

# AM23

## Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 8 8 6 9 7 8 5

Company name in full Devonshire Club Limited

#### → Filling in this form

Please complete in typescript or in bold black capitals.

### 2 Court details

Court name High Court of Justice

Court number 1 8 6 9 2 0 2 0

### 3 Administrator's name

Full forename(s) Sandra Lillian

Surname Mundy

### 4 Administrator's address

Building name/number 5 Chancery Lane

Street

Post town Holborn


County/Region London

Postcode E C 4 A 1 B L

Country

AM23

## Notice of move from administration to dissolution

<b>5</b>	<b>Administrator's name ①</b>																	
Full forename(s)	Thomas Charles	<b>① Other administrator</b> Use this section to tell us about another administrator.																
Surname	Russell																	
<b>6</b>	<b>Administrator's address ②</b>																	
Building name/number	5 Chancery Lane	<b>② Other administrator</b> Use this section to tell us about another administrator.																
Street																		
Post town	Holborn																	
County/Region	London																	
Postcode	E C 4 A 1 B L																	
Country																		
<b>7</b>	<b>Final progress report</b>																	
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report																	
<b>8</b>	<b>Sign and date</b>																	
Administrator's signature	Signature X  X																	
Signature date	<table><tr><td><sup>d</sup></td><td><sup>d</sup></td><td><sup>m</sup></td><td><sup>m</sup></td><td><sup>y</sup></td><td><sup>y</sup></td><td><sup>y</sup></td><td><sup>y</sup></td></tr><tr><td>1</td><td>2</td><td>0</td><td>3</td><td>2</td><td>0</td><td>2</td><td>1</td></tr></table>	<sup>d</sup>	<sup>d</sup>	<sup>m</sup>	<sup>m</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>	1	2	0	3	2	0	2	1	
<sup>d</sup>	<sup>d</sup>	<sup>m</sup>	<sup>m</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>	<sup>y</sup>											
1	2	0	3	2	0	2	1											

**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 **Katrina Chia**

Company name **James Cowper Kreston**

Address **The White Building  
1-4 Cumberland Place**

Post town **Southampton**

County/Region

Postcode **S O 1 5 2 N P**

Country

DX

Telephone **023 8022 1222**

**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**

**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.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**Devonshire Club Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 18/03/2020 To 12/03/2021 £	From 18/03/2020 To 12/03/2021 £
	SECURED ASSETS		
NIL	Leasehold Land & Property	NIL	NIL
NIL	Fixtures and Fittings	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(11,989,084.01)	Chargeholder (1)	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
1,407.00	Book Debts	NIL	NIL
165,433.00	Cash at Bank	169,260.92	169,260.92
10,000.00	Catering Equipment	10,500.00	10,500.00
1,500.00	Computer Equipment	1,750.00	1,750.00
1,500.00	Computer Equipment	NIL	NIL
12,000.00	Furniture & Equipment	12,000.00	12,000.00
5,000.00	Gym Equipment	5,000.00	5,000.00
3,747.00	Petty Cash	NIL	NIL
	Refunds	3,770.22	3,770.22
4,000.00	Stock	4,000.00	4,000.00
		206,281.14	206,281.14
	COST OF REALISATIONS		
	Pest control	735.00	735.00
	Agents Disbursements - LSH	4,362.00	4,362.00
	Agents Fees - LSH	15,000.00	15,000.00
	Employment Agents - ERA	5,570.00	5,570.00
	Hotel Management Services	6,923.10	6,923.10
	ICT Services	3,073.44	3,073.44
	Insurance of Assets	560.00	560.00
	Irrecoverable VAT	857.98	857.98
	Joint Administrators' Expenses	193.16	193.16
	Joint Administrators' Fees	50,000.00	50,000.00
	Legal Fees	25,112.94	25,112.94
	PAYE & NI	4,430.30	4,430.30
	Payroll Bureau - Forth	1,245.00	1,245.00
	Security Services - MFC	9,540.00	9,540.00
	Specific Bond	240.00	240.00
	Stationery & Postage Web Filing	244.00	244.00
	Statutory Advertising	88.00	88.00
	Wages & Salaries	9,054.40	9,054.40
		(137,229.32)	(137,229.32)
	PREFERENTIAL CREDITORS		
	DE Arrears & Holiday Pay	22,358.58	22,358.58
(77,188.74)	Employee Arrears/Hol Pay	33,284.40	33,284.40
	HMRC - Tax and NI	13,408.84	13,408.84
		(69,051.82)	(69,051.82)
	UNSECURED CREDITORS		
(135,383.76)	Club Members	NIL	NIL
(571,360.00)	Club Members' Fees	NIL	NIL
(157,574.80)	Employees	NIL	NIL
(113,061.00)	HMRC - PAYE & NIC	NIL	NIL
(103,224.00)	HMRC - VAT	NIL	NIL
(92,286.17)	Hotel Guests	NIL	NIL
(19,893,988.00)	Intercompany balance	NIL	NIL

