

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

Liquidators' Second Report
For the period from 15 September 2015 to 14 March 2015

1 INTRODUCTION AND APPOINTMENT

Peri Micaela Finnigan and Boris van Delden, Insolvency Practitioners of Auckland, were appointed jointly and severally as liquidators of RHBP Limited ("the company / RHBP") on 15 September 2015.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This second report should be read in conjunction with the liquidators' previous report. 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

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 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

The business assets were sold for \$45,000.

3.1 Debtors

(Statement of Affairs: \$Nil)

The accounts receivable balance at date of liquidation was \$249,619. All debtors were factored to Bank of New Zealand and were available to the bank under the specific and general security they held. We understand that very recently the full debt owing under the factoring facility has finally been recovered. We are advised the balance of the remaining debtor ledger is \$4,000. The bank was owed \$275,952 over all facilities at date of liquidation and will incur a shortfall.

3.2 Related Companies *(Statement of Affairs: \$Nil)*

MH Packaging (Queensland) Pty Ltd at the date of liquidation was indebted to RHBP for \$383,174. We have been advised this company is insolvent and trades with the support of the bank. The bank is secured and the assets are not likely to clear secured claims. Financial statements have been furnished to support this status.

MH Holdings Limited was indebted to RHBP for \$608,586 at date of liquidation. This company has no means to repay the debt and the company is in the process of being wound up. Financial accounts to support this advice have been provided. These accounts show the only assets of MH Holdings Limited are some minor assets and the shares in Brandhub Limited.

3.3 Work in Progress *(Statement of Affairs: \$15,000)*

As stated above, all invoicing was done at date of liquidation and factored to Bank of New Zealand. These recoveries reduced the debt factoring facility. There was no surplus on the debtor ledger for the creditors in RHBP. A value of \$15,000 was attributed to stock and work in progress in the sale agreement.

3.4 Plant and Equipment *(Statement of Affairs: \$25,000)*

The liquidators sold the equipment for \$25,000 plus GST (if any). The purchaser did not take over the premises and set up with the equipment on a smaller scale in a new location. The bank approved the sale price. A valuation was provided to support the value. The valuation for the equipment at auction was \$17,935, and at market value in situ \$29,980.

The discrepancy between book value of assets and sale value is attached to unrecovered capital spend on fit out and leasehold premises improvements, and website software design that had no value to any other party.

3.5 Goodwill / Database / Phone Number / website *(Statement of Affairs: \$5,000)*

The liquidators sold the name and the customer database with the assets. A sum of \$5,000 was attributed to goodwill.

4 INVESTIGATIONS

The liquidators have not completed their investigations into the books, records and affairs of the company. There are no matters at this stage that have come to the knowledge of the liquidators that could eventuate in a benefit to creditors. The intercompany balances however require further substantiation.

5 CREDITORS' CLAIMS

5.1 *Secured Creditors*

A secured claim has not been received from Bank of New Zealand in respect of a General Security Agreement. The bank received \$25,000 from the proceeds of sale of assets and has recovered debtors under the factoring facility. The debt owing at liquidation was \$275,951. The bank will incur a shortfall. An up to date position has been sought.

5.2 *Preferential Creditors*

The Inland Revenue Department has submitted a preferential claim for \$230,052. No dividend has been paid to the preferential creditors at the date of this report. No dividend is likely.

5.3 *Unsecured Creditors*

As at the date of preparing this report eight unsecured creditors claim forms have been received which total \$235,561. 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.

6 FUNDS / LIKELY OUTCOME

There will be a short fall on the amount due to the General Security Agreement holder. Therefore, at this stage the liquidator does not anticipate paying a distribution to unsecured creditors.

7 MATTERS DELAYING THE COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Collection of final purchase price paid on an instalment arrangement
- Report from BNZ on debtors ledger remaining to collect
- Evidence from related companies they are insolvent and have no funds to pay inter company balances

8 ESTIMATED DATE OF COMPLETION

Based on the information contained in this report the liquidators presently propose to complete all outstanding matters with a view to retiring as liquidators within the next six months.

9 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:

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PERI M FINNIGAN
LIQUIDATOR

DATED this 26th day of March 2015

Realisations and Distributions

RHBP Limited (In Liquidation) 15 September 2014 to 14 March 2015

	As per Statement Of Affairs	Realisations to Date
Realisations		
Debtors	Nil	Nil
Related Companies	Nil	Nil
Work in Progress	15,000	Nil
Plant and Equipment	25,000	29,500
Goodwill, Database, Phone Number, Website	5,000	Nil
Total Realisations	\$45,000	\$29,500
Payments		
Liquidators Fees		
Liquidators Fees		3,911
Disbursements		2
Total Liquidators Fees		\$3,913
Distribution		
Bank of New Zealand – Secured Creditor		25,000
Total Distributions to Secured Creditor		\$25,000
Total Payments		28,913
BALANCE HELD		\$587

Note: the above figures are GST exclusive