



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' First Six Monthly Report
For the Period 17 December 2012 to 16 June 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 December 2012 to 16 June 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

Following a meeting of creditors by postal vote, it was resolved that a committee of creditors (“the Committee”) should be formed to assist the Liquidators in the conduct of the liquidation. The Committee met on 25 February 2013, 19 April 2013 and 30 May 2013. Updates to investors and creditors have been sent following each of these meetings.

Vacation of Ross Asset Management business premises

We continued to rent the offices previously occupied by Ross Asset Management Limited (In Liquidation) (“RAM”) until the end of March 2013. Those offices were subsequently vacated with all physical assets being sold at auction and all records being removed by either the Liquidators or the Financial Markets Authority (“FMA”). Any future rental payments under the lease will be an unsecured claim in the liquidation of RAM.



Inland Revenue

The Liquidators are in discussions with Inland Revenue in relation to the tax positions which may have been taken by investors based on reports provided to them by RAM, which detailed investments purportedly held by them. On the basis that it would appear that much of the reported investments and returns were fictitious, Inland Revenue has confirmed that it will consider applications to have investors' individual tax returns from prior years reassessed.

We have compiled much of the information required by Inland Revenue to undertake a reassessment, however, there are still several minor issues which require agreement. Once we are in agreement with Inland Revenue as to the basis of any potential reassessment, we will provide the relevant information to investors, which will allow them to review tax returns previously filed and, if appropriate, file amended tax returns.

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 been working with various brokers to realise the share holdings. This process is ongoing.

Some overseas brokers will not take any steps to realise the shares without a Court order in their local jurisdiction. In some cases the cost of doing so could potentially 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.

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.

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 will shortly be writing to a number of proprietary claimants requesting further information. If we determine that any shares are subject to proprietary claims we will seek the approval of the Court prior to releasing them to the respective claimants.

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. We are in discussions with Mr and Mrs Ross with the aim of reaching a settlement in relation to this outstanding amount. This is on the basis that a negotiated commercial settlement may be of greater financial benefit to investors and creditors than litigation against Mr & Mrs Ross. As discussions are still progressing we will not be disclosing further details at this time.



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 identified a number of transactions which could be considered voidable. Our solicitors are in the process of reviewing these and, subject to their advice, we intend to write to those parties identified requesting repayment of those monies.

Criminal Prosecution

It should be noted that charges have been laid against the director of the Group Companies, Mr David Ross, by the Serious Fraud Office ("SFO") and Financial Markets Authority ("FMA") in relation to his actions running the Group Companies. We have and continue to provide assistance to the SFO and FMA in their investigations.

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 June 2013 of \$1,171,652.15. This was held in the liquidations as follows:

• Ross Asset Management Limited (in Liquidation)	\$665,413.67
• Bevis Marks Corporation Limited (in Liquidation)	\$ 72,787.21
• McIntosh Asset Management Limited (in Liquidation)	\$ 28,287.73
• Mercury Asset Management Limited (in Liquidation)	\$ 39,277.73
• Dagger Nominees Limited (in Liquidation)	\$255,183.90
• United Asset Management Limited (in Liquidation)	\$ 110,701.91

Liquidators' Fees

The liquidators' fees paid during the reporting period are \$36,440.00.

All fees paid have previously been reviewed by the Committee. The Liquidators' have incurred further time costs, which have not yet been paid but which will be placed before the Committee at the next meeting.



The fees paid to date cover the following with approximate allocation of time as shown:

- 5% - initial investigation and information gathering
- 10% - reporting to creditors
- 5% - convening of Committee meetings
- 5% - the reconstruction and recovery of the overdrawn shareholder current account
- 15% - sale of shares
- 5% - vacation of the offices of the Group Companies
- 10% - liaising with Inland Revenue
- 10% - investigation into potentially insolvent transactions
- 10% - dealing with investor queries
- 10% - reviewing investor and creditor claims
- 15% - general investigation and administration

Please note section 284 of the Act below which states;

284 Court supervision of liquidation

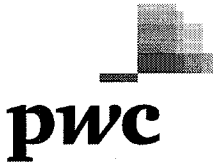
- (1) On the application of the liquidator, a liquidation committee, or, with the leave of the Court, a creditor, shareholder, other entitled person, or director of a company in liquidation, the Court may—
 - (e) In respect of any period, review or fix the remuneration of the liquidator at a level which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

We remind investors and creditors that they can receive future correspondence by email should they wish. If you have received a hard copy of this report and you wish to receive future correspondence by email, please email receiverships@nz.pwc.com advising you wish to receive future reports by email and providing details of which portfolio or portfolios you represent.



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: 16 July 2013

A 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 December 2012 to 16 June 2013

Ross Asset Management Limited (In Liquidation) Page 1 of 2

Receipts	\$	\$
Asset Sales	4,373.04	
Dividends	398.01	
Funds on Hand	9,653.39	
Interest Income	468.80	
Share Sales	1,164,332.89	
Transfer from Receivers	40,694.72	
GST Payable	5,526.78	
Total Receipts		1,225,447.63

Payments	
Advertising	1,147.07
Bank Charges	88.05
Brokerage Fees	12,749.55
Asset Sale Commission	804.63
Electricity	1,191.56
Insurance	2,102.49
IT Support	5,706.96
Landlord Make Good	505.65
Legal Fees	197,013.39
Liquidation Committee Expenses	191.70
Liquidators' Fees	36,440.00
Liquidators' Disbursements	4,101.52
Mail Collection	320.00
Employer Deductions	4,968.14
Petitioning Creditor Costs	1,302.80
Receivers' Fees	165,996.83
Receivers' Disbursements	18,287.18



