



McDonald  
Vague

business recovery partners

## Happiness Restaurant and Bar Limited (In Liquidation)

McDonald Vague Limited

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## Liquidators' Seventh Report For the period from 13 February 2022 to 12 August 2022

### 1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Iain McLennan, Licensed Insolvency Practitioners, of Hamilton and Auckland, were appointed joint and several liquidators of Happiness Restaurant and Bar Limited (“the company”) by the High Court at Wellington on 13 August 2019. Peri Micaela Finnigan resigned from her position as liquidator on 25 June 2022, appointing Boris van Delden, Licensed Insolvency Practitioner of Auckland as her successor.

Pursuant to Section 255(2)(d) of the Companies Act 1993 (“the Act”), the liquidators are reporting on the progress of the liquidation. This seventh report should be read in conjunction with the liquidators’ previous reports. This report is being sent to all shareholders and all creditors who have filed a claim in the liquidation.

A Statement of Realisations and Distributions is **attached**.

### 2 RESTRICTIONS

While all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party arising from the circulation, publication, reproduction, or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report but that becomes known to us after that date.

### 3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

All known physical assets of value were realised in the previous periods. No further physical assets of value were identified or realised during the reporting period.

## 4 INVESTIGATIONS

The liquidators' investigations into the books, records, and affairs of the company are ongoing. Based on the liquidators' investigations to date, some matters and transactions of interest have been identified and are being pursued. As the liquidators do not want to prejudice these actions, details of the matters of interest are not being provided at this time.

## 5 CREDITORS' CLAIMS

The liquidators have received the following creditors' claims:

| CLAIMS RECEIVED                  | NUMBER | VALUE   | DISTRIBUTED |
|----------------------------------|--------|---------|-------------|
| Secured Claims                   | 0      | NIL     | NIL         |
| Preferential Claim – Court Costs | 1      | 4,029   | 4,029       |
| Employees                        | 0      | NIL     | NIL         |
| IRD Preferential                 | 1      | 94,507  | NIL         |
| Unsecured Claim                  | 9      | 476,753 | NIL         |

In the interests of minimising liquidators' fees, the liquidators will not attend to the formality of accepting or rejecting creditors' claims until such time as we are in a position to pay a distribution.

### 5.1 Secured Creditors

All of the financing statements registered against the company as at the date of liquidation have been discharged. Creditors with valid first ranking security interests over specific assets were invited to repossess those assets, which led to some of the company's secured assets being repossessed.

### 5.2 Preferential Creditors

The applicant creditor was awarded costs and disbursements of \$4,029 (including GST) on the application to liquidate the company. This preferential claim has been paid in full.

The Inland Revenue Department has submitted a preferential claim for unpaid GST, PAYE, and employee deductions totalling \$94,507. No distribution has been made in respect of this claim.

Based on information provided by one of the company's directors, approximately \$16,000 in preferential holiday pay is owing to former employees of the company. No employee claims have been received as at the date of this report.

### 5.3 Unsecured Creditors

On the information available to the liquidators, the company may have additional unsecured creditors who have not filed claims in the liquidation. The estimated value of these claims, based on the company's records, is approximately \$103,000.

## 6 LIQUIDATORS' FEES

The High Court has approved the rates of remuneration of the liquidators and their staff, subject to final order at the conclusion of the liquidation. The fees and disbursements paid by the company to the cut-off date total \$42,941 plus GST.

The liquidators' time costings and disbursements to the cut-off date at the approved rates of remuneration total \$144,821 plus GST. The time costings are based on 616.7 hours of work undertaken as follows:

| <b>Work Category</b>   | <b>Hours</b> | <b>\$</b>      |
|--|--------------|----------------|
| Appointment functions, statutory requirements, and file management | 91.1         | 20,041         |
| Asset realisations   | 14.3         | 3,390          |
| Creditors' claims and enquiries                                    | 19.7         | 4,205          |
| Taxation   | 11.6         | 1,920          |
| Investigations and legal   | 480.0        | 114,830        |
| Disbursements  |              | 435            |
| <b>Total</b>   | <b>616.7</b> | <b>144,821</b> |

A retrospective application for fee approval will be made by the liquidators, if required. Section 284(1) of the Act provides that, with leave of the Court, an application may be made by a creditor, shareholder, or director of a company in liquidation to review or fix the remuneration of the liquidators.

## 7 FUNDS / LIKELY OUTCOME

The liquidators anticipate that the actions being pursued will result in recoveries being made for the benefit of the company's creditors. It is too early to estimate the extent of any recoveries or the amount of any distribution that may be made to creditors.

## 8 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters must be completed before the liquidation can be finalised:

- Completion of liquidators' investigations and pursuing actions arising from those investigations
- Distributing funds to creditors (if any)

## 9 ESTIMATED DATE OF COMPLETION

It is too early for the liquidators to estimate the date of completion of this liquidation.

## 10 CONTACT DETAILS

Enquiries should be directed to Iain McLennan on DDI (09) 303 0506 or by email to [imclennan@mvp.co.nz](mailto:imclennan@mvp.co.nz). The Liquidators can be contacted at:

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Iain McLennan  
LIQUIDATOR (Licence No: IP82)

Dated this 18<sup>th</sup> day of September 2022

# Realisations and Distributions

## Happiness Restaurant and Bar Limited (In Liquidation) 13 August 2019 to 12 August 2022

|  | As Per Statement<br>of Affairs | Cash<br>Received |
|--|--------------------------------|------------------|
| <b>Realisations</b>                              |                                |                  |
| Bank Account Closure                             | 2,247                          | 2,247            |
| Sale of Assets                                   | 40,000                         | 40,000           |
| Pre-liquidation GST Refund                       | -                              | 293              |
| Interest   |                                | 3                |
| Creditor funding                                 |                                | 4,029            |
| <b>Total Realisations</b>                        | <b>\$42,247</b>                | <b>\$46,572</b>  |
| <b>Payments</b>                                  |                                |                  |
| <b>Liquidators Fees</b>                          |                                |                  |
| Liquidators Fees                                 |                                | 42,528           |
| Disbursements                                    |                                | 413              |
| <b>Total Liquidators Fees</b>                    |                                | <b>\$42,941</b>  |
| <b>Other Costs of Liquidation and Trading On</b> |                                |                  |
| Trading on Costs                                 |                                | 127              |
| <b>Total Costs of Liquidation and Trading On</b> |                                | <b>\$127</b>     |
| <b>Distributions</b>                             |                                |                  |
| Preferential Distribution – Costs Award          |                                | 3,504            |
| <b>Total Distributions to Creditors</b>          |                                | <b>\$3,504</b>   |
| <b>Total Payments</b>                            |                                | <b>\$46,572</b>  |
| <b>BALANCE HELD</b>                              |                                | <b>\$NIL</b>     |