



The Insolvency & Business Recovery Specialists

RHBP Limited (In Liquidation) **(formerly known as Brandhub Limited until 12 September 2014)**

Liquidators' First Report

1 INTRODUCTION AND APPOINTMENT

RHBP Limited ("the company") was placed into liquidation by a special resolution of the shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 15 September 2014. Peri Micaela Finnigan and Boris van Delden, Insolvency Practitioners of Auckland, were appointed as joint and several liquidators of the company.

2 RESTRICTIONS

In preparing this report and its appendices we have relied upon information provided to us. We have not independently verified or audited that information. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of 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 which becomes known to us after that date.

3 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs setting out the company's estimated financial position
- Appendix 2: Schedule of company creditors' names and addresses
- Appendix 3: Notice of Liquidators' decision to dispense with meeting of creditors
- Appendix 4: Notice to creditors to prove debts or claims
- Appendix 5: Creditors claim form

4 COMPANY STRUCTURE AND BACKGROUND

| | |
|------------------------|-------------------|
| Date of incorporation: | 30 April 1986 |
| Company number: | 282684 |
| Date ceased trading: | 12 September 2014 |

McDONALD VAGUE LIMITED

Level 10, 52 Swanson Street, Auckland CBD
PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 09 303 0506, Facsimile 09 303 0508, insol@mvp.co.nz, www.mvp.co.nz
Member of Insol International. Consultants to the Accounting and Legal Professions.

| | | |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Nature of business: | Communications agency with a range of integrated services from creative to production. Also providers of internet-based communication supply chain management services through web-based digital asset management system, and online solutions through a proprietary product | |
| Trading address: | 483A Rosebank Road, Avondale, Auckland | |
| Previous name: | Brandhub Limited | |
| Share capital: | 559,917 Shares | |
| Shareholders: | M H Holdings Limited | 518,516 Shares |
| | Ivan Neil Gillatt | 41,400 Shares |
| | John Stuart Douglas | 1 Share |
| Director: | John Stuart Douglas | |
| Related Entities: | M H Holdings Limited | |

The company struggled with cash flow and could not meet commitments with Inland Revenue Department, or the landlord and other creditors. It suffered from falling sales as a result of involvement in the sunset industry and the prepress industry. The company was also heavily impacted by high overheads.

The company restructured and downsized to a third of the original size but could not manage the commitments to creditors.

5 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1.

6 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

We will realise all available assets. An offer to purchase assets was presented to the liquidators immediately upon liquidation. This offer was presented to the secured creditor, along with a market valuation of assets. The sale required the approval of the GSA holder to provide a partial release of security. This was granted and a sale has proceeded based on the market valuation of assets.

The purchaser took possession of assets one week after liquidation and has relocated to smaller premises. The director of the failed company is not named as a director or involved in a management position in the purchasers company. The purchaser intends to issue a successor company notice as Mr John Douglas, director, will provide assistance in the short term.

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The director of the purchasing company, Brandhub NZ Limited, is a former employee of the failed company and is related to the director. She will operate a smaller business under the guidance of a chartered accountant and business mentor.

The liquidators are satisfied that market value has been gained. The independent valuation estimated the fixed assets to be \$17,935 to \$29,980 at valuation and at an in situ market value, respectively. This excluded a kitchen fit out which remains in the vacated premises and could not be relocated without incurring damage.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties, and take appropriate steps where necessary.

If there are funds available for distribution to creditors we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

7 LIABILITIES AND CREDITOR CLAIMS

7.1 Secured Creditors

As at the date of liquidation eleven secured parties had registered security interests against the company on the Personal Property Securities Register.

- Bank of New Zealand (4 Registrations)
- European Financial Services Limited (3 Registrations)
- Flexirent Capital (New Zealand) Limited (2 Registrations)
- Leasing Solutions Limited (2 Registrations)

We understand the motor vehicles have been returned or are subject to an assignment to the purchaser. The BNZ Bank has granted a partial discharge of the general security and will hold a specific security over the debtors until the ledger is cleared. The bank expects to incur a shortfall. The shortfall is subject to a personal guarantee.

Personal Property Securities Act / Reservation of Title

Should any creditor believe that they are entitled to any goods, or proceeds from realisation of goods, due to holding a perfected Purchase Money Security Interest, they should contact us immediately.

If any creditor believes that they have a Reservation of Title over goods and they have not perfected their interest, they should also contact us immediately.

7.2 Preferential Creditors

We estimate that there was approximately \$5,000 owing to former employees for wages, holiday pay and redundancy pay. The purchaser has taken over these claims and will pay those employees who take employment with the purchaser. Any staff member that elects to not take up employment has a preferential claim in the liquidation.

