



Ross Asset Management Limited (In Liquidation)

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' Second Six Monthly Report

For the Period 17 June 2013 to 16 December 2013

Company numbers:455971

372992

455890

377152

431870

652854

652855

647452



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.

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 report to creditors.

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

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>.

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

Further meetings of the committee of creditors (“the Committee”) were held on 6 August 2013 and 31 October 2013. Updates to investors and creditors have been sent following each of these meetings.

Inland Revenue

Following discussions between the Liquidators and Inland Revenue an agreed position was reached as to the criteria investors need to satisfy in order to make an application to have prior year income tax returns reassessed on the basis they were submitted based on incorrect information. It was necessary for the Liquidators to calculate the estimated value of the overall share portfolio at the key historical tax dates. This was done by reviewing the Group Companies’ banking records, as the RAM database could not be relied upon. A letter is available on our website above which explains the criteria and what steps investors should take if they wish to have prior year returns reassessed.



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.

Some overseas brokers will not take any steps to realise the shares without a Court order in their local jurisdiction. The cost of doing so would likely outweigh the value of the shares held. We are continuing to work with those brokers to attempt to obtain a resolution which avoids the cost of a Court application, however, any such resolution would appear to be unlikely.

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.

Many shares held are of negligible value. We will be reviewing realisation options for these shares although we note the realisable value of the shares is currently doubtful.

In some cases we still do not hold full information in relation to certain share holdings or potential share holdings. The effect of this is that we are unable to sell the shares until such time as we have fuller details. We are working with various international share registries to attempt to rectify this and, if successful, we will then take steps to sell those shares.

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 already made one application to the High Court which has had the effect of releasing shares valued at circa \$2.4 million to investors who it has been determined have valid proprietary claims.

We will shortly be making a further application to the High Court to release shares valued at circa \$82,604 to investors who it has been determined have valid proprietary claims.

We are still dealing with a number of further claims valued at circa \$407,950 where further information is required in order to finalise whether a valid proprietary claim exists. We have declined claims valued at circa \$1.9 million, however, certain investors are attempting to provide further information to substantiate their position.

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. Discussions have been held with Mr and Mrs Ross which have resulted in a settlement being agreed which will bring 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 a 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 above settlement arrangement is subject to approval from the High Court. The ultimate financial consequence flowing from the settlement can not yet be determined as it is dependent on the value which can be obtained from the sale of the above assets.

Insolvent Transactions

Pursuant to section 292 of 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.

We have written to three RAM investors who received payments in the two years 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. We confirm we are in discussions with or seeking further information from all three recipients as a result of our demands. If no suitable resolutions can be reached we intend to issue notices to have the payments set aside and then take steps to recover the monies from those recipients.

There are a number of other payments which have been identified where further review is under way. Subject to the outcome of the above claims, it is likely that further requests for repayment will be made.

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 are using forensic accounting techniques to review the records of the Companies to determine whether any further assets can be identified. This has included reviewing the Group Companies' electronic and physical records and correspondence, bank statements and third party information, such as documentation obtained from share brokers used by the Group Companies and share registries. This has resulted in further shares being located, although none of these have been of material value to the overall value of shares held.

The Liquidators are aware of comments having been publicly made that there must have been other parties involved who knew about or were party to David Ross' wrongdoing. Based on the information the Liquidators have reviewed to date it would appear that the only person who had overall visibility of what was occurring in RAM was David Ross. We have not seen any evidence indicating that any other party was privy to sufficient information so as to enable them to have been able to understand the effect and implications of what David Ross was doing. The Liquidators would welcome any further information or evidence that may change the above so that it can be investigated further.

The Liquidators are also aware of public comments that there must be other assets which have not yet been identified. As noted above the Liquidators continue to review the records of the Group Companies to attempt to identify any further assets. Any such assets will be dealt with by the Liquidators, however, investors and creditors should be wary of relying on there being any further assets to recover when at this time the evidence following fairly exhaustive inquiries does not support such a position.