**Devonshire Club Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 18/03/2020 To 12/03/2021 £	From 18/03/2020 To 12/03/2021 £
(2,396,689.33)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
<b>(35,325,252.81)</b>		<b>(0.00)</b>	<b>(0.00)</b>
	REPRESENTED BY		
			<b>NIL</b>



Thomas Charles Russell  
Joint Administrator

**Devonshire Club Limited in Administration**

Final Progress Report pursuant to Rules 3.53 and 3.61 of the Insolvency (England and Wales)  
Rules 2016



## Summary Information

<b>Court</b>	High Court of Justice Court No. 1869 of 2020
<b>The Company</b>	Devonshire Club Limited
<b>Registered Number</b>	08869785
<b>Registered Address</b>	C/O James Cowper Kreston, The White Building, 1-4 Cumberland Place, Southampton, SO15 2NP
<b>Trading Address (head office)</b>	5 Devonshire Square, London, EC2M 4YD
<b>Activity of the Company</b>	Hotels and similar accommodation
<b>Date of the Administration</b>	18 March 2020
<b>Appointer Details</b>	The directors of the Company
<b>Purpose of Administration Order</b>	To achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
<b>Administrator Details</b>	Sandra Lillian Mundy (IP No. 9441) and Thomas Charles Russell (IP No. 15994), James Cowper Kreston, 5 Chancery Lane, Holborn, London, EC4A 1BL
<b>Changes to Office Holders</b>	N/A
<b>Date of Approval of Proposals</b>	Proposals were approved by decision by correspondence on 29 May 2020
<b>Extensions to Administration period</b>	N/A
<b>End of Administration period</b>	The administration will come to an end when a notice and this report are filed with the registrar of companies
<b>Functions of the Joint Administrators</b>	In accordance with Paragraph 100 (2) Schedule B1 Insolvency Act 1986 there are no functions, which must be exercised by both administrators acting jointly. All the administrators' functions may be exercised by either administrator acting alone, or by both administrators acting jointly.
<b>Dividend Prospect</b>	We have declared a dividend of 82p/£ to preferential creditors. There will not be a dividend to secured creditors or unsecured creditors under the prescribed part.

## **Introduction**

This report has been prepared to provide an update for the work undertaken in the period of the administration. This report should be read in conjunction with previous reports.

The following attachments accompany this report:

Appendix A	Joint Administrators' Summary of Receipts and Payments
Appendix B	Joint Administrators' Statement of Remuneration and Expenses

## **Proposals to Achieve the Objective of the Administration**

We set out in our proposals the purpose of achieving the administration which was achieving a better result for the Company creditors as a whole than would be likely if the Company were wound up (without first being in administration). The proposals were deemed to be accepted on 29 May 2020.

In our proposals we set out the following steps to achieve the objective of the administration.

