



***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”***

Outcome of Fifth Liquidation Committee Meeting

The fifth meeting of the Liquidation Committee (“the Committee”) was held on 31 October 2013 at PwC’s offices in Wellington. All seven committee members attended in person. The meeting was chaired by John Strahl. This document is the Committee’s agreed communication to be sent to all creditors and investors following the meeting. It was agreed that future communications concerning the liquidation process will continue to be sent from the Liquidator on behalf of the Committee.

This report is subject to the restrictions set out at Appendix A.

Inland Revenue

A letter has been received from Inland Revenue confirming what steps investors can take to have prior year income tax returns reassessed from 31 March 2008 and providing the information necessary to do so. A copy of this letter will be available on PwC’s website in the near future. The content of the letter is very technical and investors may wish to obtain independent tax advice in relation to any application to Inland Revenue which they make.

As a result of the position reached in relation to investor portfolios the Liquidators will not be seeking to recover tax potentially overpaid by RAM in prior tax years.

Proprietary claims

The Liquidators have continued to review proprietary claims received from investors to determine whether a valid proprietary claim to shares exists. This process is ongoing, however, the Liquidators have provided to the Committee details of further claims which the Liquidators believe to be valid. The total value of these claims is \$82,604.48. The Committee agreed that, based on the information provided, it is appropriate for the Liquidators to apply to the Court to release the freezing orders in relation to these shares.

The review of the remaining claims is ongoing. The Liquidators are generally waiting on further information from the investors who have made the claims to be able to assess the validity of those claims.

Share Realisations

A summary of share realisations is attached at Appendix B. The shares which remain to be realised are generally with overseas brokers who will not realise them without a local Court order or are shares for which there is no market. I.e. No other parties are interested in buying them. It is therefore possible that further shares may be categorised as unrealisable.



Net Contributions of Investors

All investors should have received a statement, prepared from RAM's records, detailing recorded contributions and withdrawals over the period of any portfolios held. A number of investors have responded confirming whether or not they believe these statements are an accurate reflection of their contributions and withdrawals. Where investors do not agree with the statements the liquidators are working with them to attempt to resolve any discrepancies. A summary of the 398 responses received from investors to 31 October 2013 are set out in the table below.

Investor Confirmations - October 2013	Portfolios	Net Contributions
Summary of All Open Portfolios		
Confirmations Received - Net Contributions >0	361	\$58,521,771.26
Confirmations Not Received - Net Contributions >0	355	\$55,708,189.93
Confirmations Received - Net Contributions <0	35	-\$7,695,806.00
Confirmations Not Received - Net Contributions <0	183	-\$38,659,061.14
Confirmations Received - Net Contributions =0	2	\$0.00
Confirmations Not Received - Net Contributions =0	23	\$0.00
Total Portfolios Held	959	
Summary of Confirmations Received		
Confirmations Agree - Net Contributions >0	341	\$54,718,489.56
Confirmations Do Not Agree - Net Contributions >0	20	\$3,803,281.70
Confirmations Agree - Net Contributions <0	32	-\$6,709,423.10
Confirmations Do Not Agree - Net Contributions <0	3	-\$986,382.90
Confirmations Agree - Net Contributions =0	2	\$0.00
Confirmations Do Not Agree - Net Contributions =0	0	\$0.00
Total Confirmations Received	398	

Outstanding shareholders' current account

Discussions with Mr and Mrs Ross and their advisors are ongoing in relation to the outstanding shareholders' current account. The Liquidators believe they are close to reaching an agreement with Mr and Mrs Ross which would provide a return to investors in a faster and more economical way than litigation. The marketing for sale of the Ross family home with the consent of the Receivers is a step towards the proposed agreement.

Clawback

As previously advised the Liquidators have written to three investors requesting repayment of monies which they received from the Group Companies in the two years prior to liquidation on the basis that those monies are considered voidable pursuant to section 292 of the Companies Act 1993. The amount requested in total is circa \$3.8 million. Responses have been received and the Liquidators are considering those responses and whether to issue formal legal proceedings against these parties.