Distribution of Assets

Once all assets have been realised the Liquidators need to determine an appropriate method for agreeing claims. The Liquidators have written to all investors with a statement which details any contributions to and withdrawals from their investor portfolio(s). The purpose of this is to determine the net contributions position of each investor. One method for agreeing claims of investors is by using the net position of each investor as a starting point. The Liquidators are also considering other methods of distribution and will discuss these with the Committee at its next meeting. It should be noted that the action set out above, in particular claims for voidable transactions, may take some time. 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.

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 2013 of \$1,765,481.20 This was held in the liquidations as follows:

• Ross Asset Management Limited (in Liquidation)	\$740,452.87
• Bevis Marks Corporation Limited (in Liquidation)	\$ 79,304.52
• McIntosh Asset Management Limited (in Liquidation)	\$ 23,296.41
• Mercury Asset Management Limited (in Liquidation)	\$ 34,631.41
• Dagger Nominees Limited (in Liquidation)	\$752,249.16
• United Asset Management Limited (in Liquidation)	\$123,332.19
• Ross Investment Management Limited (in Liquidation)	\$ 5,665.81
• Ross Unit Trusts Management Limited (in Liquidation)	\$ 6,548.83
Total:	\$1,765,481.20

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

- Reporting to creditors - 13%
- Convening of Committee meetings - 7%
- The reconstruction and recovery of the overdrawn shareholder current account - 8%
- Sale of shares - 13%



- Liaising with Inland Revenue - 8%
- Investigation into potentially insolvent transactions - 13%
- Dealing with investor queries - 10%
- Reviewing investor and creditor claims - 12%
- General investigation and administration - 16%

We 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

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.

Dated: 18 December 2013

A large, stylized handwritten signature in black ink, appearing to read 'John Howard Ross Fisk', written over a 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.

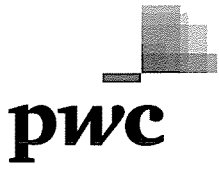


Appendix B

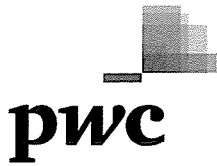
Statement of Realisation and Distribution For the period 17 June 2013 to 16 December 2013

Ross Asset Management Limited (In Liquidation)

Receipts	\$	\$
Asset Sales	4,468.69	
Dividends	7,768.79	
Funds on Hand	31,243.47	
Interest Income	8,998.55	
Management Fees	23,898.66	
Misc Receipts	100.00	
Share Sales	1,906,869.94	
Transfer from Receivers	40,378.06	
GST Payable	38,287.41	
Total Receipts		2,062,013.57
Payments		
Advertising	1,147.07	
Bank Charges	398.73	
Brokerage Fees	38,524.27	
Asset Sale Commission	823.76	
Document Charges	1,417.36	
Document Storage	13,514.49	
Duress Payments	10,095.39	
Electricity	1,191.56	
Freight	1,815.00	
Insurance	2,102.49	
IT Support	5,706.96	
Landlord Make Good	505.65	
Legal Fees	297,168.70	
Liquidation Committee Expenses	191.70	
Liquidators' Fees	327,978.98	
Liquidators' Disbursements	32,611.14	
Mail Collection	320.00	
Employer Deductions	4,968.14	
Petitioning Creditor Costs	1,302.80	



Receivers' Fees	172,185.53
Receivers' Disbursements	12,098.48
Rent	25,146.87
Withholding Tax	1,831.82
Security	313.61
Shares under Valid Proprietary Claim	221,467.00
Telephone	770.13
Wages	11,104.29
GST Receivable	134,858.78
Total Payments	<hr/> 1,321,560.70
Cash at Bank	<hr/> 740,452.87 <hr/>



**Statement of Realisation and Distribution
For the period 17 June 2013 to 16 December 2013**

Bevis Marks Corporation Limited (In Liquidation)

