in arranging the required cover based on the value of the Company's assets at our appointment.

Reports will also be provided to the Secured Creditor on a regular basis regarding the progress of the administration and their estimated return in the administration.

Note 4 – Tax

We have performed an initial assessment of the VAT position of the Company and understand it does not have a VAT registration. As the Company is not registered for VAT, we will incur irrecoverable VAT (at the relevant rate) on all costs and expenses.

Time has been spent to date in notifying HMRC of our appointment and requesting information regarding the Company's tax affairs prior to our appointment.

Time will also be spent regularly reviewing the Company's corporation tax position, evaluating the tax implications of the sale of the Company's long leasehold properties and assessing whether any historic losses are available to be utilised against realisations in the administration. We will also need to seek tax clearance from HMRC at the conclusion of the administration.

Note 5 – Creditors and claims

There will be time spent dealing with creditor queries. We have spent time in notifying relevant creditors of our appointment and dealing with any queries that have arisen from this. Additionally, we have spent time in preparing our Proposals and this report.

Time will also be spent processing a distribution to IGF under its fixed charge security. We have and will continue to provide specific updates to IGF as the administration progresses.

Additional time will be spent in preparing our progress reports to provide updates to the Company's creditors on the progress of the administration, in line with our statutory duties. As we anticipate that the administration will be extended, we have included progress reporting for the duration of the engagement.

Note 6 – Directors and Investigations

We will correspond with the Company's Directors during the administration and have ensured the completion of the Directors' statement of affairs, statement of concurrence

and questionnaires. We will also require the assistance of the Directors in dealing with general administration matters.

A confidential report has been submitted to the Insolvency Service regarding the conduct of the Directors.

As a part of our completion of the report to the Insolvency Service, completed Directors' questionnaires have been reviewed, pre-appointment transactions analysed, and the pre-appointment performance and position of the Company has been considered.

Time will be spent addressing any matters brought to our attention by the Company's creditors in this regard.

This also includes time spent in arranging for a mail redirection to be put in place from the Company's registered address.

Note 7 – Asset realisations

These are the estimated time costs to realise the Company's assets, which comprise the long leasehold of 25 apartments within the Echo building.

To date, we have spent significant time liaising with our agents to understand the current position and issues with the property. We have engaged PHD and the incumbent agent, Hackett Property, and will continue to seek their advice as we formulate our strategy for sale of the long leaseholds, whilst maximising rental income.

Given the issues with the property (high service charge and ACM, as detailed at section 4.1 of our Proposals – Strategy to date) the realisation strategy could be protracted and complex incurring significant further time costs.

Further, we have and will continue to review the Company's books and records to assess whether there are any further potential asset recoveries available to the administration.

Appendix 5

Joint Administrators' revised expenses estimate

Fixed charge costs

Legal fees	1	46,000.00	0.00	46,000.00	46,000.00
Agents' fees	2	175,000.00	0.00	175,000.00	175,000.00
Insurance	3	15,000.00	0.00	15,000.00	15,000.00
Bank charges	4	1,250.00	0.00	1,250.00	1,250.00

Cost of realisations

Pre-administration officeholders' fees	5	595.00	0.00	595.00	595.00
Legal fees	1	1,250.00	0.00	1,250.00	1,250.00
Agents' fees	2	39,269.00	9,942.73	29,326.27	39,269.00
Property costs	6	220,000.00	55,775.36	164,224.60	220,000.00
Pre-administration legal fees	7	1,922.00	0.00	1,922.00	1,922.00
Statutory advertising	8	91.00	0.00	91.00	91.00
Re-direction of mail	9	321.00	0.00	321.00	321.00
Statement of affairs work	10	2,000.00	0.00	3,000.00	3,000.00
Storage costs	11	0.00	0.00	7,500.00	7,500.00
Bank charges	4	500.00	0.00	500.00	500.00
Irrecoverable VAT	12	0.00	3,414.11	96,585.89	100,000.00
TOTAL		503,198.00	69,132.20	542,565.76	611,698.00

Note 1 - Legal fees

Legal fees and disbursements comprise of the costs expected to be incurred during the administration by our solicitors. This includes legal costs relating to the sale of the long leasehold apartments within the Echo building and undertaking a review of the Secured creditors' charges, as well as other advice as required. Hay & Kilner was independently instructed to review the validity of our appointment.

Note 2 – Agents' fees

These are our expected Agents' fees and disbursements to both PHD and Hackett Property for dealing with the management of the long leasehold apartments, the rental and sales strategy.

Note 3 – Insurance

This relates to estimated premiums for adequate insurance cover for the Company's assets for the period of the administration.

Note 4 – Bank charges

These are estimated costs for bank charges we expect to incur over the period of the administration.