The outcome of any such proceedings will guide the Liquidators on whether further claims should be brought of the same or of a different nature. The Liquidators have sought further advice on the merits of pursuing other possible causes of action to recover monies paid out, such as on the basis that those monies are stolen or that a remedial constructive trust should be created to effectively wind back all payments which have happened to a particular point in time. The Liquidators consider that the causes of action under the Companies Act 1993 continue to offer the best prospect of a successful recovery at this time and that investors and creditors in general are therefore best served by continuing to pursue those causes of action, although other causes of action could be considered in the future if new evidence came to light to strengthen such claims.



Wider Investigations

The Liquidators' general investigations are ongoing. These have not resulted in the identification of further significant assets of which the Liquidators were not previously aware.

A review of the available records suggests that monies received by RAM from investors will have been used for a number of purposes. All monies were intermingled so it is rarely possible to definitively trace any single receipt from an investor to any single payment made. The purposes for which receipts from investors will most likely have been used include distributions to other investors, the payment of operational costs of the business, such as rent and other overheads, payments to David Ross by way of his shareholder current account and in some instances the purchase of shares. These shares are rarely the same shares that have been recorded in RAM Portfolio Statements.

The Liquidators hope to be in a position to provide a more detailed analysis of the Company's financial transactions in early 2014 which should provide greater clarity on how much of the money received into RAM was paid out for the above purposes. That analysis is complex and not yet complete.

Following the identification of shares in the privately held UK Company Arria NLG Limited held by David Ross in his capacity as trustee of the DRG Ross Family Trust, the Liquidators and the Financial Markets Authority ("FMA") have sought to determine whether investor monies have been used to acquire those shares. The shares are being claimed by the beneficiaries of the DRG Ross Family Trust. The matter is currently before the Courts to seek a determination of how they should be dealt with. [Subsequent to the Liquidation Committee meeting, on 4 November 2013 John Fisk and David Bridgman were appointed receivers of the DRG Ross Family Trust, pursuant to an application made by the FMA.]

Financial position

A summary of the receipts and payments, together with costs incurred but not paid, was presented to the meeting and discussed. As at 15 October 2013, the Liquidators had net funds on hand of \$1,835,293.28. A breakdown of the individual balances held for each Ross Group company is detailed below:

Bevis Marks Corporation Limited (In Liquidation)	\$	83,960.71
Dagger Nominees Limited (In Liquidation)	\$	705,308.35
McIntosh Asset Management Limited (In Liquidation)	\$	28,549.32
Mercury Asset Management Limited (In Liquidation)	\$	39,881.62
Ross Asset Management Limited (In Liquidation)	\$	849,407.08
Ross Investment Management Limited (In Liquidation)	\$	7,847.88
Ross Unit Trusts Management Limited (In Liquidation)	\$	7,989.15
United Asset Management Limited (In Liquidation)	\$	112,349.17
	\$	1,835,293.28

We attach detailed receipts and payments accounts to 15 October 2013 for each company at Appendix C.

At 15 October 2013 a further \$110,561 of time costs and a further \$18,071 of disbursements had been incurred by the Liquidators but not been paid. A further \$83,229 of legal costs had also been incurred but had not yet been paid.



Distribution to Creditors

At this stage it is not possible to give an indication of the likely value of any distribution. This is mainly because an appropriate method of distributing the realised assets has not been agreed by the Court. The Liquidators are preparing a summary of available distribution options to present to the Committee at the next meeting.

The Liquidator has a duty to act in the interests of all classes of creditors, including potential creditors. This means balancing the interests of all classes of creditors.

All investors are potential creditors as they will have a claim for the reported value of their portfolio managed by Ross Asset Management Limited (In Liquidation), even if they have withdrawn more than the capital they originally contributed. Additionally if a successful clawback claim was brought against an investor it is possible for an investor's position to change from having withdrawn more than they have contributed to having contributed more than they have withdrawn.

If you have any other queries, please submit your enquiry through the on-line form via PWC's 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. Please mark any queries for the Liquidation Committee so that these can be passed to them for consideration.

Dated 14 November 2013

A handwritten signature in blue ink, appearing to read 'John Fisk', with a long horizontal stroke extending to the right.

