Refer to: Arron Heath

No. of Company: 1101331

Liquidators' Further Report

Blue Sky Holdings Limited (In Liquidation)

For the period 13 August 2012 to 12 February 2013

Introduction

Blue Sky Holdings Limited ("Blue Sky Holdings") was placed into voluntary liquidation in Auckland on 12 February 2008 when Jeff Meltzer, Arron Heath and Lloyd Hayward of Meltzer Mason Heath were appointed joint and several Liquidators.

Blue Sky Holdings was part of the Blue Chip Group and was involved in joint ventures with investors. Although not a Blue Chip subsidiary Blue Sky Holdings was dependent on the Blue Chip Group (and later, the New Zealand franchise group) for funding to meet its joint venture obligations.

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 from 13 August 2012 to 12 February 2013.

Action to Date

Work undertaken during the period covered by this report relates to Blue Sky Holdings Limited position as Corporate Trustee of the Auckland Residential Property Trust. Work is continuing on establishing the Trust's liabilities and the parties entitled to share in the settlement proceeds.

Receipts and Payments

A receipts and payments statement for the period 13 August 2012 to 12 February 2013 is attached.

Asset Realisations

No assets were realised during the period covered by this report.

Dividends

No dividends were paid during the period covered by this report.

Jeff Meltzer
Karen Mason
Arron Heath

CHARTERED ACCOUNTANTS

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The following sections of this report incorporate comments relating to all of the Blue Chip companies to which we have been appointed.

As previously reported, the Liquidators filed a statement of claim in the High Court at Auckland against former directors and auditors of Blue Chip related companies.

This claim has been suspended due to the current unavailability of funding for the litigation.

Although other parties have expressed an interest in looking at the possibility of proceeding with the litigation the Liquidators' view is that funding difficulties will prove an insurmountable barrier for any other party.

The matter is due to be heard again by the High Court in April 2013. The Liquidators anticipate that the claim will either be withdrawn at that hearing or as a consequence of the hearing.

Please contact Arron Heath of this office should you require any further information.

Dated this 15th day of February 2013

A. Heath.

A L Heath
Joint and Several Liquidator

Blue Sky Holdings Limited (In Liquidation)

Receipts and Payments

For the period 13 August 2012 to 12 February 2013

	$	$
Balance Brought Forward		1,028.89
Receipts		
GST Refunds		435.18
		1,464.07
Payments		
Liquidators' Remuneration	1,104.00	
Liquidators' Disbursements	25.21	
GST Paid	168.93	
		1,295.14
Balance Carried Forward		168.93

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