



***Ross Asset Management Limited (In
Liquidation) (“RAM”)***

Bevis Marks Corporation Limited (In Liquidation)

***McIntosh Asset Management Limited
(In Liquidation)***

Mercury Asset Management Limited (In Liquidation)

Dagger Nominees Limited (In Liquidation)

***Ross Investment Management Limited
(In Liquidation)***

***Ross Unit Trusts Management Limited
(In Liquidation)***

***United Asset Management Limited (In Liquidation)
together “the Ross Group Companies” or “the Group
Companies”***

Liquidators' Third Six Monthly Report

For the Period 17 December 2013 to 16 June 2014

***Company numbers:455971
372992
455890
377152
431870
652854
652855
647452***



Introduction

The Ross Group Companies were placed into liquidation on 17 December 2012 and John Howard Ross Fisk and David John Bridgman are the appointed joint and several liquidators. The appointments are pursuant to sections 241(2)(a) and 241(2)(c) of the Act. More specific details in relation to the appointments are contained in our previous reports to creditors.

This report covers the period 17 December 2013 to 16 June 2014.

We have acted as receivers of the Group Companies within the previous two years. Accordingly we applied for and obtained the consent of the Court to act as liquidators pursuant to section 280 of the Act. On the basis that the Group Companies are in liquidation the High Court brought the receiverships of the Group Companies to an end on 25 March 2013.

Much of the information contained in this report has previously been reported in updates to investors and creditors arising from the Liquidation Committee meetings we have held during the period. These updates are available on our website <http://www.pwc.co.nz/rossassetmanagement>.

Restrictions

This report has been prepared by us in accordance with and for the purpose of section 255 of the Companies Act 1993 (“the Act”). It is prepared for the sole purpose of reporting on the state of affairs with respect to the Ross Group Companies in liquidation and the conduct of the liquidations.

This report is subject to the restrictions set out at Appendix A. In particular, all information contained in this report is provided in accordance with section 255 of the Act. Furthermore, in preparing this report we have relied upon and not independently verified or audited information or explanations provided to us.

Conduct of the liquidation in the Preceding 6 Months

We set out below a review of matters dealt with since our last report:-

Liquidation Committee

A further meeting of the committee of creditors (“the Committee”) was held on 24 March 2014. An update to investors and creditors was sent following this meeting.

Shares held

The Group Companies held and continue to hold, a number of shares via various brokers in New Zealand, Australia and other jurisdictions as well as directly at certain registries. We have realised those shares which are readily realisable. A number of shares still remain which, for various reasons it is not currently possible to dispose of. Generally these are subject to proprietary claims which are unresolved, there is no market for the shares, or some overseas brokers will not take any steps to realise the shares without a Court order in their local jurisdiction. We are currently exploring the obtaining of orders in one of these jurisdictions to deal with the shares there, although this process is not yet complete.

As mentioned above certain other shares are subject to proprietary claims. We will not be taking any steps to realise those shares until such time as the respective proprietary claims have been resolved. These are discussed further below.



We attach at Appendix C details of share realisations to date. This includes shares sold where the proceeds of sale had not yet been received by the Liquidators during the period covered by this report.

Proprietary Claims

As noted above, certain shares held are subject to proprietary claims from investors. We are reviewing a large number of proprietary claims and they are all at various stages. We have made several applications to the High Court, with the approval of the committee, which has had the effect of releasing shares valued at circa \$3.1 million to investors who it has been determined have valid proprietary claims.

We are still dealing with a number of further claims valued at circa \$431,480 where further information is required in order to finalise whether a valid proprietary claim exists. We have declined claims valued at circa \$2 million, however, certain investors are attempting to provide further information to substantiate their positions.

Shareholder current account

According to the financial statements as at 31 March 2010, David and Jillian Ross are jointly indebted to Ross Asset Management Limited (In Liquidation) in the sum of \$3,491,579. A settlement was reached with Mr and Mrs Ross which brought a number of assets owned by Mr and Mrs Ross personally, the Chapman Ross Trust and the Woburn Ross Trust into the liquidations for the benefit of investors. These include 50% of the gross proceeds of the family home at 105 Woburn Road, Lower Hutt, 100% of the rental property in Eastbourne, Lower Hutt, 100% of a section of land at Riversdale Beach, 50% of the chattels at 105 Woburn Road, Lower Hutt and all shares held in the name of David Ross, Ace Investment Trust, Vivian Investments and in any of the Ross Group Companies which Mr Ross claims to be held for him personally. The agreement settles in full any liability Mrs Ross may have to Ross Asset Management Limited (In Liquidation) but does not preclude the Liquidators from seeking further monies from Mr Ross.