John Fisk
Liquidator



Appendix A

Restrictions

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 dollar

Appendix B – Share Realisation Summary

Ross Group Companies (In Liquidation)

Share Realisation Summary at 13/11/2013

PORTFOLIO VALUATION

Shares held by RAM Entities	Valuation of Holdings ⁽¹⁾	Unlikely to be realised ⁽²⁾	Valuation of realisable holdings ⁽³⁾
NZ Holdings	\$1,303,705.36	\$51,333.76	\$1,252,371.60
Australian Holdings	\$2,823,712.46	\$493,261.31	\$2,330,451.15
USA Holdings	\$756,848.83	\$108,803.10	\$648,045.72
Other Country Holdings	\$848,742.12	\$5,811.31	\$842,930.81
Totals	\$5,733,008.77	\$659,209.49	\$5,073,799.28

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	\$888,317.17	\$288,813.06	\$0.00	-\$547,287.14	\$629,843.09
Australian Holdings	\$1,363,208.90	\$381,914.43	\$0.00	-\$252,648.75	\$1,492,474.59
USA Holdings	\$184,341.58	\$408,919.31	\$0.00	-\$377,757.68	\$215,503.21
Other Country Holdings	\$402,573.99	\$403,310.75	-\$221,467.00	-\$90,015.40	\$494,402.35
Totals	\$2,838,441.64	\$1,482,957.55	-\$221,467.00	-\$1,267,708.97	\$2,832,223.23

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	\$895,900.26	\$888,316.78	\$0.39	-\$7,583.09	\$888,317.17
Australian Holdings	\$1,396,571.79	\$1,356,040.09	\$7,168.81	-\$33,362.89	\$1,363,208.90
USA Holdings	\$194,163.64	\$184,341.59	-\$0.01	-\$9,822.07	\$184,341.58
Other Country Holdings	\$408,433.65	\$402,574.00	-\$0.01	-\$5,859.66	\$402,573.99
Totals	\$2,895,069.35	\$2,831,272.46	\$7,169.18	-\$56,627.71	\$2,838,441.64

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	\$0.00

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 verified. 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. It is currently uncertain whether these shares may be available for investors. This includes shares held by the DRG Ross Family Trust in Arria NLG Limited.

Ross Group Companies (In Liquidation)
Summary of Companies bank account balances at 15 October 2013

Bevis Marks Corporation Limited (In Liquidation)	\$	83,960.71
Dagger Nominees Limited (In Liquidation)	\$	705,308.35
McIntosh Asset Management Limited (In Liquidation)	\$	28,549.32
Mercury Asset Management Limited (In Liquidation)	\$	39,881.62
Ross Asset Management Limited (In Liquidation)	\$	849,407.08
Ross Investment Management Limited (In Liquidation)	\$	7,847.88
Ross Unit Trusts Management Limited (In Liquidation)	\$	7,989.15
United Asset Management Limited (In Liquidation)	\$	112,349.17
	\$	1,835,293.28

Ross Group Companies (In Liquidation)
Summary of transactions at 15 October 2013

Bevis Marks Corporation Limited (In Liquidation)

Receipts

Share sales	84,175.51	
Dividends	3,529.83	
Transfer from Receivers' account	2,902.15	
Interest income	937.48	
GST on receipts	-	
Total receipts		91,544.97

Payments

Bank charges	18.00	
Brokerage fees	2,654.32	
Broker document charges	5.00	
Liquidators' fees	2,166.00	
Liquidators' general expenses & disbursements	169.80	
Receivers' fees	1,485.52	
Receivers' general expenses & disbursements	222.83	
RWT	240.42	
GST on payments	622.37	
Total payments		7,584.26

Total cash on hand

\$ 83,960.71

Ross Group Companies (In Liquidation)
Summary of transactions at 15 October 2013

Dagger Nominees Limited (In Liquidation)

Receipts

Share sales	690,812.19	
Dividends	24,552.20	
Transfer from Receivers' account	4,922.65	
Interest income	5,482.26	
GST on receipts	-	
Total receipts		725,769.30

