



***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' Tenth Six Monthly Report***

***For the Period 17 June 2017 to 16 December 2017***

***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 Companies Act 1993 (“the Act”). More specific details in relation to the appointments are contained in our previous reports to creditors.

This report covers the period 17 June 2017 to 16 December 2017.

Some 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 <https://www.pwc.co.nz/services/business-recovery/liquidations/ross-group.html>

## ***Restrictions***

This report has been prepared by us in accordance with and for the purpose of section 255 of 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 meeting of the Liquidation Committee was held on 3 October 2017 to update the Committee on the liquidators’ progress in regard to the Distribution Model. An update to investors and creditors was issued following the meeting and is available on our website. A further meeting was scheduled for 20 December 2017, after the application for directions in respect of the distribution model had been filed. A summary of this meeting will be provided to investors in due course.

### ***Shares held***

No further share realisations have occurred within in the period covered by this report. There are some further shares to be realised, although it remains uncertain whether they can be realised. We continue to examine options to progress these matters in a cost effective manner.

### ***Proprietary Claims***

There have been no further proprietary claims raised or settled within the period.

### ***Insolvent Transactions (“Clawback”)***

To date, 158 investors have settled the claims against them. Settlements with these investors total \$17.5m, although all settlement payments had not been received by the end of the period covered by this report.

43 claims against investors have yet to be settled. In relation to these unsettled claims, the liquidators have filed legal proceedings against 10 investors, and are in settlement discussions with the remainder.

### ***Distribution Model***

On 12 December 2017, the liquidators made an application to the High Court seeking directions regarding the appropriate method and model for distribution.

We draw investors' attention to the Court application, and associated documents, which provide details of the two alternatives proposed and their potential impact on investors. These documents are available on our website.

We encourage investors to familiarise themselves with the directions that have been sought as the outcome of the application may have a material impact on any return they receive.

### ***Distribution from David Ross's Bankrupt Estate***

During the period of this report, a final distribution of \$212k was received by RAM from the Official Assignee in respect of Mr Ross's bankruptcy. RAM was the largest creditor in the bankruptcy.

### ***Statement of Realisation and Distribution***

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 December 2017 of \$16,654,044.91. This was held in the liquidations as follows:

• Ross Asset Management Limited (in Liquidation)	\$ 15,522,174.32
• Bevis Marks Corporation Limited (in Liquidation)	\$ 341.63
• McIntosh Asset Management Limited (in Liquidation)	\$ 0.00
• Mercury Asset Management Limited (in Liquidation)	\$ 0.00
• Dagger Nominees Limited (in Liquidation)	\$ 1,131,528.96
• United Asset Management Limited (in Liquidation)	\$ 0.00
• Ross Investment Management Limited (in Liquidation)	\$ 0.00
• Ross Unit Trusts Management Limited (in Liquidation)	\$ 0.00

### ***Liquidators' Fees***

Liquidators' fees paid to date cover the following areas

- 3% - reporting to creditors
- 7% - convening of Committee meetings and liaising with the Committee
- 1% - the reconstruction and recovery of the overdrawn shareholder current account
- 4% - sale of shares

- 2% - liaising with Inland Revenue
- 45% - investigation and litigation regarding clawback
- 3% - dealing with investor queries
- 23% - reviewing investor and creditor claims
- 12% - other investigations and general administration of the liquidations

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***

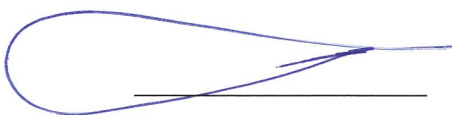
Due to the above litigation and the claims brought by the Liquidators against certain investors it is not yet possible to accurately estimate when the liquidations are likely to be completed.

A further report will be issued in 6 months unless the 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 email [receiverships@nz.pwc.com](mailto:receiverships@nz.pwc.com). We will endeavour to respond to all enquiries as quickly as possible.

Dated: 15 January 2018



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 December 2017***

#### ***Ross Asset Management Limited (In Liquidation)***

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Asset Sales	9,475.21	
Clawback Recovery	16,556,577.59	
Dividends	38,733.40	
Funds on Hand	31,947.25	
Interest Income	207,646.02	
Management Fees	27,117.49	
Other Income	621.60	
Rental Income	6,404.52	
Reparations from David Ross	1,087,707.76	
Sale of Eastbourne Property	828,000.00	
Sale of Riversdale Property	85,000.00	
Security for Costs	22,509.12	
Share Sales	2,523,302.41	
Transfer from Receivers	40,378.06	
Total Receipts		21,465,420.43

#### **Payments**

Advertising	4,127.72
Bank Charges	941.08
Brokerage Fees	42,441.62
Sale Commission	26,850.48
Document Management	45,087.78
DRG Ross Trust Legal Fees	8,533.04
DRG Ross Trust Receivers' Fees	14,055.00
DRG Ross Trust Receivers' Disbursements	4,158.99
Duress Payments	10,095.39
Employee Preferential Creditors	19,574.83
Insurance	3,956.04
IT Support	9,402.38
Legal Fees	2,620,036.97
Liquidation Committee Expenses	191.70
Liquidators' Fees	1,607,840.30



