

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

FRIDAY



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A16

24/05/2019

#85

COMPANIES HOUSE

1 Company details

Company number 0 9 8 8 6 7 4 3

Company name in full Bitter Balance Ltd - T/A Pitch Coffee

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court, Chancery Division

Court case number C R - 2 0 1 8 - 5 2 7 1

3 Administrator's name

Full forename(s) Stephen John

Surname Evans

4 Administrator's address

Building name/number 3 Field Court

Street Grays Inn

Post town London

County/Region

Postcode W C 1 R 5 E F

Country

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Notice of move from administration to creditors' voluntary liquidation

5	Administrator's name ^①	
Full forename(s)	Hugh Francis	① Other administrator Use this section to tell us about another administrator.
Surname	Jesseman	
6	Administrator's address ^②	
Building name/number	3 Field Court	② Other administrator Use this section to tell us about another administrator.
Street	Grays Inn	
Post town	London	
County/Region		
Postcode	W C 1 R 5 E F	
Country		
7	Appointor/applicant's name	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)	Petar	
Surname	Ivanisevic	
8	Proposed liquidator's name	
Full forename(s)	Stephen John	
Surname	Evans	
Insolvency practitioner number	8 7 5 9	
9	Proposed liquidator's address	
Building name/number	3 Field Court	
Street	Grays Inn	
Post town	London	
County/Region		
Postcode	W C 1 R 5 E F	
Country		

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Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s) Hugh Francis

Surname Jesseman

Insolvency practitioner number 9 4 8 0

① Other liquidator

Use this section to tell us about another liquidator.

11 Proposed liquidator's address^②

Building name/number 3 Field Court

Street Grays Inn

Post town London

County/Region

Postcode WC 1 R 5 E F

Country

② Other liquidator

Use this section to tell us about another liquidator.

12 Period of progress report

From date d 2 6 m 1 2 y 2 0 y 1 8

To date d 2 1 m 0 5 y 2 0 y 1 9

13 Final progress report☒ I have attached a copy of the final progress report.**14 Sign and date**

Administrator's signature

Signature

X



X

Signature date d 2 1 m 0 5 y 2 0 y 1 9

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Notice of move from administration to creditors' voluntary liquidation



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 **Stephen John Evans**

Company name **Antony Batty & Company LLP**

Address **3 Field Court**

Grays Inn

Post town **London**

County/Region

Postcode **W C 1 R 5 E F**

Country

DX

Telephone **020 7831 1234**



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.



Further information

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

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

Bitter Balance Ltd - T/A Pitch Coffee
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 26/12/2018 To 21/05/2019 £	From 26/06/2018 To 21/05/2019 £
	ASSET REALISATIONS		
1,000.00	Goodwill & IP	NIL	NIL
2,000.00	Kitchen Equipment	NIL	NIL
2,000.00	Leasehold Property	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(8,753.69)	Directors	NIL	NIL
(400.00)	HM Revenue & Customs - corporation	NIL	NIL
(46,478.16)	HM Revenue & Customs - PAYE \ NIC	NIL	NIL
(21,989.05)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(72,621.90)		NIL	NIL
	REPRESENTED BY		
			NIL



 Stephen John Evans
 Joint Administrator

BITTER BALANCE LTD - T/A PITCH COFFEE - IN ADMINISTRATION

JOINT ADMINISTRATORS' FINAL PROGRESS REPORT

ANTONY BATTY & COMPANY LLP
3 FIELD COURT
GRAY'S INN
LONDON
WC1R 5EF

BITTER BALANCE LTD - T/A PITCH COFFEE - IN ADMINISTRATION

This report is prepared in accordance to the provisions of the Insolvency Act 1986, which require the Joint Administrators to provide creditors with details of their proposals to achieve the objective of the Administration. The report has been prepared for the purpose of advising creditors. The report is private and confidential and may not be relied upon, referred to, copied or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

SJ Evans and HF Jesseman were appointed as Joint Administrators of Bitter Balance Ltd - T/A Pitch Coffee on 26 June 2018.

The affairs business and property of the Company are being managed by the Joint Administrators, who act as the Company's agent and contract without personal liability.

WA Batty, SJ Evans and HF Jesseman are licensed as Insolvency Practitioners in the UK by The Institute of Chartered Accountants in England & Wales.