The settlement has been approved by the High Court in February 2014. In the period covered by this report the proceeds of sale of the various shares, household chattels and 105 Woburn Road, had not yet been transferred to Ross Asset Management Limited (In Liquidation). We confirm that this has occurred subsequent to the period covered by this report. This includes all realisations in each of the liquidations of the Ross Group Companies other than Dagger Nominees Limited (In Liquidation), to which David Ross has not made a personal claim to any of the shares. The Liquidators will likely make an application to the High Court to pool the assets of Ross Asset Management Limited (In Liquidation) and Dagger Nominees Limited (In Liquidation) in the future.

A small number of shares, household chattels and the Riversdale property still remain to be sold. The property in Eastbourne was sold subsequent to the period covered by this report. More detailed information on this sale will be provided in our next report to creditors.

Insolvent Transactions

Pursuant to the Act transactions entered into with a creditor within a prescribed period and while the company is insolvent, may be voided. The effect of this is to make the monies repayable to the company in liquidation for the benefit of all creditors. Additionally the Property Law Act 2007 permits transactions to be voided when they are entered into in fraudulent circumstances.



We have written to three RAM investors who received payments in the period prior to liquidation requesting that those monies be returned to the Liquidators for the benefit of investors and creditors as a whole. The total value of the sum requested is circa \$3.8 million. No suitable settlements have been reached with any of the parties against whom claims have been made. Accordingly, legal proceedings are being finalised and we anticipate that these will be filed at the High Court imminently.

Any investor who has withdrawn money from RAM since December 2010 is placed on notice that the liquidators believe they may have a valid claim to recover those monies pursuant to sections 292, 294 and 297 of the Companies Act 1993, on the basis that those investors have received more than they would otherwise have received in the liquidation of the Company.

Any investor who has withdrawn money from RAM within the past six years is placed on notice that the liquidators believe they may have a valid claim to recover those monies pursuant to sections 347 and 348 of the Property Law Act 2007 on the basis they form part of a fraudulent arrangement entered into by RAM.

Subject to the outcome of the above proceedings, the liquidators intend making further demands on any investors who have received monies in the above circumstances.

Further Investigation

The available records of the Group Companies are imperfect and incomplete. Many of the transactions recorded in the RAM transaction database are fictitious and accordingly can not be relied on. The Liquidators continue to use forensic accounting techniques to review the records of the Companies to determine whether any further assets can be identified. Based on investigations to date the Liquidators believe it is unlikely any further assets will be identified.

Distribution of Assets

As a successful voidable transaction claim will potentially have the effect of changing an investor's net contributions position, it will not be possible to agree final claims until all legal claims have been resolved. No distribution can occur until all claims have been agreed. Details of the Liquidators' preferred method of distribution have been provided to the Committee for its information.

Statements of Realisations and Distributions

Attached as Appendix B are Statements of Realisations and Distributions for the period of the liquidations.

The liquidators' held funds on hand as at 16 June 2014 of \$1,535,638.37. This was held in the liquidations as follows:

• Ross Asset Management Limited (in Liquidation)	\$508,328.15
• Bevis Marks Corporation Limited (in Liquidation)	\$ 81,266.39
• McIntosh Asset Management Limited (in Liquidation)	\$ 23,634.12
• Mercury Asset Management Limited (in Liquidation)	\$ 36,710.18
• Dagger Nominees Limited (in Liquidation)	\$748,376.96
• United Asset Management Limited (in Liquidation)	\$124,980.74



- Ross Investment Management Limited (in Liquidation) \$ 5,726.04
- Ross Unit Trusts Management Limited (in Liquidation) \$ 6,615.79

Liquidators' Fees

The Liquidators' fees paid during the reporting period are \$330,202.98.

All fees paid have previously been reviewed by the Committee.

The fees paid to date cover the following areas

- 13% - reporting to creditors
- 7% - convening of Committee meetings
- 10% - the reconstruction and recovery of the overdrawn shareholder current account
- 12% - sale of shares
- 4% - liaising with Inland Revenue
- 16% - investigation into potentially insolvent transactions
- 10% - dealing with investor queries
- 11% - reviewing investor and creditor claims
- 17% - general investigations and administration

Note this list is not exhaustive.

