

**Company Number**

<b>St Laurence Limited (In Receivership)</b>	<b>969149</b>
<b>SL Five Star Hotel Investments Limited (In Receivership)</b>	<b>2187857</b>
<b>St Laurence Lending Limited (In Receivership)</b>	<b>1358202</b>
<b>St Laurence Realty Limited (In Receivership)</b>	<b>1055529</b>
<b>St Laurence No 2 Limited (In Receivership)</b>	<b>2212204</b>
<b>St Laurence No 3 Limited (In Receivership)</b>	<b>2212206</b>

**Report by Receivers  
Pursuant to Section 24  
Of the Receiverships Act 1993**

**As at 28 October 2011**

St Laurence Limited (In Receivership)  
SL Five Star Hotel Investments Limited (In Receivership)  
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St Laurence No 3 Limited (In Receivership)

## Report by Receivers Pursuant to Section 24 of The Receiverships Act 1993

As at 28 October 2011

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## 1. Introduction

Barry Jordan and David Vance of Deloitte were appointed Receivers and Managers of all assets of certain companies within the charging group of St Laurence Limited (“SLL” or “St Laurence”) on 29 April 2010. The appointment was made by Perpetual Trust Limited (“the Trustee” or “Perpetual”) pursuant to a Trust Deed dated 15 October 1999. The appointment was made under the powers contained in the Trust Deed.

The appointment covered seven companies (collectively referred to in this report as “the St Laurence Group”).

- |  |   |
|--|---|
| ▪ <b>St Laurence Limited (“SLL” or “St Laurence”)</b>            | The parent company in the group and the company that offered secured debenture stock to investors.  |
| ▪ <b>Direct Property Investments Limited (“DPI”)</b>             | A parent company of a number of subsidiary special purpose investment companies. DPI does not have any beneficial ownership in the subsidiary companies. During the six month period the receivers sold the shares of Direct Property Investments Limited. This company is no longer part of the charging group and we have retired as receivers of this company. |
| ▪ <b>SL Five Star Hotel Investments Limited (“SL Five Star”)</b> | A 50% ownership interest in the Hilton Hotel, Auckland and a 50% share in the operating company managing the hotel.   |
| ▪ <b>St Laurence Lending Limited (“St Laurence Lending”)</b>     | The company responsible for the management of the loan portfolio.   |
| ▪ <b>St Laurence Realty Limited (“St Laurence Realty”)</b>       | Non trading (holds a real estate agent licence).  |
| ▪ <b>St Laurence No. 2 Limited (“SL No. 2”)</b>                  | Non trading   |
| ▪ <b>St Laurence No. 3 Limited (“SL No. 3”)</b>                  | Non trading   |

This report covers the third six month period of the receivership and provides information on the conduct of the receivership. Secured investors and Capital Note holders will be receiving a separate update from us detailing information on estimates of future distributions in early March 2012.

## 2. State of Affairs

The assets of the St Laurence Group at the date of receivership comprised:

- (a) A loan book with a face value of \$74.7 million before provisions made by the company prior to appointment of receivers. All but one of these loans was in default at the date of receivership and some enforcement action had been taken. The receivers have continued and intensified this enforcement and recovery action;
- (b) Various management contracts including National Property Trust, Irongate Property Limited and various Direct Property Investment syndicates;
- (c) Approximately 30 million units in National Property Trust (via a subsidiary company);
- (d) Investments in associated companies including a 34% shareholding in Irongate Property Limited;
- (e) Limited guarantees provided by Kevin Podmore, Auguste, Neuhaus Stonefields Limited and Auguste Albany Limited.

St Laurence Limited was owed certain receivables that the receivers collected. The St Laurence Group companies in receivership do not hold significant levels of fixed assets. These continue to be realised in the course of the receivership.

### 3. Receivership Details

#### 3.1 Property disposed of since date of last report & ongoing property disposals

St Laurence has three groups of core assets.

- **National Property Trust (“NPT”)** – Settlement of the NPT transaction was completed in December 2010 and March 2011. Two minor amounts remained due over the following twelve months. The first of these amounts were received, as scheduled, during the period of this report.
- **Irongate Property Limited (“IPL”)** – St Laurence owns 34% of the shares in IPL (a listed company) as well as the management contract. IPL and eleven of its subsidiaries were placed into receivership on 3 May 2011.
- **Loan book** – St Laurence’s loan book comprised 14 loans, all but one of which was in default at the time of our appointment. The largest remaining loan in the portfolio involves a glass/metal recycling operation in NSW. We have continued to work closely with the borrower, potential purchasers and local environmental agencies to ensure any environmental issues were resolved before sales are finalised. We had hoped that the environmental issues would have been finalised by now, but there have been ongoing issues which have hindered the finalisation of these matters. Given the delays and ongoing issues with this particular loan we have had to downgrade the total overall realisations particularly for the residual business. In terms of the New Zealand loans these have effectively been completed apart from some outstanding residual issues remaining on a small number of them, most regarding the collection of amounts under guarantees.

The \$20 million limited guarantee provided at the time of the moratorium by Mr Podmore and 3 associated companies was called by the Trustee after receiving a report by the receivers. Given the size of the expected shortfall to secured debenture holders, the full \$20 million amount was called. Neither Mr Podmore nor any of the 3 companies were able to meet the demand. A small settlement offer was made but this was rejected. The 3 companies are likely to be placed into liquidation so an independent insolvency practitioner can review the affairs of the companies. This has the support of the receivers. Mr Podmore is likely to enter bankruptcy.