Abbreviations used in this report:

- Bitter Balance Ltd - T/A Pitch Coffee- ("the Company")
- Stephen John Evans and Hugh Francis Jesseman- ("the Joint Administrators")
- HM Revenue & Customs - ("HMRC")
- ITC Valuers Limited - ("ITC")

BITTER BALANCE LTD - T/A PITCH COFFEE – IN ADMINISTRATION
Formerly: N/A

EXECUTIVE SUMMARY

Since our appointment, the Company's assets have been valued and a sale of the Company's goodwill and intellectual property and kitchen equipment has been negotiated. The purchaser has made part payment and I am continuing to pursue the remaining balance.

Negotiations continue regarding the lease of the trading premises.

My statutory report on the conduct of the Directors has been submitted to the Secretary of State and I am continuing my investigations.

STATUTORY INFORMATION

Company name:	Bitter Balance Ltd - T/A Pitch Coffee
Court name and reference	High Court, Chancery Division 5271-CR-2018- of 5271
Company number:	09886743
Trading address:	Kiosk 1, Fulham Broadway Retail Centre, Fulham Road, London, SW6 1BW
Registered office:	Second Floor, 3 Field Court, Gray's Inn, London, WC1R 5EF
Former registered office:	144a Arthur Road, London, SW19 8AQ
Principal trading activity:	Unlicensed cafe
Joint Administrators' names:	Stephen John Evans and Hugh Francis Jesseman
Joint Administrators' address:	3 Field Court, Grays Inn, London WC1R 5EF
Date of appointment	26 June, 2018
Appointment made by:	Director, Petar Ivanisevic of 144a Arthur Road, London SW19 8AQ
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.

SUMMARY OF THE JOINT ADMINISTRATORS' PROPOSALS

The following proposals were approved by the creditors by way of a Decision Procedure on 30 August 2018.

In order to achieve the objective of the administration, Hugh Francis Jesseman and I formally proposed 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) sell the Company's business and assets;
 - (ii) sell any other Company assets identified at such time(s) on such terms as we consider appropriate;
 - (iii) 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
 - (iv) do all such things and generally exercise all their powers as 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) If there are no assets for distribution to unsecured creditors, the Administration of the Company will end by filing a 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.
- (b) If it appears likely that there will be sufficient assets to distribute to unsecured creditors, the Company should proceed into Creditors' Voluntary Liquidation and the Joint Administrators propose that they would be appointed Joint Liquidators and that all acts of the Joint Liquidators may be taken jointly or alone. Creditors may nominate a different person(s) as the proposed liquidator(s), but they must make the nomination(s) at any time after these proposals are delivered to them, but before they are approved. Information about the approval of the proposals is set out at section 13.
- (c) The Joint Administrators be released from any Personal Liability at the end of the Administration.

STEPS TAKEN DURING THE ADMINISTRATION

Since our appointment, I have instructed a valuer to value and negotiate a sale of the Company's assets. A sale of the goodwill, intellectual property and equipment has been agreed and part payment has been received by the valuer, who is continuing to chase the Purchaser for the outstanding balance.

Negotiations continue regarding the lease of the trading premises.

I have submitted my statutory report on the conduct of the Directors and am continuing my investigations.

Please note that there is certain work that I am required by the insolvency legislation to undertake work in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in Appendix 2.

OUTCOME OF ADMINISTRATION

As Joint Administrators of the Company, Hugh Francis Jesseman and I are officers of the Court, and must perform our duties in the interests 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 no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

As a result, we are seeking to achieve objective (b) for the Company, and are in the process of doing this by realising the Company's assets, including goodwill and equipment and progressing our investigations.

It is now necessary to convert the Administration to a Creditors Voluntary Liquidation. The Joint Liquidators will complete the realisation of the Company's assets and the investigations and make any distribution to unsecured creditors.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 26 June 2018 to 21 May 2019 is attached at Appendix 1.

ASSETS

The Company's assets were valued by ITC Valuers ("ITC"), a member of NAVA and RICS and an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance.

Following valuation, an offer for the kitchen equipment, goodwill and intellectual property was received from By Pitch Ltd. By Pitch Limited had taken an assignment of the lease and had taken over the existing business and assets prior to my appointment. The companies are connected by way of a common director, Petar Ivanisevic.