- a) Assist, as far as we are able, in the collection and return of third-party assets.
- b) Finalise the discussions with landlord over the termination of the lease.
- c) Respond to any queries from employees regarding their claims with the RPS;
- d) Ensure that matters relating to Company's pension scheme are finalised;
- e) Complete our investigation into the affairs of the Company as required by Statement of Insolvency Practice 2 ("SIP 2") and establish there are any viable actions that can be taken to recover funds for the benefit of creditors;
- f) Complete our investigation into the conduct of the directors who held office in the three years prior to the administration of the Company and report to the Insolvency Service;
- g) Agree creditors' claims and pay a dividend to the preferential and secured creditors. If realisations are greater than expected and net property is greater than £10,000, it may be possible to make a distribution to unsecured creditors by virtue of the prescribed part.
- h) All such other actions and general exercise of the administrators' powers as we consider in our discretion necessary to achieve the purpose of the administration.

## **Progress during the period of this report**

### **Assets**

As we previously reported, we were unable to reach an agreement with the landlord and so instructed our agents to sell the Company's assets ex-situ and vacated the premises. We arranged for keys to be handed back to the landlord. The asset sale realised a total of £32,500.

The landlord made a request that the joint administrators allow for the forfeiture of the lease to continue and this consent was granted, however, the consent of the secured creditor was also required, and their consent was not forthcoming. We subsequently received correspondence from the landlord regarding the payment of rent as an expense of the administration but rejected their position.

With the assistance of our agents we have, as far as we are able, provided for third parties to collect their assets from the Company premises. Since premises has been under the control of the landlord, we have provided them with contact details for the landlord's representative to make arrangements.



We continued to deal with creditors' queries, including those of club members, and have assisted club members with collecting any remaining personal belongings.

We have continued to respond to any queries from employees regarding their claims with the RPS, and we have paid a preferential dividend to employees.

We have notified the Company's pension provider and also the Pensions Regulator to ensure that matters relating to Company's pension scheme have been finalised.

We have contacted a debtor who confirmed it had paid prior to our appointment, which we have verified. We have contacted several suppliers to which the Company made prepayments including the council regarding business rates. We have confirmed with the council that there is no liability or refund due. We have recovered a refund from some suppliers of leased equipment totalling £3,770.

We have completed our investigation into the affairs of the Company as required by Statement of Insolvency Practice 2 ("SIP 2") and establish there are any viable actions that can be taken to recover funds for the benefit of creditors. We have also completed our investigation into the conduct of the directors who held office in the three years prior to the administration of the Company and report to the Insolvency Service. We have not identified any matters which require further investigation and do not intend to bring any claims in this regard. We consider our investigation has been proportionate to the case.

## **Creditors**

### **Preferential**

Preferential creditors include employees for arrears of pay (to a maximum of £800 per person) and holiday pay (uncapped). We have sought to assist the employees in making claims with the Redundancy Payments Service (RPS). Total preferential creditor claims have been calculated at £82,581 which is some £5,000 greater than estimated. We have paid a dividend of 83.62p/£ to preferential creditors.

### **Secured Creditors**

The secured creditor is owed a total of £11.5m excluding interest accrued. Preferential creditors have not been paid in full and so no dividend will be paid to secured creditors under the floating charge.

### **Unsecured Creditors**

The largest unsecured creditor is the Company's parent, Devonshire Club (Holdings) Limited for approximately £19.9m.

Employees will also have combined unsecured claims relating to the balance of any arrears of wages due, pay in lieu of notice and redundancy. The RPS, having made payments to employees, will have a subrogated claim for a proportion of this amount. Club members have also made claims in the administration in respect of the club membership they have paid upfront. The statement of affairs showed unsecured creditors of approximately £23m, to date we have received creditor claims of £20.2m.

We have answered unsecured creditors' queries as they have arisen, and we have also assisted them with completing documents to allow them to make claims.

## **Dividends**

We have declared and paid a dividend of £69,051.82 representing 83.62p/£ to preferential creditors in respect of arrears of wages and holiday pay.