### 3.2 Amount outstanding to Appointer

At the date of receivership St Laurence had 9,431 secured debenture holders owed \$212 million (plus interest). All debenture stock is secured under a Trust Deed between St Laurence and Perpetual Trust Limited dated 15 October 1999 as amended on 8 December 2008.

Class A & B Secured Debenture Stock ranked equally at the date of receivership. As a result the receivers went through a process of combining Class A & B Secured Debenture Stock to simplify ongoing reporting and reduce the cost of proposed distributions.

The following is an update position of the total Secured Debenture Stock (including Interest) as at 28 October 2011:

	Principal Balance \$000's	Accrued Interest \$000's	Total \$000's
Total Secured Debenture Stock	<u>187,266</u>	<u>35,222</u>	<u>222,488</u>
<p><b>Note:</b> The principal balance has been reduced to reflect the 9 cents in the dollar distribution (principal) made in Jan 2011 &amp; the 3 cents in the dollar distribution (principal) made in September 2011.</p> <p>Australian dollar debenture stock has been converted to NZ dollar equivalent as at 28 October 2011.</p>			

### 3.3 Amount outstanding to other Secured Creditors

Apart from the secured debenture stock noted above in 2.2, there are no outstanding amounts owed to other secured creditors in the St Laurence Group.

### 3.4 Amounts owing to Preferential Creditors

There are no outstanding amounts owed to any preferential creditors in the St Laurence Group.

### 3.5 Amounts likely to be available to Secured and Other Creditors

Our expected distribution to the St Laurence secured debenture holders was initially expected to be between 15 cents and 22 cents in the dollar of principal outstanding.

As advised in earlier reports, based on the realisations to date and ongoing estimated realisations we now forecast that the total distribution to secured debenture holders will be at the lower end of this range.

A second distribution of 3 cents in the dollar was made to secured debenture holders in September 2011. This follows our first distribution of 9 cents in the dollar made in January 2011. Subject to ongoing realisations we are working towards making a 3rd distribution in either March/April 2012 with a final distribution to be made towards the end of 2012 or early 2013 once all the final aspects of the receivership are resolved.

Given that there is unlikely to be a full payment of secured principal, no distribution of accrued interest is expected. Similarly, we do not consider there will be any amounts available for unsecured creditors including the Capital Note holders.

## 4. Receipts & Payments

### St Laurence Group (In Receivership)

	\$
<b>Balance Brought Forward (28 April 2011)</b>	<b>6,463,297</b>
<b><u>RECEIPTS</u></b>	
Realisations from Subsidiaries	125,000
Other Income - Registry Requests	269
Loan Book Realisations	684,024
Bank Interest	104,601
Distribution Received - DPI No.9	43,750
Distribution Received - SLFM	1,000,000
<b>Total Receipts</b>	<b>1,957,644</b>
<b><u>PAYMENTS</u></b>	
Distribution to Secured Debenture Holders	6,354,935
Trustees Fees	44,615
Trustees Expenses	7,500
Registry Administration Costs	39,706
Receivers Fees	154,690
Receivers Disbursements	10,866
Other Loan Book Expenses	52,893
Legal Costs	68,988
Professional Fees	12,469
Bank Fees	570
GST Nett	13,444
<b>Total Payments</b>	<b>6,760,676</b>
<b>Available Funds as at 28 October 2011</b>	<b><u><u>\$1,660,265</u></u></b>

## 5. Receivers Contact Details

The receivers can be contacted at the address below. Enquiries from investors should be directed to Logan Nicholls via a dedicated phone number 0800 ST LAUR (0800 785 287) or email address [stlaurence@deloitte.co.nz](mailto:stlaurence@deloitte.co.nz).

All other creditor enquiries should be directed to Colin Owens (+64 4 470 3779).

<b>Contact:</b>	St Laurence Limited (In Receivership)	
	Deloitte House	
	10 Brandon Street	
	P O Box 1990	
	Wellington 6140	
	Barry Jordan	David Vance
	<b>Receiver &amp; Manager</b>	<b>Receiver &amp; Manager</b>

## 6. Important Notice

The information required to complete this report was provided by the directors and employees of SLL and the other six companies in receivership or obtained from company records. Values are based on book values from the financial statements and accounting records prepared by company personnel.

We have relied on the information provided by the directors and employees of St Laurence and on company records in preparing this report.

We take no responsibility for any incorrect information contained in this report that has been supplied by the company, its officers or other persons. This is a report prepared by the receivers in terms of Section 24 of the Receiverships Act 1993. This report is not to be reproduced or used for any other purpose without our prior written consent in each case. We do not accept any liability whatsoever to any party from any use of, or reliance on, this report.

Any realisation projections, time taken to complete realisations and related costs were all subject to uncertainty at the time that these projections were prepared. We express no opinion on the likelihood of any projections being achieved. Financial projections are based on assumptions and estimates of future events which cannot be estimated with any certainty. Actual results are likely to be different from projections and the variations could be material since anticipated events frequently do not occur as expected.

In accordance with standard practice neither Deloitte, the receivers, nor any member or employee of Deloitte, undertakes responsibility arising in any way whatsoever to any person in respect of realisation projections, the related commentary on options available to the receivership, any estimate of outcome for creditors, or any other report content including any errors or omissions herein arising through negligence or otherwise however caused.