Note 5 – Pre-administration officeholders' fees

The officeholders' pre-administration costs relate to work undertaken by the officeholders prior to the appointment, with a view to placing the Company into administration. We have provided details of these costs in our Statement of Proposals. We are seeking approval from the Secured Creditor, IGF, to pay these pre-administration costs as an expense of the administration.

Note 6 – Property costs

We have included an estimate of the holding costs of the Company's long leasehold apartments (Echo Homes), including but not limited to ground rent, utilities, security costs, service charges and other maintenance costs.

Note 7 – Pre-administration legal fees

This relates to work undertaken by our Solicitors, Shoosmiths, prior to our appointment with a view to placing the Company into administration. We have provided details of these costs in our Statement of Proposals. We are seeking approval from the Secured Creditor, IGF, to pay these pre-administration costs as an expense of the administration.

Note 8 – Statutory advertising

These are estimated costs for statutory advertising over the period of the administration.

Note 9 – Re-direction of mail

These are the cost of redirecting the Company's mail from pre-appointment premises to the Joint Administrators' offices.

Note 10 – Statement of affairs

Due to the complexity of the Company's operations, a third party advisor has assisted the Directors in compiling the Statement of Affairs. This is an increase from our original estimate as further work was required due to the complexities across the Group.

Note 11 – Storage costs

These are estimated costs for the collection of the Company's physical books and records, their ongoing storage and eventual destruction in line with our statutory duties. We did not anticipate any physical books and records would be stored for the Company in our initial estimate.

Note 12 – Irrecoverable VAT

We noted in our Statement of Proposals that the Company was not VAT registered as residential property letting is not subject to VAT, and therefore we have added in the costs of irrecoverable VAT to our expenses estimate. This includes the VAT charged on all professional fees incurred by agents and solicitors, and our remuneration.

Appendix 6 Joint Administrators' charging and expenses policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of in-house Interpath Advisory tax, VAT and employee specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Linda Robinson on 0191 933 4546.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Managing Director	725	780
Director	675	725
Senior Manager	590	635
Manager	495	530
Senior Administrator	345	370
Administrator	245	265
Support	155	165

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of expenses

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 expenses from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

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

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 expenses charged by Interpath Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of Managing Director's car – 60p per mile.

For all of the above car types, when carrying Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following expenses from the date of our appointment to 12 August 2023.

Advertising	NIL	91.00	NIL	NIL	91.00
Postage	NIL	243.27	NIL	NIL	243.27
Professional and legal fees	NIL	201.00	NIL	NIL	201.00
Total	NIL	535.27	NIL	NIL	535.27

We have the authority to pay Category 1 expenses without the need for any prior approval from the creditors of the Company.

Category 2 expenses are to be approved in the same manner as our remuneration.

Narrative of work carried out for the period 13 February 2023 to 12 August 2023

The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; issuing regular press releases and posting information on a dedicated web page; preparing statutory receipts and payments accounts; arranging bonding and complying with statutory requirements; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; briefing of our staff on the administration strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; meeting with management to review and update strategy and monitor progress; reviewing and authorising junior staff correspondence and other work; dealing with queries arising during the appointment; reviewing matters affecting the outcome of the administration; allocating and managing staff/case resourcing and budgeting exercises and reviews; liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing written and oral updates to representatives of IGF regarding the progress of the administration and case strategy.
Cashiering	setting up administration bank accounts and dealing with the Company's pre-appointment accounts; preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	gathering initial information from the Company's records in relation to the taxation position of the Company; submitting relevant notifications to HM Revenue and Customs; reviewing the Company's pre-appointment corporation tax and VAT position; analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; dealing with post appointment tax compliance.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; locating relevant Company books and records at various Group sites (including offices at Gateshead and Leeds) and developing a strategy in relation to collecting and storing relevant records and the destruction of records where appropriate; liaising with the Company's staff to identify the Company's books and records; assessing the relevance of the Company's books and records against our books and records collection strategy; recording the location of all the Company's books and records; liaising with Iron Mountain to discuss quotation of collection and storage of the Company's books and records; and engaging with our internal forensic and data specialists backing up and extracting Company information and records held electronically, and shutting down Company systems.
Asset realisations	collating information from the Company's records regarding the long leasehold apartments;