We explained in the previous report that our initial estimated outcome statement envisaged that preferential creditors would be paid in full, however, this is now not the case because whilst asset realisations to date are broadly as expected the preferential claim is greater than estimated and costs are more than anticipated in particular with regards to agent and legal fees.

### **Prescribed Part**

There is no dividend to unsecured creditors under the prescribed part because there will be no funds available to secured creditors.

## **Compliance**

We have, during the period since our appointment, complied with the requirement to notify interested parties of our appointment and filed the necessary documents with both the Registrar of Companies and the London Gazette. We have also notified HM Revenue and Customs and submitted tax returns as necessary. In addition we have attended to case maintenance including set-up, banking, record collection and periodic file reviews.

## **Administrators' Remuneration**

During the reporting period, Pursuant to Rule 15.3 of the Insolvency (England and Wales) Rules 2016 we sought the consent of secured creditor and a decision of the preferential creditors for the basis of our fees. These were approved as follows on 29 May 2020.

- The basis of the joint administrators' remuneration be a set amount of £50,000
- That pre-appointment costs relating to solicitors' fees of £1,500 be approved
- That the joint administrators be authorised to draw category 2 disbursements as incurred

We can confirm that fees of £50,000 have been drawn as agreed. The joint administrators have been authorised to draw category 2 disbursements as incurred. We have drawn disbursements of £193 in relation to conference calls, postage and storage of records.

The joint administrators have reviewed the work undertaken and reported here and consider this level of costs to be appropriate bearing in mind the nature and complexity of the case.

For more information on the joint administrators' charging policy please visit;

<https://www.jamescowperkreston.co.uk/information-and-guides>

Click on "Information to creditors with regards to office holders' remuneration and expenses" under the heading "Other information".

## **Charging Policy**

Details of the joint administrators' charging policy can be found at the following website:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

## **Statutory Rights**

Rule 18.9 of the Insolvency Rules 2016 entitles 5% in value of the unsecured creditors or any unsecured creditor with the permission of the court to make a written request to the administrators for further information about remuneration or expenses. In response to such a request the administrators must respond within 14 days:-

- a) Providing all of the information requested;
- b) Providing some of the information requested; or
- c) Declining to provide the information requested.

The administrators may provide only some of the information or decline the request if:

- a) The time or cost of preparing the information would be excessive;
- b) Disclosure of the information would be prejudicial to the conduct of the case;
- c) Disclosure might reasonably be expected to lead to violence against any person; or
- d) The administrators are subject to an obligation of confidentiality in relation to the information.

If the administrators do not provide all of the information or decline to provide any of the information they must inform the person or persons making the request of their reasons for so doing. A creditor, who need

not be the same creditor(s) who requested the information may then apply to Court within 21 days of the following.

- a) The administrators giving reasons for not providing all of the information requested; or
- b) The expiry of the 14 days in which the administrators must respond.

The court may then make such order as it thinks just.

Rule 18.34 provides that an unsecured creditor with the concurrence of at least 10% of the total value of the unsecured creditors of the Company (or any unsecured creditor with the permission of the court) may apply to the court on the grounds that administrators' remuneration or expenses are excessive or the basis fixed for the remuneration is inappropriate. Such application must be made no later than eight weeks after receipt by the applicant member(s) of this progress report.

Further details about creditors' rights can be found in statement of insolvency practice 9 which can be found at the following web address. The relevant version is the effective from 1 December 2015 version.

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/england/sip-9-payments-to-insolvency-office-holders-and-their-associates-effective-from-1-december-2015.ashx>

### **Privacy Policy**

The office holders and James Cowper Kreston respect your right to privacy. As a requirement of the insolvency procedure we may, in the course of our work, control or process personal data. Our privacy policy can be found at our website <https://www.jamescowperkreston.co.uk/privacy-policy/> and this details how we collect, use, share, protect, and retain personal information, what happens if we transfer information overseas, and your rights in relation to GDPR and the Data Protection Act 2018. If you wish to receive a hard copy of this privacy policy please let us know.

