

HUBSTA LIMITED (IN RECEIVERSHIP)

RECEIVERS REPORT

For the Period 16 November 2010 to 15 May 2011

INTRODUCTION

On the 15th of November 2010, Gerald Stanley Rea and Simon Dalton were appointed Receivers and Managers of the above company by Chu-Mun Limited under the terms of a General Security Agreement dated the 21st of May 2010. This security granted a charge over all of the present and after acquired property of the Company. Mr Rea and Mr Dalton replaced the previous receiver, Mr Lance Gilbertson.

Set out below is our second report on the conduct of the receivership.

BACKGROUND

Hubsta Limited was incorporated on 13th of June 2006, initially as The Deal Online Limited. Then on the 17th of July 2006 the name was changed to Thedeal Limited and subsequently changed to its current name, Hubsta Limited, on the 25th of September 2009. The company provided a platform for suppliers to sell products online to the general public and worked on a commission only basis for online sales. The company was unable to meet its obligations to its secured creditors and was as a consequence placed in Receivership.

Concerned with the way in which the first receiver was conducting the receivership, Chu-Mun Limited, chose to appoint replacement receivers on the 15th of November.

ASSETS

After investigating the alternatives for sale of the assets, the Receivers accepted an offer to buy the assets for \$50,000.

Realisations

Realisations during the course of the Receivership have been:

Appointer Advances		47,280
GST Refunds		595
Initial Trust Funds	22,848	
Less: Bank Initiated Refunds	<u>(15,585)</u>	7,263
Interest Received		191
Sale of Assets		50,000
Sales		81,216
Sundry		<u>320</u>
		<u>186,865</u>

Kindly note, a further \$145,481 was paid to the Receivers in respect of sales made after the sale of the company but before the merchant facility could be changed. In accordance with the sale agreement, this money was held in trust until it was forwarded to the new owner.

Assets Still to Be Realised

As mentioned in our first receivers report, questions still remain over the funds at hand on the date of our appointment. While the company's records indicated that proceeds from sales were kept in Trust to be paid to suppliers (or refunded to customers), our investigations have suggested that this practice was not adhered to by either the directors or the former receiver. The relevant authorities are investigating.

However there are no more assets to be realised and consequently we are looking to stand down as receivers as soon as possible.

AMOUNTS OWING TO APPOINTOR

As at the date of this report, the amount owing to our Appointor is:

	<i>Claimed</i>
GSA Holders	\$5,642,000

PREFERENTIAL CREDITORS

The amount of preferential creditors of the company, based on information received is:

Preferential Creditors	\$129,830
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DISTRIBUTIONS

Distributions during the course of the Receivership are summarised below:

Advertising	307
Cleaning	282
Insurance	317
Merchant & Bank Fees	2,355
PAYE	6,152
Payments to Suppliers	66,232
Power	1,056
Receivers Fees	58,546
Rent	3,680
Telephones	91
Wages/Contractors	36,941
	<u>\$175,960</u>

FUNDS ON HAND

Funds on hand in our trust account are at present:

Receivers Trust Account	\$ 10,905
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AMOUNTS LIKELY TO BE AVAILABLE TO UNSECURED CREDITORS

As at the date of this report it appears unlikely that there will be any funds available for unsecured creditors.

DISCLAIMER

The estimated realisation values in this report have been assessed by the receivers after consultations with company employees. The receivers do not accept any responsibility for errors or omissions in the statement, nor do they assume any responsibility or liability for losses occasioned by any party as a result of the circulation, publication, reproduction or use of this report.

We reserve the right but will be under no obligation to revise this report if we consider it necessary to do so in the light of any information existing at the date of the report, which becomes known to us after that date.



S Dalton
Joint Receiver

Dated this 15th day of July 2011

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