Please note section 284 of the Act below which states:

284 Court supervision of liquidation

- (1) On the application of the liquidator, a liquidation committee, or, with the leave of the Court, a creditor, shareholder, other entitled person, or director of a company in liquidation, the Court may—
 - (e) In respect of any period, review or fix the remuneration of the liquidator at a level which is reasonable in the circumstances:

Proposals for Completing the Liquidation

Due to the above litigation it is not yet possible to accurately estimate when the liquidations are likely to be completed. A further report will be issued in 6 months unless this administration is completed prior to that time in which case a final report will be issued.



Contact Details

If you have any other queries, please submit your enquiry through the on-line form via our website, through the dedicated phone line (04) 462 7040, by writing to our mailing address or to the email address above. We will endeavour to respond to all enquiries as quickly as possible.

A handwritten signature in black ink, appearing to read 'John Howard Ross Fisk', written over a thin horizontal line.

John Howard Ross Fisk
Liquidator



Appendix A

Restrictions

All information contained in this report is provided in accordance with section 255 of the Companies Act 1993.

The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise.

We have not independently verified the accuracy of information provided to us, and have not conducted any form of audit in respect of the Group Companies. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.

The statements and opinions expressed in this report are based on information available as at the date of the report.

We reserve the right, but will be under no obligation, to review or amend our report, if any additional information, which was in existence on the date of this report was not brought to our attention, or subsequently comes to light.

We have relied on forecasts and assumptions prepared by the Group Companies about future events which, by their nature, are not able to be independently verified. Inevitably, some assumptions may not materialise and unanticipated events and circumstances are likely to occur. Therefore, actual results in the future will vary from the forecasts upon which we have relied. These variations may be material.

In addition the following should be noted:

- Certain numbers included in tables throughout this report have been rounded and therefore do not add exactly.
- Unless otherwise stated all amounts are stated in New Zealand dollars.



Appendix B

Statement of Realisations and Distributions For the period 17 December 2012 to 16 June 2014

Ross Asset Management Limited (In Liquidation)

Receipts	\$	\$
Asset Sales	9,475.21	
Dividends	15,229.34	
Funds on Hand	31,947.25	
Interest Income	21,421.56	
Management Fees	24,452.59	
Rental Income	5,518.88	
Reparations from David Ross	5,262.80	
Share Sales	1,994,575.73	
Transfer from Receivers	40,378.06	
GST Payable	41,998.12	
Total Receipts		2,190,259.54

Payments

Advertising	4,127.72
Bank Charges	477.47
Brokerage Fees	38,773.54
Asset Sale Commission	1,758.81
Council Rates	279.74
Document Charges	1,587.26
Document Storage	13,514.49
Duress Payments	10,095.39
Electricity	1,191.56
Employee Preferential Creditors	19,574.83
Foreign Exchange Loss	359.93
Freight	1,815.00
Insurance	3,520.29
IT Support	6,747.21
Landlord Make Good	505.65
Legal Fees	421,516.75
Liquidation Committee Expenses	191.70
Liquidators' Fees	414,318.48



Liquidators' Disbursements	40,109.46	
Mail Collection	320.00	
Employer Deductions	11,142.61	
Petitioning Creditor Costs	1,302.80	
Property Agent Fees	358.43	
Property Maintenance	813.25	
Property Rates	1,596.75	
Receivers' Fees	172,185.53	
Receivers' Disbursements	12,098.48	
Rent	25,146.87	
Withholding Tax	5,303.38	
Security	313.61	
Shares under Valid Proprietary Claim	290,746.29	
Telephone	770.13	
Wages	11,104.29	
GST Receivable	168,968.55	
Total Payments		1,681,931.39
Cash at Bank		508,328.15



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2014***

Bevis Marks Corporation Limited (In Liquidation)

Receipts	\$	\$
Dividends	6,386.66	
Interest	2,428.60	
Share Sales	84,175.54	
Transfer from Receivers	2,902.15	
GST Payable	0.00	
Total Receipts		<hr/> 95,892.95
Payments		
Bank Charges	88.98	
Brokerage Fees	2,590.17	
Document Charges	105.00	
Liquidators' Fees	7,415.00	
Liquidators' Disbursement	585.91	
Receivers' Fees	1,485.52	
Receivers' Disbursements	222.83	
Withholding Tax	661.01	
GST Receivable	1,472.14	
Total Payments		<hr/> 14,626.56
Cash at Bank		<hr/> 81,266.39 <hr/>