	<p>arranging and attending site visits at the Echo Building;</p> <p>engaging and liaising with PHD and Hackett Property to discuss:</p> <ul style="list-style-type: none"> the strategy and arrange for property management services to continue; the opportunities to increase rental values of the apartments; the opportunities to challenge service charge costs; our strategy for rent collection and property maintenance; and the position regarding, service charge, ground rent, utilities and insurance and how each obligation will be handled moving forward; <p>negotiating new terms with Hackett Property for services provided;</p> <p>engaging PHD;</p> <p>considering (with advice from agents, lawyers and insurers) our responsibilities for healthy and safety in relation to the Echo Building;</p> <p>understanding our position in relation to the cladding on the Echo building;</p> <p>liaising with pre-appointment lawyers with a view to obtaining copies of the long leasehold agreements;</p> <p>reviewing the inter-company debtor position between the Company and other group companies.</p>
Property matters	performing land registry searches.
Health and safety	<p>liaising with insurers regarding health and safety requirements;</p> <p>providing the necessary notifications to the Health and Safety Executive.</p>
Open cover insurance	<p>arranging ongoing insurance cover for the Company's business and assets;</p> <p>liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place;</p> <p>assessing the level of insurance premiums.</p>
Creditors and claims	<p>drafting and circulating our Proposals;</p> <p>creating and updating the list of unsecured creditors;</p> <p>responding to enquiries from creditors regarding the administration and submission of their claims;</p> <p>providing updates on the progress of the administration to IGF;</p> <p>discussing and agreeing our strategy with IGF;</p> <p>recording claim amounts;</p> <p>drafting our progress report.</p>
Investigations/ Directors	<p>reviewing Company and directorship searches and advising the directors of the effect of the administration;</p> <p>liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies;</p> <p>arranging for the redirection of the Company's mail;</p> <p>reviewing the questionnaires submitted by the Directors of the Company;</p> <p>reviewing pre-appointment transactions;</p> <p>submitting the online director conduct assessment to the relevant authority.</p>

Time costs

Pre-Administration time costs (11/02/2023 to 12/02/2023)

	Hours				Total Time Cost (£)	Average Hourly Rate (£)
	Managing Director	Manager	Administrator	Support		
Pre-Admin Appointment documents		0.25			0.25	147.50
Pre-administration checks		0.70		0.50	1.20	448.00
Total	0.00	0.95	0.00	0.50	1.45	595.50
						410.69

SIP 9 –Time costs analysis (13/02/2023 to 12/08/2023)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	9.85	3,900.25	395.96
General			
Books and records	36.20	19,845.50	548.22
Fees and WIP	8.95	3,780.50	422.40
Statutory and compliance			
Appointment and related formalities	15.60	8,017.50	513.94
Bonding & Cover Schedule	1.50	542.50	361.67
Budgets & Estimated outcome statements	3.65	2,272.00	622.47
Checklist & reviews	22.75	9,458.75	415.77
Reports to debenture holders	2.00	1,270.00	635.00
Statutory advertising	0.60	263.00	438.33
Statutory receipts and payments accounts	0.20	127.00	635.00
Strategy documents	34.70	18,276.00	526.69
Tax			
Initial reviews - CT and VAT	3.15	1,637.75	519.92
Post appointment corporation tax	0.30	111.00	370.00
Post appointment VAT	1.90	1,299.50	683.95
Creditors			
Creditors and claims			
General correspondence	8.35	3,116.00	373.17
Notification of appointment	20.00	7,208.50	360.43
ROT Claims	0.40	198.00	495.00

SIP 9 –Time costs analysis (13/02/2023 to 12/08/2023)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Secured creditors	3.30	2,487.00	753.64
Statutory reports	52.15	24,971.50	478.84
Investigation			
Directors			
Correspondence with directors	0.80	196.00	245.00
D form drafting and submission	15.60	6,707.50	429.97
Directors' questionnaire / checklist	0.40	185.50	463.75
Statement of affairs	8.05	4,339.50	539.07
Investigations			
Mail redirection	0.55	291.50	530.00
Realisation of assets			
Asset Realisation			
Cash and investments	1.90	1,087.50	572.37
Freehold property	4.80	1,684.00	350.83
Health & safety	1.00	245.00	245.00
Insurance	0.60	349.50	582.50
Leasehold property	65.85	42,458.50	644.78
Rent	0.60	468.00	780.00
Sale of business	0.00	0.00	0.00
Total in period	325.70	166,794.75	512.11
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	325.70	166,794.75	
Carry forward time (appointment date to SIP 9 period end date)	325.70	166,794.75	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 7 Glossary

Company	Tolent Homes Limited - in Administration
Directors	Mark Overton and Paul Webster
Group	The Company together with; Tolent PLC Tolent Construction Limited Tolent Living Limited Tolent Solutions Limited Ravensworth Properties Limited Coolmore Land Limited
Joint Administrators/we/our/us	James Lumb and Howard Smith
Interpath/Interpath Advisory	Interpath Ltd
ACM	Aluminium Composite Material
Hackett Property	Hackett Property Limited
IGF/Secured creditor	Independent Growth Finance Limited
PHD	PHD Property Advisory Limited
Shoosmiths	Shoosmiths LLP
VAT	Value Added Tax

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 8 Notice: About this report

This report has been prepared by James Lumb and Howard Smith, the Joint Administrators of Tolent Homes Limited – in Administration (the ‘Company’), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

James Ronald Alexander Lumb and Howard Smith are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders may be Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – www.interpathadvisory.com/privacy-insolvency.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

www.interpathadvisory.com

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