

Meltzer Mason Heath

Chartered Accountants practising as insolvency specialists

Refer to: Lloyd Hayward

Company Number: 1122971

Liquidators' Second Report

Tile Systems Limited (In Liquidation)

For the period to 2 February 2011

Introduction

Tile Systems Limited was placed into voluntary liquidation in Auckland on 2 August 2010 and Lloyd Hayward and Jeff Meltzer were appointed joint and several Liquidators.

In accordance with section 255 of the Companies Act 1993 the Liquidators are obliged to report to all creditors and shareholders on the conduct of the liquidation during the preceding six months. This report covers the period to 2 February 2011.

Schedule of Receipts and Payments

A schedule of receipts and payments is attached.

Asset Realisations

Recoveries have been achieved from trade debts due and proceeds of the bank account closed.

Trade debt has proved difficult to collect as a result of the company not being able to honour warranties it gave when trading. A number of counter claims have also been received where as a result of the company ceasing to trade defective work have been repaired by third parties. These counter claims have been set off against monies due to the company in accordance with Section 310 of the Companies Act 1993.

Based on the set off claims received there is little prospect of further recoveries of trade debt.

Dividends

The Liquidators expect that a dividend of less than 10 cents in the dollar will be paid after June 2011.

Jeff Meltzer

Karen Mason

Arron Heath



Liquidators' Investigations

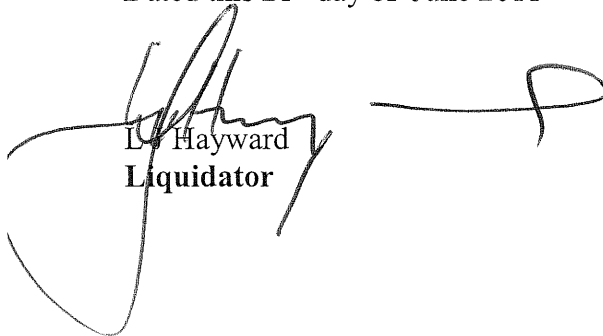
The Liquidators have not identified any matter that is likely to give rise to additional monies being available to creditors.

Outstanding Matters

The Liquidators intend to complete the creditor claim admitting process, attend to final GST matters, undertake a first and final dividend payment, and then retire

Please contact Lloyd Hayward of this office should you require any further information.

Dated this 21st day of June 2011



Lloyd Hayward
Liquidator

Tile Systems Limited (In Liquidation)

Receipts and Payments

For the period to 2 February 2011

\$

Receipts

Debtors	20,279.20
Proceeds of Bank Account	28,619.39
IBD Interest	210.59
GST Income	3,967.40
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	53,076.58

Payments

Liquidator's Remuneration	15,506.50
Liquidator's Disbursements	347.53
Advertising	403.63
Bank Fees	0.50
Debt Collection	1,758.88
Postage	831.02
Professional Fees	1,224.68
Rubbish Services	270.00
Mail Redirection	338.45
PAYE	640.32
Preferential Wages & Holiday Pay	2,686.68
GST Expense	3,186.18
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	27,194.37

Balance as at 2 February 2011

25,882.21

Notes: The funds held are subject to further costs of winding up.