Liquidators' Disbursements	140,872.70	
PAYE	11,142.61	
Petitioning Creditor Costs	1,302.80	
Property Expenses	28,067.48	
Receivers' Fees	172,185.53	
Receivers' Disbursements	12,098.48	
Withholding Tax	57,342.94	
Shares under Valid Proprietary Claim	479,326.57	
Wages	11,104.29	
GST	612,509.39	
Total Payments		5,943,246.11
Cash at Bank		<b>\$15,522,174.32</b>



***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2017***

***Bevis Marks Corporation Limited (In Liquidation)***

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Dividends	12,079.18	
Interest	3,270.68	
Share Sales	216,961.78	
Transfer from Receivers	2,902.15	
GST Payable	0.00	
Total Receipts		235,213.79
<b>Payments</b>		
Bank Charges	90.78	
Brokerage Fees	3,285.36	
Distribution to David Ross' Receivers	217,208.44	
Document Charges	105.00	
Liquidators' Fees	8,874.74	
Liquidators' Disbursement	623.22	
Other Expenses	529.97	
Receivers' Fees	1,485.52	
Receivers' Disbursements	222.83	
Withholding Tax	749.60	
GST Receivable	1,696.70	
Total Payments		234,872.16
<b>Cash at Bank</b>		<b>341.63</b>





***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2017***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Funds on Hand	495.60	
Interest	924.70	
Share Sales	28,236.14	
GST Payable	0.00	
Total Receipts		29,656.44
<b>Payments</b>		
Brokerage Fees	444.01	
Distribution to David Ross' Receivers	22,926.88	
Liquidators' Fees	4,919.35	
Liquidators' Disbursements	327.75	
Withholding Tax	251.39	
GST Receivable	787.06	
Total Payments		29,656.44
<b>Cash at Bank</b>		<b>0.00</b>



***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2017***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Dividends	1,207.06	
Funds on Hand	1,574.15	
Interest	1,494.13	
Share Sales	76,868.40	
GST Payable	0.00	
Total Receipts		81,143.74
<b>Payments</b>		
Bank Charges	30.00	
Brokerage Fees	1,478.36	
Distribution to David Ross' Receivers	71,645.48	
Liquidators' Fees	6,001.42	
Liquidators' Disbursements	388.68	
Other Expenses	273.12	
Withholding Tax	368.16	
GST Receivable	958.52	
Total Payments		81,143.74
<b>Cash at Bank</b>		<b>0.00</b>



***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2017***

***Dagger Nominees Limited (In Liquidation)***

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Dividends	74,956.45	
Funds on Hand	7,355.59	
Interest	96,273.18	
Management Fees	186.43	
Share Sales	1,170,782.64	
Transfer from Receivers	4,922.65	
GST Payable	1,976.25	
Total Receipts		1,356,453.19
<b>Payments</b>		
Bank Charges	760.76	
Brokerage Fees	14,310.37	
Document Charges	2,248.64	
Liquidators' Fees	18,415.69	
Liquidators' Disbursements	3,926.27	
Proprietary Claims	157,766.79	
Withholding Tax	27,495.71	
Total Payments		224,924.23
<b>Cash at Bank</b>		<b>\$1,131,528.96</b>



***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2017***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Funds on Hand	17,574.66	
Interest	4,371.84	
Share Sales	132,725.13	
Transfer from Receivers	881.45	
GST Payable	0.00	
Total Receipts		155,553.08
<b>Payments</b>		
Bank Charges	34.20	
Brokerage Fees	2,629.81	
Distribution to David Ross' Receivers	114,025.19	
Document Charges	54.00	
Liquidators' Fees	8,133.55	
Liquidators' Disbursements	569.71	
Withholding Tax	1,185.43	
Unsecured Creditor Distribution	27,615.70	
GST Receivable	1,305.49	
Total Payments		155,553.08
Cash at Bank		0.00



***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2017***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Interest	188.15	
Share Sales	7,923.35	
GST Payable	0.00	
Total Receipts		8,111.50
<b>Payments</b>		
Brokerage Fees	115.71	
Distribution to David Ross' Receivers	4,980.14	
Liquidators' Fees	2,369.35	
Liquidators' Disbursements	207.45	
Withholding Tax	52.33	
GST Receivable	386.52	
Total Payments		8,111.50
<b>Cash at Bank</b>		<b>0.00</b>





***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2017***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Interest	206.73	
Share Sales	8,308.30	
GST Payable	0.00	
Total Receipts		8,515.03
<b>Payments</b>		
Bank Charges	34.00	
Brokerage Fees	255.09	
Distribution to David Ross' Receivers	6,180.91	
Liquidators' Fees	1,624.84	
Liquidators' Disbursements	166.50	
Withholding Tax	57.53	
GST Receivable	196.16	
Total Payments		8,515.03
<b>Cash at Bank</b>		<b>0.00</b>