

**RECEIVERS' FIRST REPORT ON THE STATE OF AFFAIRS
of
BELFAST PARK LIMITED (IN RECEIVERSHIP)**

1 Introduction

On 31 August 2010 Kerryn Downey and William Black were appointed jointly and severally as Receivers and Managers ("Receivers") of all present and after acquired property of Belfast Park Limited ("Belfast" or "the Company") as charged by the South Canterbury Finance Limited Trust Deed dated 12 April 1976 (as amended and supplemented from time to time) in favour of Trustees Executors Limited ("the Trustee").

We set out below our first report on the state of the affairs of Belfast as required by Section 23 of the Receiverships Act 1993.

2 Disclaimer

This report has been prepared by us in accordance with Section 23 of the Receiverships Act 1993.

It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the receivership pursuant to Sections 26 and 27 of the Receiverships Act 1993. In compiling this report we have relied on the accuracy of all relevant information obtained from the Company, together with information supplied by the directors and/or management. We have not independently verified the accuracy of information provided to us, nor have we conducted an audit in respect of the Company. We express no opinion on the reliability, accuracy, or completeness of information provided to us and upon which we have relied.

The Receivers do not accept responsibility or liability for any losses occasioned to any party as a result of the circulation, publication, reproduction, or use of this report.

3 Events leading up to our appointment

Belfast is 99.9% owned by South Canterbury Finance Limited ("SCF").

As noted in its media release dated 31 August 2010 the Trustee had SCF under "heightened surveillance" since 2008, following on from the well publicised financial difficulties experienced by the finance company sector. As part of its monitoring, the Trustee granted SCF a waiver in February 2010 to allow SCF time to achieve a recapitalisation.

Despite significant efforts by senior management and the directors, achieving a recapitalisation was ultimately unsuccessful. The severe liquidity constraints facing SCF, coupled with the inability to complete either a recapitalisation or a sale of SCF, resulted in the directors requesting the Trustee to appoint Receivers to SCF and its charging subsidiaries (the "SCF Group").

The Trustee considered that it was in the best interests of the holders of debt securities (debenture, deposit and bond holders) issued by SCF that Receivers be appointed and accordingly our appointment as Receivers and Managers of SCF was made on the morning of 31 August 2010.

Given that Belfast is 99.9% owned by SCF and had cross guaranteed SCF's obligations under the Trust Deed, the Trustee also placed Belfast in receivership on 31 August 2010.

4 Proposals for disposal of receivership property

Belfast and its wholly owned subsidiary, Tyrone Estates Limited, are both property holding and development companies which have no employees. The Receivers are working with SCF management and professional advisors regarding the best realisation strategies to optimise the value of the development properties.

5 Amounts owing to the Trustee

At the date of our appointment \$1.58 billion was owed to the Trustee for and on behalf of investors under the SCF Trust Deed. Cross guarantees were given by the 12 other companies (other than SCF) as listed in Appendix 1. Collectively we refer to the 14 companies as the SCF Group. All companies within the SCF Group were placed in receivership on 31 August 2010.

6 Other security interests

From our search of the Personal Property Securities Register we note that as at the date of our appointment, 5 parties have registered financing statements against the Company, other than the Trustee. Details of these parties and their interests in the Company are attached as Appendix 3 to this report.

7 Preferential creditors

According to the records of the Company, there are no preferential creditors as at the date of our appointment.

8 Unsecured creditors

At this stage in the receivership it is too early to assess with any degree of certainty the likely outcome with respect to the claims of the unsecured creditors.

9 Ordinary shareholders

Until the position of the unsecured creditors is determined, we are not able to confirm the likely recovery for ordinary shareholders.

10 Particulars of the assets and liabilities

We attach, as Appendix 2, a Summary of Unaudited Assets and Liabilities as at 31 August 2010, as prepared by SCF management.

The assets comprise business, industrial and residential land developments on a former freezing works site in northern Christchurch and adjoining rural land. The residential component of the project is scheduled to have rezoning completed before the end of 2010.