**Statement of Realisation and Distribution
For the period 17 December 2012 to 16 June 2013**

**Ross Asset Management Limited (In Liquidation)
Page 2 of 2**

Payments (continued)

Rent	25,146.87	
Resident Withholding Tax	131.29	
Security	313.61	
Telephone	770.13	
Wages	11,104.29	
GST Receivable	69,650.25	
Total Payments		<hr/> 560,033.96 <hr/>
Cash at Bank		<hr/> 665,413.67 <hr/>



**Statement of Realisation and Distribution
For the period 17 December 2012 to 16 June 2013**

Bevis Marks Corporation Limited (In Liquidation)

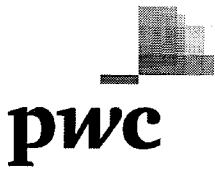
Receipts	\$	\$
Share Sales	73,981.02	
Transfer from Receivers	2,902.15	
GST Payable	0.00	
Total Receipts		<u>76,843.17</u>
Payments		
Bank Charges	10.80	
Brokerage Fees	2,065.56	
Receivers' Fees	1,485.52	
Receivers' Disbursements	222.83	
GST Receivable	271.25	
Total Payments		<u>4,055.96</u>
Cash at Bank		<u>72,787.21</u>



***Statement of Realisation and Distribution
For the period 17 December 2012 to 16 June 2013***

McIntosh Asset Management Limited (In Liquidation)

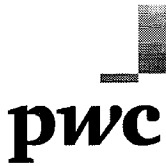
Receipts	\$	\$
Funds on Hand	495.58	
Share Sales	28,236.15	
GST Payable	0.00	
Total Receipts		<hr/> 28,731.73
Payments		
Brokerage Fees	444.00	
GST Receivable	0.00	
Total Payments		<hr/> 444.00
Cash at Bank		<hr/> 28,287.73 <hr/>



Statement of Realisation and Distribution
For the period 17 December 2012 to 16 June 2013

Mercury Asset Management Limited (In Liquidation)

Receipts	\$	\$
Funds on Hand	319.82	
Share Sales	39,848.70	
GST Payable	0.00	
Total Receipts		<u>40,168.52</u>
Payments		
Brokerage Fees	890.79	
GST Receivable	0.00	
Total Payments		<u>890.79</u>
Cash at Bank		<u>39,277.73</u>



**Statement of Realisation and Distribution
For the period 17 December 2012 to 16 June 2013**

Dagger Nominees Limited (In Liquidation)

Receipts	\$	¢
Dividends	5,449.20	
Funds on Hand	9,644.11	
Share Sales	239,337.41	
Transfer from Receivers	4,838.39	
GST Payable	0.00	
Total Receipts		<hr/> 259,269.11
Payments		
Bank Charges	183.43	
Brokerage Fees	2,578.66	
GST Receivable	0.00	
Total Payments		<hr/> 4,085.21
Cash at Bank		<hr/> 255,183.90



***Statement of Realisation and Distribution
For the period 17 December 2012 to 16 June 2013***

United Asset Management Limited (In Liquidation)

Receipts	\$	\$
Funds on Hand	6,790.62	
Share Sales	104,784.09	
Transfer from Receivers	881.45	
GST Payable	0.00	
Total Receipts		<hr/> 112,456.16
Payments		
Bank Charges	10.80	
Brokerage Fees	1,743.45	
GST Receivable	0.00	
Total Payments		<hr/> 1,754.25
Cash at Bank		<hr/> 110,701.91 <hr/>



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Appendix C

Ross Group Companies (In Liquidation) Share Realisation Summary At 16 June 2013

	Estimated to Realise *	Net Realisation ~	Yet to be Realised	Proprietary Claims #	Estimated Total Realisations available for Investors & Creditors^	Brokerage Fees Paid
NZ Broker Holdings	\$744,369.87	\$620,087.65	\$0.00	\$70,140.83	\$549,946.82	\$4,727.41
Australia Broker Holdings	\$1,730,442.97	\$603,179.73	\$660,348.15	\$83,035.67	\$1,180,492.21	\$14,291.85
USA Broker Holdings	\$874,088.74	\$184,097.30	\$517,148.96	\$158,945.90	\$542,300.37	\$9,822.07
Other Broker Holdings	\$491,830.25	\$16,856.96	\$616,788.37	\$279,443.31	\$354,202.02	\$1,009.55
NZ Registry Holdings	\$590,125.92	\$0.00	\$596,761.90	\$227,073.60	\$369,688.30	\$0.00
Australia Registry Holdings	\$1,333,980.45	\$595,405.83	\$678,055.65	\$174,595.91	\$1,098,865.58	\$12,942.84
USA Registry Holdings	\$1,135.96	\$0.00	\$1,135.96	\$0.00	\$1,135.96	\$0.00
Other Registry Holdings	\$37,008.98	\$0.00	\$37,008.98	\$0.00	\$37,008.98	\$0.00
Totals	\$5,802,983.16	\$2,019,627.47	\$3,107,247.98	\$993,235.21	\$4,133,640.24	\$42,793.72

* - Based on share portfolio valuations dated 21 February 2013. Some holdings have more recent valuations.

~ - Value of shares sold after brokerage fees have been deducted.

- All shares held in the name of RAM Companies possibly subject to proprietary claims of which the liquidators are currently aware. It is unlikely that all shares will be determined as proprietary.

^ - 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.