### **Conclusion of administration**

Pursuant to Paragraph 84, Schedule B1 of the Insolvency Act 1986 the joint administrators consider it is now appropriate to draw the administration to a conclusion by dissolution. On the filing of this report and the attached notice with the registrar of companies the administration will come to an end and the Company will subsequently be dissolved.

Should any creditor have any queries regarding this report please do not hesitate to contact Katrina Chia or me.



**Thomas Russell**  
**Joint Administrator**  
**12 March 2021**

## Appendix A

### Joint Administrators' Summary of Receipts and Payments For the period 18 March 2020 to 12 March 2021

RECEIPTS	Statement of Affairs (£)	From 18/09/2020 To 12/03/2021 (£)	Total (£)
Leasehold Land & Property	NIL	-	-
Fixtures and Fittings	NIL	-	-
Furniture & Equipment	12,000	-	12,000.00
Catering Equipment	10,000	-	10,500.00
Stock	4,000	-	4,000.00
Computer Equipment	1,500	750	1,750.00
Book Debts	1,407	-	-
Gym Equipment	5,000	-	5,000.00
Cash at Bank	165,433	-	169,260.92
Petty Cash	3,747	-	-
Computer Equipment	1,500	-	-
Refunds		3,770	3,770
		<b>4,520</b>	<b>206,281</b>
<b>PAYMENTS</b>			
Specific Bond		-	240
Joint Administrators' Fees		-	50,000
Joint Administrators' Expenses		170	193
Legal Fees		23,613	23,613
Pre-appointment Legal Fees		1,500	1,500
Agents Fees - LSH		-	19,362
Agents Disbursements - LSH		-	250
Hotel Management Services		-	6,923
Pest control		-	735
ICT Services		988	2,823
Irrecoverable VAT		858	858
Security Services - MFC		-	9,540
Employment Agents - ERA		1,890	5,570
Stationery & Postage Web Filing		216	244
Payroll Bureau - Forth		-	1,245
Statutory Advertising		-	88
Insurance of Assets		560	560
Wages & Salaries		-	9,054
PAYE & NI		-	4,430
DE Arrears & Holiday Pay		22,359	22,359
Employee Arrears/Hol Pay		33,284	33,284
HMRC - Tax and NI		13,409	13,409
		<b>98,846</b>	<b>206,281</b>
<b>Net Receipts/(Payments)</b>		<b>(94,326.21)</b>	<b>-</b>
<b>MADE UP AS FOLLOWS</b>			
Interest Bearing Current Account		(83,996.80)	-
VAT Receivable / (Payable)		(10,329.41)	-
		<b>(94,326.21)</b>	<b>-</b>

## Appendix B

### Joint Administrators' Statement of Remuneration and Expenses For the period 18 March 2020 to 12 March 2021

Account	Incurred In Period £	Accrued In Period £	Total In Period £
Specific Bond	240.00	-	240.00
Joint Administrators' Fees	50,000.00	-	50,000.00
Joint Administrators' Expenses	193.16	-	193.16
Legal Fees	23,612.94	-	23,612.94
Pre-appointment Legal Fees	1,500.00	-	1,500.00
Agents' Fees - LSH	19,362.00	-	19,362.00
Agents' Disbursements - LSH	250.00	-	250.00
Hotel Management Services	6,923.10	-	6,923.10
Pest control	1,470.00	-	1,470.00
ICT Services	3,810.94	-	3,810.94
Security Services - MFC	12,666.00	-	12,666.00
Employment Agents - ERA	5,570.00	-	5,570.00
Stationery & Postage Web Filing	244.00	-	244.00
Payroll Bureau - Forth	1,245.00	-	1,245.00
Statutory Advertising	88.00	-	88.00
Insurance of Assets	560.00	-	560.00
Wages & Salaries	9,054.40	-	9,054.40
PAYE & NI	4,430.30	-	4,430.30
	141,219.84	-	141,219.84