



McDonald
Vague

business recovery partners

McDonald Vague Limited

33 Federal Street,
Auckland Central

PO Box 6092, Wellesley Street,
Auckland 1141, New Zealand

p: 09 303 0506

f: 09 303 0508

e: insol@mvp.co.nz

www.mvp.co.nz

Happiness Restaurant and Bar Limited (In Liquidation)

Liquidators' Fifth Report

For the period from 13 February 2021 to 12 August 2021

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.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators are reporting on the progress of the liquidation. This fifth 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.

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 should contact Marisa Brugeyroux by email to mbrugeyroux@mvp.co.nz.

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 \$42,907 plus GST.

The liquidators' time costings and disbursements to the cut-off date at the approved rates of remuneration total \$112,443 plus GST. The time costings are based on 492.1 hours of work undertaken as follows:

Work Category	Hours	\$
Appointment functions, statutory requirements, and file management	79.8	17,201
Asset realisations	14.3	3,390
Creditors' claims and enquiries	18.9	4,005
Taxation	10.1	1,605
Investigations and legal	369.0	85,807
Disbursements		435
Total	492.1	112,443

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 Marisa Brugeyroux on DDI (09) 306 3340 or by email to mbrugeyroux@mvp.co.nz. The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

McDonald Vague Limited
P O Box 6092
Wellesley Street
Auckland 1141



PERI M FINNIGAN
LIQUIDATOR

DATED this 16th day of August 2021

Realisations and Distributions

Happiness Restaurant and Bar Limited (In Liquidation) 13 August 2019 to 12 August 2021

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.