The Inland Revenue Department has not yet provided us with a creditor's claim form but we understand that there is approximately \$233,934 due in respect of GST, PAYE and other payroll deductions.

7.3 Unsecured Creditors

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$493,163. A schedule of known creditors and their addresses is provided at Appendix 2, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is included at Appendix 4. Also enclosed is a creditor's claim form for completion and return to this office by Friday, 31 October 2014. Creditors that have not made a claim by the date on the notice may be excluded from any distribution made. If you believe that you are a secured creditor please contact us and the appropriate form will be sent to you.

8 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 4.

Pursuant to Section 314 of the Companies Act 1993, creditors are advised that at any time in the course of the liquidation the Liquidator shall, at the request in writing of any creditor or shareholder, call a meeting for the purpose of appointing a liquidation committee.

9 FURTHER INFORMATION

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence and send it to us. Please note that the Liquidators are more able to act on written information.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on the attached creditor claim form. This report and all subsequent reports will be available on the Liquidators' website at www.mvp.co.nz

10 ESTIMATED DATE OF COMPLETION

The Liquidators believe the liquidation may be concluded within one year.

11 CONTACT DETAILS

Enquiries should be directed to the writer on DDI (09) 303 9519 or by email to pfinnigan@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141



PERI M FINNIGAN
LIQUIDATOR

DATED this *29* day of September 2014

RHBP Limited
(formerly known as Brandhub Limited until 12 September 2014)
Statement of Affairs

Statement of Affairs for the above named company as at 15 September 2014 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

| ASSETS SPECIFICALLY PLEDGED | <i>Estimated to Realise</i> | <i>Due to Secured Creditor</i> | <i>Deficiency Ranking as Unsecured</i> | <i>Surplus</i> |
|----------------------------------------------------------------------------------------------|---------------------------------|------------------------------------|------------------------------------------------|----------------|
| <i>Securities registered on the Personal Property Securities Register (refer note 6)</i> | | | | |
| Factored Debtors - Bank of New Zealand | 249,619 | 275,951 | (26,332) | - |
| VW Polo HNT887 - European Financial Services | - | - | - | - |
| VW Polo HNT886 - European Financial Services | - | - | - | - |
| VW Polo HNT885 - European Financial Services | - | - | - | - |
| Konica Minolta Printer/Desktop Software - Leasing Solutions Ltd | - | - | - | - |
| Konica Minolta Colour Printer/Desktop Software - Leasing Solutions Ltd | - | - | - | - |
| Barco Imagesetter BG3800/Compaq PC - Bank of New Zealand | - | - | - | - |
| <i>Estimated surplus / (deficiency) as regards specifically pledged assets</i> | \$ 249,619 | \$ 275,951 | (\$26,332) | \$ - |

| ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS | <i>Book Value</i> | <i>Estimated to Realise</i> |
|----------------------------------------------------------------------|-----------------------|---------------------------------|
| Accounts receivable (note BNZ Debtors Finance) | 249,619 | - |
| MH Packaging (Queensland) Pty Ltd (refer note 7) | 383,174 | - |
| MH Holdings Limited (refer note 7) | 608,586 | - |
| Work In Progress (refer note 8) | 13,170 | 15,000 |
| Total | 1,254,549 | 15,000 |
| <i>Less preferential creditors</i> | | |
| Employees (refer note 9) | | 5,000 |
| Inland Revenue Department | | 233,934 |
| Total | | 238,934 |
| <i>Estimated deficiency as regards preferential creditors</i> | | (\$223,934) |

| ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S | <i>Estimated to Realise</i> |
|-----------------------------------------------------------------|---------------------------------|
| Estimated surplus from assets specifically pledged | - |
| Plant & Equipment (refer note 10) | 25,000 |
| Goodwill / Database / Phone Number / website (refer note 11) | 5,000 |
| Total | 30,000 |

LESS GENERAL SECURITY AGREEMENT HOLDER/S

| | |
|------------------------------------------------------------------------------------------|---------------|
| Bank of New Zealand Limited - first ranking General Security Agreement holder (as above) | 26,332 |
| Total | <u>26,332</u> |

| | |
|------------------------------------------------------------------------|----------------|
| <i>Estimated surplus as regards General Security Agreement holders</i> | <u>\$3,668</u> |
|------------------------------------------------------------------------|----------------|

| | |
|---------------------------------------------------|------------------|
| Less deficiency as regards preferential creditors | 223,934 |
| Deficiency ranking as unsecured | <u>(220,266)</u> |