The assets can be broadly divided into the following descriptions:

- Existing freezing works which provide rental income;
- Industrial land development around and ultimately including the freezing works;
- Future Business zoned vacant land (currently zoned Rural);
- Rural land with a re-zoning to Residential consent in progress; and
- Residual residential sections currently for sale.

In accordance with Section 23(3) of the Receiverships Act 1993, we have omitted from this report our realisation estimates of the assets as we believe that their inclusion could materially prejudice the exercise of our functions, and in particular, our duty to obtain the best price reasonably obtainable for the Company's assets.

11 Information provided by the Company

The directors and management of the Company have co-operated fully in making available the information required to complete this report.

12 Other matters

We are aware of a number of concerns raised by investors and other parties in respect of the activities of the SCF Group prior to our appointment. We have notified the appropriate authorities in relation to certain specific transactions that took place prior to our appointment as Receivers.

Potential breaches of legislation that are identified during the course of the receivership will be reported to the relevant regulatory authorities. Due to the ongoing nature of the investigations, we are unable to provide details regarding individual issues or our findings since doing so could prejudice any subsequent proceedings which may be taken.



Kerryn M Downey
Receiver and Manager



William G Black
Receiver and Manager

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Level 17, 34 Shortland Street, Auckland
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1 November 2010

Appendix 1

Belfast Park Limited (In Receivership)

Charging Group Entities

(collectively “the SCF Group”)

South Canterbury Finance Limited (In Receivership)

Belfast Park Limited (In Receivership)

Braebrook Properties Limited (In Receivership)

Face Finance Limited (In Receivership)

Fairfield Finance Limited (In Receivership)

Flexi Lease Limited (In Receivership)

Galway Park Limited (In Receivership)

Helicopter Nominees Limited (In Receivership)

Hornchurch Limited (In Receivership)

Rental Cars Limited (In Receivership)

SCFG Systems Limited (In Receivership)

Sophia Investments Limited (In Receivership)

Southbury Insurance Limited (In Receivership)

Tyrone Estates Limited (In Receivership)

Appendix 2**Belfast Park Limited (In Receivership)****Summary of Unaudited Assets and Liabilities as at 31 August 2010**

Belfast Park Limited (In Receivership)	
Unaudited Assets and Liabilities as at 31 August 2010	
	\$
ASSETS	
Cash and cash equivalents	54,348
Receivables	13,894
Development and Investment properties	13,561,370
Advances - Tyrone Estates	7,238,176
Investment	1,000
Taxation	1,879,125
TOTAL ASSETS	<u>22,747,913</u>
LIABILITIES	
Creditors and accruals	(193,253)
Advance from South Canterbury Finance Limited	(14,346,036)
Secured creditor - ASB	(10,104,534)
TOTAL LIABILITIES	<u>(24,643,823)</u>
NET LIABILITIES	<u>(1,895,910)</u>

Source: SCF management

Important Note and Disclaimer:

The above schedule has been prepared from information obtained from the Company. This information has not been verified. The Receivers have not carried out an audit of the information supplied and do not accept any responsibility for the accuracy or completeness of the information. The Receivers do not accept any responsibility on any ground whatsoever, including liability in negligence, to any person.

Belfast Park Limited (In Receivership)**Other security interests - Personal Properties Securities Register as at 31 August 2010**

<i>Registration date</i>	<i>Secured Party</i>	<i>Collateral Type</i>
4 Apr 2006	South Canterbury Finance Limited	All Present And After Acquired Personal Property
11 Aug 2006	ASB Bank Limited	All Present And After Acquired Personal Property
24 Aug 2009	Trustees Executors Limited	All Present And After Acquired Personal Property
27 Oct 2009	Torchlight Security Trustee Limited	All Present And After Acquired Personal Property
14 Jan 2010	Covenant Trustee Company Limited	All Present And After Acquired Personal Property
31 Aug 2010	Her Majesty The Queen	All Present And After Acquired Personal Property