

**TITANI FINANCE LIMITED
(IN LIQUIDATION)**

LIQUIDATORS' THIRD REPORT
Pursuant to Section 255(2)(d)
of the Companies Act 1993

**For the Period from 20 February 2010
to 19 July 2010**

1. PROGRESS OF THE ADMINISTRATION OF THE LIQUIDATION

The liquidators report herewith on the progress made in the liquidation of Titan1 Finance Limited. Included in this report is the liquidators' Statement of Realisations and Distributions to 19 July 2010.

This third report to creditors follows all previous reports and should be read in conjunction with all previous reports. This report is being sent to all shareholders and to all creditors who have filed a claim in the liquidation.

2. REALISATION OF COMPANY ASSETS

2.1 Advances (Statement of Affairs \$8,171,583)

There have been no realisations since the previous report to creditors. Due to ongoing settlement discussions between the creditors, debtors and liquidators of the Company, the liquidators deem it prudent to not disclose any further information on the basis that such disclosure could be prejudicial.

3. CREDITORS' CLAIMS

3.1 Secured Creditors

No secured claims have been received in the liquidation.

3.2 Preferential Creditors

A preferential claim of \$3,058 was received in relation to Court costs awarded to the applicant creditor. A dividend of \$3,058 has been paid.

3.3 Unsecured Creditors

As at the date of preparing this report 10 unsecured creditors' claims have been received which total \$7,798,957. Seven claims, totalling \$3,311,712, have been rejected due to inadequate documentation and evidence being provided despite request.

4. INVESTIGATIONS

The liquidators' investigations into the books, records and affairs of the company remain ongoing. The liquidators deem it prudent to not disclose any further information on the basis that such disclosure could be prejudicial.

5. LIQUIDATORS' FEES

Liquidators' fees to the date of this report are \$53,227 excluding GST. The fees are based on 201 hours of work undertaken as follows:-

Appointment Functions and Liquidation Management	\$12,605
Initial Enquiries	\$4,386
Investigations	\$8,358
Reports to Creditors	\$2,260
Asset Realisations, Creditor Enquiries and Settlement Finalisations*	\$25,618
	<u>\$53,227</u>

* Includes debtor and creditor meetings.

Liquidators' fees in a Court ordered winding up are to be approved by the Court, and if required, a retrospective application for fee approval will be made by the liquidators.

Section 284(1) of the Companies Act 1993 provides that an application (with the leave of the Court) may be made by a creditor, shareholder or director of a company in liquidation to review or fix the remuneration of the liquidators. In circumstances where no application has been made to review or fix the liquidators' remuneration the Court will be less inclined to rigorously examine the fees submitted by the liquidators for subsequent approval.

6. MATTERS DELAYING COMPLETION OF THE LIQUIDATION

The following matters are outstanding:

- Collection of advances to Titan1 Group entities;
- Completion of settlement discussions;
- Completion of investigations;
- Payment of dividend to unsecured creditors.

7. CONCLUSION

It is too early yet to estimate a date of completion for this liquidation.

Any queries can be directed to Jared Booth of these offices on DDI 0-9-306 3340 or by visiting our website at www.mvp.co.nz.

Yours faithfully
for TITANI FINANCE LIMITED
(IN LIQUIDATION)



PERI M FINNIGAN
LIQUIDATOR

DATED this 6 day of September 2010

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Number of Company: 1833591
 Name of Company: TITANI FINANCE LIMITED (IN LIQUIDATION)
 Subject: LIQUIDATORS' STATEMENT OF REALISATIONS AND DISTRIBUTIONS FOR THE PERIOD 20 AUGUST 2009 TO 19 JULY 2010

	Cash Received
CASH HAS BEEN RECEIVED AS FOLLOWS:	\$
Bank Account Closure	101,237
Debtors	5,249
Interest	1,925
TOTAL REALISATIONS	<u>\$108,411</u>

CASH HAS BEEN PAID AS FOLLOWS:

Costs Charges & Expenses of Liquidation	
Liquidators' Fees	53,228
Disbursements	1,352
Legal Fees	3,489
Bank Fees	52
Resident Withholding Tax Deduction	558
Preferential Creditors	
Applicant Creditor – Court awarded costs	3,058
TOTAL DISTRIBUTIONS	<u>\$61,737</u>

TOTAL REALISATIONS	\$108,411
LESS TOTAL DISTRIBUTIONS	<u>\$61,737</u>
BALANCE HELD	<u>\$46,674</u>

BALANCE REPRESENTED BY:

ASB Bank Limited – Current Account	379
ASB Bank Limited – Interest Bearing Trust Account	46,233
GST Suspense Account	62
TOTAL	<u>\$46,674</u>

Note: The above figures are GST exclusive


 PERI M FINNIGAN
 LIQUIDATOR

Dated this 6 day of September 2010