LESS UNSECURED CREDITORS

| | |
|----------------------------------------------------------------------|--------------------|
| Estimated deficiency as regards preferential creditors | 220,266 |
| Trade creditors | 77,994 |
| Landlord Arrears | 30,290 |
| Loan Catherine Douglas | 104,613 |
| <i>Estimated surplus/(deficiency) as regards unsecured creditors</i> | <u>(\$493,163)</u> |

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.
3. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
4. The General Security Agreement holder's claim will continue to accrue interest until fully paid.
5. There is a contingent liability in respect of the lease of the premises. The lease has a further three years to run. The arrears are Opex of \$23,943 and rent. The monthly rent cost was \$12,300 including GST.
6. The specific security holders will collect the assets or arrange assignment with the purchaser.
7. The liquidators will investigate whether these companies continue to trade and hold assets. The director has advised these balances are not recoverable.
8. The Work in Progress was valued at date of liquidation at \$13,170. All invoicing was done at date of liquidation and factored to BNZ Bank.
9. The holiday pay was transferred to the purchaser. This will be paid in addition to the purchase price of assets.
10. The book value of assets and full asset listing was provided to the value. The book value was much greater but included internal software development costs for outdated technology, and fit out costs which were unrecoverable.
11. The purchaser considered the goodwill was minimal given the trading losses of the failed company. A value was attributed to represent the customer database.
12. The specific security holders have been contacted by the purchaser and are in the process of discussing assignments of security. Certain assets under security will be returned.

Disclaimer of Liability:

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

RHBP Limited (In Liquidation) (formerly known as Brandhub Limited until 12 September 2014)

Schedule of Creditors' Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

| Trade Creditor Names | Address 1 | Address 2 | Address 3 |
|-----------------------------------------|-------------------------|------------------------|-----------------|
| Accident Compensation Corporation | P O Box 3248 | WELLINGTON | |
| Adland Limited | P O Box 9352 | Waikato Mail Centre | HAMILTON 3240 |
| AHI Carrier (NZ) Limited | Private Bag 92 128 | Victoria Street West | AUCKLAND 1142 |
| Bank of New Zealand | Private Bag 92 089 | AUCKLAND 1142 | |
| Blossom Investments Limited | 35 Glendhu Road | Bayview | AUCKLAND 0629 |
| Callplus Services Limited | P O Box 108 109 | Symonds Street | AUCKLAND 1150 |
| Central Office Supplies | 46 Northcote Road | Northcote | AUCKLAND 0627 |
| Crest Commercial Cleaning Limited | P O Box 740 | DUNEDIN 9054 | |
| European Financial Services Limited | P O Box 419 | Shortland Street | AUCKLAND |
| Flexirent Capital (New Zealand) Limited | P O Box 90 935 | Victoria Street West | AUCKLAND |
| Gravitas Group Limited | P O Box 8887 | Symonds Street | AUCKLAND 1150 |
| Holdsworth Automotive Limited | P O Box 100 932 | North Shore | AUCKLAND 0745 |
| Inkpost | P O Box 1035 | PALMERSTON NORTH 4440 | |
| Inland Revenue Department | P O Box 39 010 | Wellington Mail Centre | LOWER HUTT 5045 |
| Inline Graphics | P O Box 19 537 | Avondale | AUCKLAND |
| Keegan Alexander | P O Box 999 | AUCKLAND 1140 | |
| Konica Minolta | P O Box 68 045 | Newton | AUCKLAND |
| Lauren Freeman | 32A Kings Road | AUCKLAND | |
| Leasing Solutions Limited | P O Box 68 542 | Newton | AUCKLAND 1145 |
| Lowndes Jordan | Barristers & Solicitors | P O Box 5966 | AUCKLAND |
| Mako Networks | Private Bag 302 911 | North Harbour | AUCKLAND 0751 |
| New Zealand Couriers | Private Bag 92 111 | AUCKLAND | |

| Trade Creditor Names | Address 1 | Address 2 | Address 3 |
|--------------------------------------|---------------------------|------------------|---------------|
| Officemax | 30 Sir Woolf Fisher Drive | East Tamaki | AUCKLAND |
| Rentokil Initial Limited | Private Bag 92 905 | Onehunga | AUCKLAND 1643 |
| Tech R Us NZ Limited | 35 Preston Avenue | Mt Albert | AUCKLAND 1025 |
| Two Degrees Mobile Limited | P O Box 8355 | Symonds Street | AUCKLAND 1150 |
| Underground Coffee Company | 5 Cass Street | Sydenham | CHRISTCHURCH |
| Vision Through Communication Limited | P O Box 104 091 | Lincoln North | AUCKLAND 0654 |
| Walker Wayland Auckland Limited | P O Box 2175 | AUCKLAND 1140 | |
| Web Partners Online | P O Box 90 721 | Auckland Central | AUCKLAND 1143 |
| Wenlai Wang | 10 Luckens Road | West Harbour | AUCKLAND 0618 |
| Z Energy Limited | P O Box 2091 | WELLINGTON | |