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2014***

McIntosh Asset Management Limited (In Liquidation)

Receipts	\$	\$
Funds on Hand	495.60	
Interest	821.89	
Share Sales	28,236.14	
GST Payable	0.00	
Total Receipts		<hr/> 29,553.63
Payments		
Brokerage Fees	444.01	
Liquidators' Fees	4,240.00	
Liquidators' Disbursements	327.75	
Withholding Tax	222.59	
GST Receivable	685.16	
Total Payments		<hr/> 5,919.51
Cash at Bank		<hr/> 23,634.12 <hr/>



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2014***

Mercury Asset Management Limited (In Liquidation)

Receipts	\$	\$
Funds on Hand	1,574.15	
Interest	1,194.45	
Share Sales	40,832.35	
GST Payable	0.00	
Total Receipts		<hr/> 43,600.95
Payments		
Brokerage Fees	1,316.20	
Liquidators' Fees	4,236.00	
Liquidators' Disbursements	329.40	
Withholding Tax	324.36	
GST Receivable	684.81	
Total Payments		<hr/> 6,890.77
Cash at Bank		<hr/> 36,710.18 <hr/>



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2014***

Dagger Nominees Limited (In Liquidation)

Receipts	\$	\$
Dividends	27,205.96	
Funds on Hand	7,355.59	
Interest	20,339.57	
Management Fees	186.43	
Share Sales	809,683.63	
Transfer from Receivers	4,922.65	
GST Payable	27.96	
Total Receipts		<u>869,721.79</u>
Payments		
Bank Charges	467.23	
Brokerage Fees	11,722.74	
Document Charges	2,248.64	
Liquidators' Fees	12,869.00	
Liquidators' Disbursements	3,332.53	
Proprietary Claims	82,390.61	
Withholding Tax	5,658.10	
GST Receivable	2,655.98	
Total Payments		<u>121,344.83</u>
Cash at Bank		<u>748,376.96</u>



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2014***

United Asset Management Limited (In Liquidation)

Receipts	\$	\$
Funds on Hand	17,574.66	
Interest	3,731.49	
Share Sales	115,304.43	
Transfer from Receivers	881.45	
GST Payable	0.00	
Total Receipts		<hr/> 137,492.03
Payments		
Bank Charges	32.40	
Brokerage Fees	2,572.31	
Document Charges	54.00	
Liquidators' Fees	7,124.00	
Liquidators' Disbursements	554.56	
Withholding Tax	1,022.24	
GST Receivable	1,151.78	
Total Payments		<hr/> 12,511.29
Cash at Bank		<hr/> 124,980.74 <hr/>



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2014***

Ross Investment Management Limited (In Liquidation)

Receipts	\$	\$
Interest	139.05	
Share Sales	7,923.35	
GST Payable	0.00	
Total Receipts		<hr/> 8,062.40
Payments		
Brokerage Fees	115.71	
Liquidators' Fees	1,690.00	
Liquidators' Disbursements	207.45	
Withholding Tax	38.58	
GST Receivable	284.62	
Total Payments		<hr/> 2,336.36
Cash at Bank		<hr/> 5,726.04 <hr/>



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2014***

Ross Unit Trusts Management Limited (In Liquidation)

Receipts	\$	\$
Interest	149.41	
Share Sales	8,203.27	
GST Payable	0.00	
Total Receipts		<hr/> 8,352.68
Payments		
Brokerage Fees	255.09	
Liquidators' Fees	1,090.00	
Liquidators' Disbursements	162.45	
Withholding Tax	41.48	
GST Receivable	187.87	
Total Payments		<hr/> 1,736.89
Cash at Bank		<hr/> 6,615.79 <hr/>



Appendix C

Ross Group Companies (In Liquidation)

Share Realisation Summary At 16 June 2014

Ross Group Companies (In Liquidation)

Share Realisation Summary at 16/06/2014

PORTFOLIO VALUATION

Shares held by RAM Entities	Valuation of Holdings ⁽¹⁾	Unlikely to be realised ⁽²⁾	Valuation of realisable holdings ⁽³⁾
NZ Holdings	\$1,320,362.85	-\$3,490.35	\$1,316,872.50
Australian Holdings	\$2,924,186.62	-\$472,734.17	\$2,451,452.45
USA Holdings	\$698,398.26	-\$50,352.54	\$648,045.72
Other Country Holdings	\$991,285.19	-\$1,401.50	\$989,883.69
Totals	\$5,934,232.92	-\$527,978.56	\$5,406,254.36

