



McDonald
Vague

business recovery partners

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Happiness Restaurant and Bar Limited (In Liquidation)

Liquidators' Third Report For the period from 13 February 2020 to 12 August 2020

1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Iain McLennan, Licensed Insolvency Practitioners, of 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.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators are reporting on the progress of the liquidation. This third 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. As a result of the investigations undertaken to date, matters have come to the liquidators' attention that, if pursued, the liquidators consider are likely to lead to recoveries for the benefit of the company's creditors. As the liquidators do not want to prejudice these recovery actions, details of the matters of interest are not being provided at this time.

Schedule 7 of the Act prescribes the priority of payments to preferential creditors in a company's liquidation. Clause 1(1)(e) of Schedule 7 provides for priority of payments:

to any creditor who protects, preserves the value of, or recovers assets of the company for the benefit of the company's creditors by the payment of money or the giving of an indemnity,—

(i) the amount received by the liquidator by the realisation of those assets, up to the value of that creditor's unsecured debt; and

(ii) the amount of the costs incurred by that creditor in protecting, preserving the value of, or recovering those assets.

Any creditor who may be interested in funding the liquidators' recovery actions referred to above should contact Marisa Brugeyroux by email to mbrugeyroux@mvp.co.nz.

5 CREDITORS' CLAIMS

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.

CLAIMS RECEIVED	NUMBER	VALUE	DISTRIBUTED
Secured Claims	0	NIL	NIL
Preferential Claim – Court Costs	1	4,029	4,029
IRD Preferential	1	94,507	NIL
Unsecured Claim	8	36,574	NIL

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.

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 \$42,907 plus GST. The liquidators' time costings to the cut-off date at the approved rates of remuneration total \$50,178 plus GST. The time costings are based on 236.8 hours of work undertaken as follows:

Work Category	Hours	\$
Appointment functions, statutory requirements, and file management	56.5	11,511
Asset realisations	14.3	3,390
Creditors' claims and enquiries	16.6	3,430
Taxation	7.3	1,015
Investigations and legal	142.1	30,400
Disbursements		432
Total	236.8	\$50,178

A retrospective application for fee approval will be made by the liquidators, if required. Section 284 (1) of the Act provides that an application (with the leave of the Court) 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 actions taken following the completion of their investigations will result in recoveries being made for the benefit of the company's creditors. It is too early to estimate the extent of those likely 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 Marisa Brugeyroux on DDI (09) 306 3340 or by email to MBrugeyroux@mvp.co.nz. The Liquidators can be contacted at:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 8 day of September 2020

Realisations and Distributions

Happiness Restaurant and Bar Limited (In Liquidation) 13 August 2019 to 12 August 2020

Realisations	As Per Statement of Affairs	Cash Received
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
Total Realisations	\$42,247	\$46,572
Payments		
Liquidators Fees		
Liquidators Fees		42,494
Disbursements		413
Total Liquidators Fees		\$42,907
Other Costs of Liquidation and Trading On		
Trading on Costs		127
Total Costs of Liquidation and Trading On		\$127
Distributions		
Preferential Distribution – Costs Award		3,504
Total Distributions to Creditors		\$3,504
Total Payments		\$46,537
BALANCE HELD		\$34

Note: Due to rounding, figures may not add up precisely.

Note: The above figures are GST exclusive.