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of RHBP Limited (In Liquidation) and the likely result of the liquidation, it is proposed to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

We do not, however, wish to preclude creditors from expressing their views. Please contact the writer on DDI (09) 303 9519 if you have any specific enquiries.

You are advised that should you desire a creditor's meeting, notice in writing is required within 10 working days of receiving this notice.

At the time of giving notice you must also state the reason you require a meeting so that an agenda can be prepared and advertised and creditors can be given the opportunity to vote on any issue by voting letter.


PERI M FINNIGAN
LIQUIDATOR

DATED this 29 day of September 2014

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of RHBP Limited (In Liquidation)
(formerly known as Brandhub Limited until 12 September 2014)

Notice to Creditors to Prove Debts or Claims

Notice is hereby given that the undersigned, the liquidator of RHBP Limited (In Liquidation) ("the company"), does hereby fix Friday, the 31st day of October 2014, as the day on or before which the company's creditors are to make their claims, and to establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.


PERI M FINNIGAN
LIQUIDATOR

DATED this 29 day of September 2014

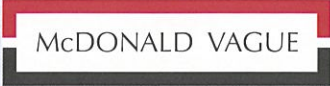
ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 10, 52 Swanson Street
Auckland 1010

PO Box 6092
Wellesley Street
AUCKLAND 1141

Telephone: (09) 303 0506
Facsimile: (09) 303 0508
Website: www.mvp.co.nz

DATE OF LIQUIDATION: 15 September 2014



The Insolvency & Business Recovery Specialists

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Unsecured Creditors Claim

(Also for use by Preferential Creditors)

SECTION 304(1) COMPANIES ACT 1993
(For help see www.mvp.co.nz or email claims@mvp.co.nz)

| | | | | |
|--|--|--|--|--|
| | | | | |
| | | | | |

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL

Telephone Numbers: ()

()

E-Mail

My Reference is:
(if applicable)

* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.

The information will be used and retained by the liquidators and McDonald Vague and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993.

Under Section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be in this prescribed form and must –
(a) Contain full particulars of the claim; and
(b) Identify any documents that evidence or substantiate the claim.

You may have access to and request correction of any personal information.

(*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)

NAME OF COMPANY IN LIQUIDATION:

(IN LIQUIDATION)

(If claim is made on behalf of creditor, specify relationship to creditor and authority)

claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words):

STATUS OF CLAIM:

1. I am an unsecured creditor for
(Also applicable to secured creditors who hereby surrender their security)

\$

2. I am a preferential creditor for
(Refer details on reverse)

\$

3. My total claim is for
(State currency if other than \$NZ)

Other
Currency

NZ \$

4. I have claimed retention/reservation of title rights pursuant to rights held by me

Tick if Applicable

Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you. (Refer details on reverse)

Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form.

(The liquidator may require the production of a document under Section 304(2) of the Companies Act 1993. You are **not required to attach any supporting documents** at this stage, but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED:

Date: / /

WARNING —

It is an offence under Section 304(6) of the Companies Act 1993 to –

Make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or

Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Received
(Date Stamp)

RESERVED FOR OFFICE USE:

Claim admitted/rejected for voting purposes:
(Delete one)

Signed:

Date: / /

Preferential Claim for:

Ordinary Claim for:

~~CLAIM REJECTED FOR PAYMENT:~~

\$

\$

or
~~CLAIM ADMITTED FOR PAYMENT:~~

Preferential Claim for:

Ordinary Claim for:

\$

\$

Signed
Liquidator:

Date: / /

Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.



The Insolvency & Business Recovery Specialists



The Insolvency & Business Recovery Specialists

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

If the creditor owes money to the company, please give full details.

| Date | Details of Claim and Identification of Documents that Evidence or Substantiate the Claim | Amount \$ |
|------|------------------------------------------------------------------------------------------|-----------|
| | | |

CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.
 Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

PREFERENTIAL CLAIMANTS ONLY

Guideline
 The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$20,340 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?
 (eg. employee, GST, etc) _____

2. Details of your claim: _____

If applicable please record here your GST Registration number: _____
 and total GST included in your tax invoice: \$ _____