The kitchen equipment and goodwill were sold for £6,000. To date, £4,000 has been received and I am continuing to chase the purchaser for the remaining balance. An outline of the different types of asset sold and the amount for which they were sold, together with a comparison against the valuation realised is as follows:

Asset category	Valuation basis & amount £	Valuation basis & amount £	Sale Consideration £
	Trade Sale Value (TSV)	Willing Buyer Value (WBA)	
Leasehold kiosk	Nil	5,000	
Kitchen equipment	1,200	2,800	2,000
Goodwill & Intellectual Property	Nil	1,000	4,000
Total	1,200	8,800	6,000

Leasehold/ Freehold Property

The Company traded from the leasehold Kiosk 1 in Fulham Broadway Retail Centre in Fulham, London SW16. Prior to my appointment, the 10-year lease dated 19 August 2010 was assigned by the Company to By Pitch Ltd, a company incorporated in September 2015, whose director is Petar Ivanisevic.

The lease was valued by ITC at a Trade Sale Value of £Nil and a Willing Buyer Value of £5,000.

ITC has initially approached By Pitch Ltd with a view to negotiating a price for the lease. Given the lengthy negotiations involved in the assignment of the lease to By Pitch Ltd, it was thought to be in the best interests of the creditors to secure a timely sale. Negotiations with the purchaser, the landlord and the valuer are on-going.

Kitchen Equipment

The Company's kitchen equipment was valued by ITC at a Trade Sale Value of £Nil and a Willing Buyer Value of £1,000.

ITC initially approached By Pitch Ltd, which made an offer of £2,000 and this was accepted. The sale proceeds have not yet been received and we are continuing to chase the purchaser for payment.

Goodwill & Intellectual Property

The Company's Goodwill and Intellectual Property includes the company website and brand name and was valued by ITC at a Trade Sale Value of £1,200 and a Willing Buyer Value of £2,000.

ITC has initially approached By Pitch Ltd, which has made an offer of £4,000 and this has been received in full by ITC. This is to be remitted shortly.

Cash at Bank

Following correspondence with the Bank, the Joint Administrators have received a statement from the Company's bankers showing the balance in the Company's accounts on the date of our appointment of £111. I am still in correspondence with the bank regarding payment.

The following assets are to be dealt with in the Liquidation:

- Obtain remaining payment for sale of kitchen equipment
- Conclude investigation

LIABILITIES

Secured Liabilities

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

Preferential Creditors

The employees left the Company in December 2017, prior to my appointment.

I am not aware of any claims from preferential creditors in this matter.

Crown Creditors

The statement of affairs included £46,878 owed to HMRC. HMRC's initial claim of £14,157 has been received.

Non-preferential Unsecured Creditors

The statement of affairs included twelve non-preferential unsecured creditors with an estimated total liability of £77,621. I have received claims from six creditors at a total of £62,600. I have not received claims from three creditors with original estimated claims in the statement of affairs of £17,860.

DIVIDENDS

On the basis of the information currently available and subject to a successful conclusion of our investigations, it appears likely that a dividend will be declared to non-preferential unsecured creditors and accordingly the Company is being placed into Creditors' Voluntary Liquidation to facilitate the distribution.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the twelve months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

I have requested further information from various parties and am continuing to progress my investigations.

Within three months of my appointment as Joint Administrator, I was required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

PRE-ADMINISTRATION COSTS

The Board of the Company instructed me to assist them in placing the Company in Administration on 22 June 2018. I informed them that I did not intend to seek recovery of my pre-administration costs.

JOINT ADMINISTRATORS' REMUNERATION

My remuneration was previously authorised by the creditors on 30 August 2018. I was authorised to draw a fixed fee of £15,000 for my work in respect of administration, creditors and investigations and a further £5,000 for payment of a dividend to unsecured creditors, if applicable.

I have not yet drawn any remuneration in respect of work done for which my fees were approved as a fixed fee.

I was also authorised to draw 35% of realisations for my work in respect of the realisation of any assets potentially recoverable following investigations. As I have not made any such realisations to date, I am not entitled to any remuneration and have not drawn any such remuneration.

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/>. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3, together with an explanatory note which shows Antony Batty & Company LLP's fee policy are available at the link <http://www.antonybatty.com/insolvency-resources>. Please note that there are different versions of the Guidance Notes and in this case, you should refer to the April 2017 version.

JOINT ADMINISTRATORS' EXPENSES

I have not incurred any further category one expenses in the period since 25 December 2018. In the whole of the Administration I have incurred total category one expenses of £1,985, compared to my estimated category one expenses of £1,378 in my proposals. My expenses exceeded my estimate due to the higher cost of negotiating the sale of the business and assets.