Payments

Bank charges	378.21	
Brokerage Fees	9,740.47	
Broker document charges	1,267.36	
Liquidators' fees	4,711.00	
Liquidators' general expenses & disbursements	1,769.34	
RWT	1,464.27	
GST on payments	1,130.30	
Total payments		20,460.95

Total cash on hand	\$ 705,308.35
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Ross Group Companies (In Liquidation)
Summary of transactions at 15 October 2013

McIntosh Asset Management Limited (In Liquidation)

Receipts

Share sales	28,236.15	
Dividends	495.58	
Interest income	351.65	
GST on receipts	-	
Total receipts		29,083.38

Payments

Brokerage Fees	444.00	
RWT	90.06	
GST on payments	-	
Total payments		534.06

Total cash on hand		\$ 28,549.32
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Ross Group Companies (In Liquidation)
Summary of transactions at 15 October 2013

Mercury Asset Management Limited (In Liquidation)

Receipts

Share sales	40,420.92	
Dividends	319.82	
Interest income	491.70	
GST on receipts	-	
Total receipts		41,232.44

Payments

Brokerage Fees	1,224.59	
RWT	126.23	
GST on payments	-	
Total payments		1,350.82

Total cash on hand		\$ 39,881.62
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Ross Group Companies (In Liquidation)
Summary of transactions at 15 October 2013

Ross Asset Management Limited (In Liquidation)

Receipts

Share sales	1,635,408.43	
Dividends	34,295.70	
Transfer from Receivers' account	40,682.99	
Interest income	8,998.55	
Investor management fees	23,898.66	
RAM office furniture sales	4,468.69	
GST on receipts	13,569.22	
Total Receipts		1,761,322.24

Payments

Advertising	1,147.07	
Bank charges	364.37	
Brokerage Fees	26,329.56	
Broker document charges	1,317.36	
Commission	823.76	
Document storage	13,514.49	
Electricity	1,191.56	
Freight	1,815.00	
Insurance	2,102.49	
IT Support	5,706.96	
Landlord make good costs	505.65	
Legal Fees	216,439.33	
Liquidation Committee expenses	191.70	
Liquidators' fees	269,712.98	
Liquidators' general expenses & disbursements	27,472.53	
Mail Collection	320.00	
PAYE	4,968.14	
Petitioning creditor costs	1,302.80	
Receivers' Fees	172,185.53	
Receivers' general expenses & disbursements	12,098.48	
Office Rental	25,146.87	
RWT	1,831.82	
Security	313.61	
Telephone	770.13	
Wages	11,104.29	
GST on payments	113,238.68	
Total payments		911,915.16

Total cash on hand	\$	849,407.08
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Ross Group Companies (In Liquidation)
Summary of transactions at 15 October 2013

Ross Investment Management Limited (In Liquidation)

Receipts

Share sales	7,923.35	
Interest income	55.40	
GST on receipts	-	
Total receipts		7,978.75

Payments

Brokerage Fees	115.71	
RWT	15.16	
GST on payments	-	
Total payments		130.87

Total cash on hand	\$ 7,847.88
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Ross Group Companies (In Liquidation)
Summary of transactions at 15 October 2013

Ross Unit Trusts Management Limited (In Liquidation)

Receipts

Share sales	8,203.27	
Interest income	56.40	
GST on receipts	-	
Total receipts		8,259.67

Payments

Brokerage Fees	255.09	
RWT	15.43	
GST on payments	-	
Total payments		270.52

Total cash on hand		\$ 7,989.15
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Ross Group Companies (In Liquidation)
Summary of transactions at 15 October 2013

United Asset Management Limited (In Liquidation)

Receipts

Share sales	107,952.39	
Dividends	6,790.62	
Transfer from Receivers' account	881.45	
Interest income	1,344.68	
GST on receipts	-	
Total receipts		116,969.14

Payments

Bank charges	18.00	
Brokerage fees	2,210.84	
Liquidators fees	1,645.00	
Liquidators' general expenses & disbursements	130.96	
RWT	348.78	
GST on payments	266.39	
Total payments		4,619.97

Total cash on hand		\$ 112,349.17
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