SHARE REALISATIONS

Shares held by RAM Entities	Net Realisations to Date ⁽⁴⁾	Yet to be Realised ⁽⁵⁾	Shares Subject to Verified Proprietary Claims ⁽⁶⁾	Shares Subject to Unverified Proprietary Claims ⁽⁷⁾	Estimated Total Realisations available for Investors & Creditors ⁽⁸⁾
NZ Holdings	\$1,003,086.35	\$255,167.75	-\$54,854.46	-\$82,971.99	\$1,120,427.65
Australian Holdings	\$1,419,065.95	\$461,865.72	-\$36,569.06	-\$118,348.89	\$1,726,013.72
USA Holdings	\$185,316.41	\$407,756.36	\$0.00	-\$158,945.90	\$434,126.87
Other Country Holdings	\$425,008.64	\$524,556.09	-\$253,742.81	\$0.00	\$695,821.92
Totals	\$3,032,477.35	\$1,649,345.92	-\$345,166.33	-\$360,266.78	\$3,976,390.17

RECONCILIATION OF REALISATIONS RECEIVED

Shares held by RAM Entities	Gross Realisations to Date ⁽⁹⁾	Share Realisations Received to Date ⁽¹⁰⁾	Realisations Yet to be Received from Brokers ⁽¹¹⁾	Brokerage Fees Paid ⁽¹²⁾	Net Realisations to Date ⁽⁴⁾
NZ Holdings	\$1,010,926.85	\$1,003,085.96	\$0.39	-\$7,840.50	\$1,003,086.35
Australian Holdings	\$1,453,413.32	\$1,409,455.23	\$9,610.72	-\$34,347.37	\$1,419,065.95
USA Holdings	\$195,238.76	\$185,316.42	-\$0.01	-\$9,922.35	\$185,316.41
Other Country Holdings	\$430,868.30	\$425,008.65	-\$0.01	-\$5,859.66	\$425,008.64
Totals	\$3,090,447.23	\$3,022,866.26	\$9,611.09	-\$57,969.88	\$3,032,477.35

SHARES HELD BY NON-RAM ENTITIES

Shares held by non-RAM entities	Valuation of Holdings ⁽¹⁾	Shares Subject to Verified Proprietary Claims ⁽⁶⁾	Shares Subject to Unverified Proprietary Claims ⁽⁷⁾
Shares held by 3rd parties ⁽¹³⁾	\$5,629,939.00	-\$2,912,180.84	-\$2,717,758.16

Notes

- (1) - Estimated value of shares held at receivership. Valuations are primarily at 21 February 2013, however shares still held after 30 July 2013 have more recent valuations. Valuation is before deduction of any brokerage.
- (2) - Estimated value of shares where it has been determined that it is unlikely they will be able to be realised. This includes deregistered shares and shares where the cost of realisation is likely to be greater than their value.
- (3) - Estimated value of shares held removing those shares where it is currently unlikely that they will be realised.
- (4) - Actual value of shares realised to date after brokerage.
- (5) - Estimated value of shares which have not yet been realised. A provision has been made for brokerage fees of 0.1%. These shares have not been disposed of because they are subject to an unresolved proprietary claim or are difficult to realise.
- (6) - Actual value of shares or the proceeds of sale of shares that have been released to third parties with the approval of the Court as they were able to demonstrate that they have a valid proprietary claim to those shares. Value is after deduction of any relevant brokerage.
- (7) - Estimated value of shares subject to proprietary claims which have not yet been released. It is unlikely all shares will be determined as subject to valid proprietary claims.
- (8) - Sum of shares realised to date, shares yet to be realised less provision for proprietary claims. Costs of realisations need to be met from these funds.
- (9) - Gross proceeds of sale of shares before deduction of brokerage.
- (10) - Net Proceeds of sale of shares received by the Liquidators, after brokerage deducted.
- (11) - Net Proceeds of sale of shares yet to be received by the Liquidators, after brokerage deducted.
- (12) - Brokerage Fees actually paid to brokers to realise the various shares realised to date.
- (13) - Shares held in the names of parties other than an entity subject to liquidation or receivership orders. David Ross had authority in relation to these shares so they are covered by the freezing orders. These are unlikely to be available for investors.