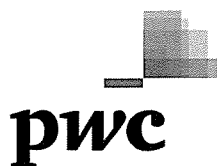
Receipts	\$	\$
Dividends	5,448.70	
Interest	937.48	
Share Sales	84,175.54	
Transfer from Receivers	2,902.15	
GST Payable	0.00	
Total Receipts		93,463.87
Payments		
Bank Charges	78.18	
Brokerage Fees	2,554.35	
Document Charges	105.00	
Liquidators' Fees	7,415.00	
Liquidators' Disbursement	585.91	
Receivers' Fees	1,485.52	
Receivers' Disbursements	222.83	
Withholding Tax	240.42	
GST Receivable	1,472.14	
Total Payments		14,159.35
Cash at Bank		79,304.52



***Statement of Realisation and Distribution
For the period 17 June 2013 to 16 December 2013***

McIntosh Asset Management Limited (In Liquidation)

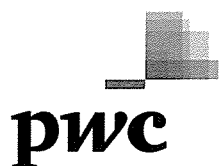
Receipts	\$	\$
Funds on Hand	495.60	
Interest	351.65	
Share Sales	28,236.14	
GST Payable	0.00	
Total Receipts		<hr/> 29,083.39
Payments		
Brokerage Fees	444.01	
Liquidators' Fees	4,240.00	
Liquidators' Disbursements	327.75	
Withholding Tax	90.06	
GST Receivable	685.16	
Total Payments		<hr/> 5,786.98
Cash at Bank		<hr/> 23,296.41 <hr/>



***Statement of Realisation and Distribution
For the period 17 June 2013 to 16 December 2013***

Mercury Asset Management Limited (In Liquidation)

Receipts	\$	\$
Funds on Hand	491.70	
Share Sales	40,832.35	
GST Payable	0.00	
Total Receipts		<hr/> 41,324.05
Payments		
Brokerage Fees	1,316.20	
Liquidators' Fees	4,236.00	
Liquidators' Disbursements	329.40	
Withholding Tax	126.23	
GST Receivable	684.81	
Total Payments		<hr/> 6,692.64
Cash at Bank		<hr/> 34,631.41 <hr/>



***Statement of Realisation and Distribution
For the period 17 June 2013 to 16 December 2013***

Dagger Nominees Limited (In Liquidation)

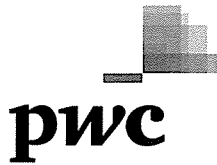
Receipts	\$	\$
Dividends	21,271.89	
Funds on Hand	7,355.59	
Interest	5,482.26	
Share Sales	747,232.67	
Transfer from Receivers	4,922.65	
GST Payable	0.00	
Total Receipts		<hr/> 786,265.06
Payments		
Bank Charges	456.18	
Brokerage Fees	11,617.21	
Document Charges	1,658.23	
Liquidators' Fees	12,869.00	
Liquidators' Disbursements	3,332.53	
Withholding Tax	1,464.27	
GST Receivable	2,618.48	
Total Payments		<hr/> 34,015.90
Cash at Bank		<hr/> 752,249.16 <hr/>



***Statement of Realisation and Distribution
For the period 17 June 2013 to 16 December 2013***

United Asset Management Limited (In Liquidation)

Receipts	\$	\$
Funds on Hand	17,574.66	
Interest	1,344.68	
Share Sales	115,304.43	
Transfer from Receivers	881.45	
GST Payable	0.00	
Total Receipts		135,105.22
Payments		
Bank Charges	21.60	
Brokerage Fees	2,572.31	
Liquidators' Fees	7,124.00	
Liquidators' Disbursements	554.56	
Withholding Tax	348.78	
GST Receivable	1,151.78	
Total Payments		11,773.03
Cash at Bank		123,332.19



***Statement of Realisation and Distribution
For the period 17 June 2013 to 16 December 2013***

Ross Investment Management Limited (In Liquidation)