I have not yet drawn any expenses in this matter.

Category one expenses of £1,985 remain unpaid, and these will be paid out of the assets of the Company in the Liquidation and in priority to the costs and expenses of the Liquidation.

I have incurred the following category 2 disbursements in the period since my last progress report:

Type of category 2 disbursement	Amount incurred/accrued since appointment
Postage	£47
Photocopying	£19
Search fees	£20
Storage	£315
Sundry	£300
Total	£701

In the whole of the Administration, I have incurred total category 2 disbursements of £701, compared to my estimated expenses of £735 in my proposals.

Category 2 disbursements of £701 remain unpaid, and these will be paid out of the assets of the Company in the Liquidation, and in priority to the costs and expenses of the Liquidation.

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
ITC Valuers	Valuers	Fixed fee and time costs
Marsh Limited	Insurance	Standard charges
Courts Advertising Limited	Gazette advertisement	Standard charges

ITC Valuers are to be paid approximately £1,750 in respect of the valuation of the Company's business and assets and negotiation of their sale. ITC Valuers are an independent firm of valuers and are experienced in valuing assets in insolvency situations. This is based on a fixed fee of £750 for the valuation and a time cost fee for negotiating the sale of the business and assets, not expected to exceed £1,000.

Marsh Limited have been paid £30 in respect of specific bonding cover, which is required for each insolvency appointment. Marsh Limited provides specialist insolvency insurance and bonding service. The premium is based on their standard charges.

Courts Advertising Limited have been paid £75 in respect of placing advertisements in the London Gazette. The fee is based on their standard charges.

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Antony Batty & Company LLP can be found at <http://www.antonybatty.com/insolvency-resources>.

Antony Batty & Company LLP uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Antony Batty & Company LLP uses your personal information on our website at <http://www.antonybatty.com/insolvency-resources>.

SUMMARY

In accordance with the proposals, the Administration will end by the Company moving into creditors' voluntary liquidation. A formal notice is being submitted for filing with the Registrar of Companies. The Joint Administrators are the Joint Liquidators of the Company since no other nominations were received. As Joint Liquidators it will be their duty to realise the remaining assets of the Company, undertake investigations into the affairs of the Company, agree creditors' claims and make a distribution to unsecured creditors. All acts of the Joint Liquidators may be taken jointly or alone.

In the Liquidation, the proceeds of sale of kitchen equipment are to be realised and I shall conclude my investigation.

Please note that any unpaid liabilities and expenses incurred in the Administration will rank as a first charge on the funds and assets passed to the Joint Liquidators.

The Administration as approved in the proposals is now complete and our files will be closed. If creditors have any queries regarding the conduct of the Administration, or this report, or if they want hard copies of any of the documents made available on-line, they should contact Sarah Wege on the above telephone number, or by email at sarahw@antonybatty.com.



Stephen John Evans
Joint Administrator
Date: 21 May 2019

The affairs, business and property of the Company are being managed by the Joint Administrators, Stephen John Evans and Hugh Francis Jesseman. The Joint Administrators act as agents of the Company and contract without personal liability.

Bitter Balance Ltd - T/A Pitch Coffee
(In Administration)
Joint Administrators' Summary of Receipts and Payments

Appendix 1

	Statement of affairs £	From 26/12/2018 To 21/05/2019 £	From 26/06/2018 To 21/05/2019 £
RECEIPTS			
Leasehold Property	2,000.00	0.00	0.00
Kitchen Equipment	2,000.00	0.00	0.00
Goodwill & IP	1,000.00	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
PAYMENTS			
Trade & Expense Creditors	(21,989.05)	0.00	0.00
Directors	(8,753.69)	0.00	0.00
HM Revenue & Customs - corporation tax	(400.00)	0.00	0.00
HM Revenue & Customs - PAYE \ NIC & VAT	(46,478.16)	0.00	0.00
Ordinary Shareholders	(1.00)	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
BALANCE - 21 May 2019		<u>0.00</u>	<u>0.00</u>
MADE UP AS FOLLOWS			
		<u>0.00</u>	<u>0.00</u>


 Stephen John Evans
 Joint Administrator

1 Administration

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- Maintaining and managing the office holder's cashbook.
- Undertaking regular bank 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 progress reports to creditors and members.
- Filing returns 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 a final report to creditors.
- Seeking discharge as Joint Administrators.
- Filing final returns at Companies House and in Court (as applicable).

2. Creditors

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.