

Examiner appointed to award-winning restaurant

THE HIGH Court has appointed an interim examiner to award-winning Dublin restaurant Jo'Burger.

Mr Justice Peter Charleton said he was satisfied to appoint Neil Hughes of Hughes Blake as interim examiner to the restaurant after considering an independent accountant's report which showed the company had a reasonable prospect of survival.

The company, which operates a restaurant at Rathmines Road, Dublin 6, had sought the protection of the court from its creditors because it is insolvent and unable to pay its debts, arising out of loans it had given to two related companies.

The directors of the firm had decided to petition the High Court for the appointment of an examiner due to a demand from the Revenue Commissioners for approximately €250,000 in unpaid VAT and PAYE and PRSI. There is also €100,000 outstanding to trade creditors. The company claimed that the company will cease to trade in the absence of the protection of the court.

The court also heard that it owes liabilities over assets of €677,000 and it is estimated that that, in a winding-up scenario, there would be deficit of approximately €770,000.

The restaurant, which has 16 employees, is based on a South African theme and has been trading profitably. The court heard from counsel for the company, Garrett Byrne BL, that the independent accountant's report showed the company has a reasonable prospect of survival if a scheme of arrangement, which includes the securing of additional investment, can be put in place.

The court heard that the company got into financial trouble arising out of loans, worth €500,000, it had given to two other firms set up by Jo'Burger's directors, Orange Square Limited in Lower Baggot Street, Dublin and JJB Ltd in Blackrock, Co Dublin. Neither of those two enterprises was successful, and there is little chance of recovering much of the loans. The court heard that those two companies, which are not seeking court protection, are to be wound up.

The court also heard that a holding company to link the three companies as a formal group had not been set up. Counsel said the provision of loans from one company unintentionally breached Section 31 of the Companies Act.

Mr Justice Charleton, acknowledging that the restaurant has received critical acclaim, said that Mr Hughes should be appointed on an interim basis so that he could begin preparations on a scheme of arrangement "as soon as possible". The judge added that it was accepted that the restaurant had been trading profitably, but got into difficulties arising out of loans it had given to the other companies.

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