Receipts	\$	\$
Interest	55.40	
Share Sales	7,923.35	
GST Payable	0.00	
Total Receipts		<hr/> 7,978.75
Payments		
Brokerage Fees	115.71	
Liquidators' Fees	1,690.00	
Liquidators' Disbursements	207.45	
Withholding Tax	15.16	
GST Receivable	284.62	
Total Payments		<hr/> 2,312.94
Cash at Bank		<hr/> 5,665.81 <hr/>



***Statement of Realisation and Distribution
For the period 17 June 2013 to 16 December 2013***

Ross Unit Trusts Management Limited (In Liquidation)

Receipts	\$	\$
Interest	56.40	
Share Sales	8,203.27	
GST Payable	0.00	
Total Receipts		<hr/> 8,259.67
Payments		
Brokerage Fees	255.09	
Liquidators' Fees	1,090.00	
Liquidators' Disbursements	162.45	
Withholding Tax	15.43	
GST Receivable	187.87	
Total Payments		<hr/> 1,710.84
Cash at Bank		<hr/> 6,548.83 <hr/>



Appendix C

Ross Group Companies (In Liquidation)

Share Realisation Summary At 16 December 2013

Appendix B – Share Realisation Summary

Ross Group Companies (In Liquidation)

Share Realisation Summary at 16/12/2013

PORTFOLIO VALUATION

Shares held by RAM Entities	Valuation of Holdings ⁽¹⁾	Unlikely to be realised ⁽²⁾	Valuation of realisable holdings ⁽³⁾
NZ Holdings	\$1,293,089.49	-\$51,051.33	\$1,242,038.16
Australian Holdings	\$2,861,978.59	-\$472,734.17	\$2,389,244.42
USA Holdings	\$691,477.79	-\$43,432.07	\$648,045.72
Other Country Holdings	\$874,051.95	-\$1,475.29	\$872,576.66
Totals	\$5,720,597.82	-\$568,692.85	\$5,151,904.97

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	\$905,460.76	\$288,813.06	\$0.00	-\$285,943.09	\$908,330.73
Australian Holdings	\$1,390,354.75	\$447,992.64	\$0.00	-\$99,968.33	\$1,738,379.06
USA Holdings	\$185,470.50	\$407,756.36	\$0.00	-\$158,945.90	\$434,280.96
Other Country Holdings	\$402,573.99	\$432,067.23	-\$221,467.00	-\$9,841.16	\$603,333.06
Totals	\$2,883,860.01	\$1,576,629.28	-\$221,467.00	-\$554,698.47	\$3,684,323.81

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	\$913,131.27	\$905,460.37	\$0.39	-\$7,670.51	\$905,460.76
Australian Holdings	\$1,424,191.16	\$1,388,537.59	\$1,817.16	-\$33,836.40	\$1,390,354.75
USA Holdings	\$195,284.53	\$184,341.58	\$1,128.92	-\$9,814.03	\$185,470.50
Other Country Holdings	\$408,433.65	\$402,574.00	-\$0.01	-\$5,859.66	\$402,573.99
Totals	\$2,941,040.61	\$2,880,913.54	\$2,946.47	-\$57,180.60	\$2,883,860.01

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⁾	Estimated Total Realisations available for Investors & Creditors ⁽⁸⁾
Shares held by 3rd parties ⁽¹³⁾	\$5,629,939.00	-\$2,433,755.36	-\$3,196,183.64	\$0.00
Shares Subject to Receivership ⁽¹⁴⁾	\$338,441.32	\$0.00	-\$242,866.00	\$95,575.32

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 an updated value from that date. 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 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.

(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.

(14) - Shares held by David Ross, or an entity subject to a receivership order. Some of these shares will be available as a part of the settlement reached with David Ross. Shares held by the DRG Ross Family Trust in Arria NLG plc are included in this calculation, but not part of the settlement reached with David Ross.