



***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 Sixth Liquidation Committee Meeting**

The sixth meeting of the Liquidation Committee (“the Committee”) was held on 24 March 2014 at PwC’s offices in Wellington. Six committee members attended in person and one attended by telephone. 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.

**Financial Markets Authority (“FMA”) and Serious Fraud Office (“SFO”)**

Representatives from the FMA and SFO attended the meeting and provided information outlining the extent of their investigations and processes followed in relation to the prosecution against David Ross. They have prepared a communication to investors. This communication is being sent directly to all investors. If you do not receive a copy please contact the Liquidators.

The SFO is willing to provide to investors details of any transactions recorded in their portfolio which were included in the charges laid against David Ross. If investors wish to obtain this information they can contact the SFO via its website: [www.sfo.govt.nz](http://www.sfo.govt.nz).

The FMA is also willing to provide investors with information it holds in relation to individual investors. The FMA can be contacted via its website: [www.fma.govt.nz](http://www.fma.govt.nz).

David Ross’s appeal against the minimum non-parole period ordered by the District Court will be heard by the Court of Appeal in Wellington on 11 June 2014.

**Inland Revenue**

A further letter has been received from Inland Revenue in relation to whether Inland Revenue will accept applications to reassess claims for the period ended 31 March 2008 and earlier. This letter is available on the Liquidators’ website: [www.pwc.co.nz/rossassetmanagement](http://www.pwc.co.nz/rossassetmanagement)

The Liquidators have investigated the prospect of recovering tax paid by RAM and David Ross personally for the benefit of investors. Following discussions with Inland Revenue there will not be any recovery in relation to either of these entities as there is no viable basis for seeking to have prior year tax returns reassessed.



### **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 approximately \$270,035. 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 that relate 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. The majority of proprietary claims have now been dealt with.

### **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. (ie. no other parties are interested in buying them). It is therefore possible that further shares may be categorised as unrealisable. The Liquidators are investigating the costs associated with having the New Zealand Court order recognised in one overseas jurisdiction at this time to see whether it would be cost effective to do so.

### **Outstanding shareholders' current account**

A settlement, the general terms of which were approved by the Liquidation Committee, was reached with David and Jillian Ross. This has been sanctioned by the High Court.

The properties in Eastbourne and Riversdale are being transferred to RAM. The Liquidators will be taking steps to market and sell these properties shortly.

An unconditional sale agreement was reached in relation to the property at Woburn Road (being David Ross' former residence). This is for \$1,772,745 and completed on 28 March 2014. 50% of the gross proceeds is payable to each of Mr & Mrs Ross. Once costs have been paid from Mr Ross' share, which includes the receiver's costs, fees and disbursements, the balance is payable to RAM. The receiverships of the Woburn Ross Trust and the Chapman Ross Trust will come to an end following the distribution of the proceeds of sale as there are no further known assets owned by these trusts.

50% in value of the chattels from Woburn Road are being sold by Dunbar Sloane with the proceeds to be paid to RAM. These assets are owned by Mr & Mrs Ross personally.

Any shares or investments owned by or on behalf of Mr Ross are available to the liquidators of RAM.

David Ross' fees for his legal representation have not been agreed. An amount of money will be set aside from the proceeds of sale of Woburn Road until agreement can be reached. It is possible that this may require a review of the fees by a person appointed by the Law Society.

### **Clawback**

Following discussions with the three test case parties, defences were raised by all three parties and no acceptable settlements could be agreed. Accordingly notices were filed against two of the parties in the High Court on 26 February 2014. A notice is to be filed against the remaining party shortly. Although filed later this third claim is actually further advanced with a notice in response to be filed at the same time. The other two parties had 20 working days in which to file notices in response setting out any defence, which they have since done.





The Liquidators will also be shortly writing to all other investors who withdrew any money in the period leading up to liquidation putting them on notice that the Liquidators believe they have a claim against them and setting out details of that claim. This will allow potential claimants to seek legal advice in relation to their position and choose to repay any monies prior to the issuing of formal notices, as has occurred in relation to the three test cases above.

### **Wider Investigations**

Wider investigations are ongoing. This largely includes a review of the Ross Group Companies' available banking records to identify any transactions which require further examination. This has included reviewing the transactions, obtaining further information from the bank and cross referencing this against the RAM database and other available records. As noted above this exercise is ongoing. However, to date it has not led to the location of any material assets of which the Liquidators were not previously aware. The Liquidators believe it is unlikely that any further assets of significant value are likely to be located from this exercise.

Key points to note between 31 March 2009 and 6 November 2012, being the years when the best records are available, include that between 75% and 95% of payments made out of RAM were distributions to investors. The only other line items which were greater than 2% of outgoings were for the purchase of shares, payment of tax and identified shareholder drawings.

A High Court approved agreement has been reached whereby 50% of the shares held by the DRG Ross Family Trust in Arria NLG plc are to be transferred to RAM to be sold for the benefit of investors. To avoid costs involved in attempting to unravel this matter, and it was by no means certain that it could be unravelled due to the lack of historical records, a commercially pragmatic and expedient settlement was agreed to bring this asset into the Liquidation.

### **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 March 2014, the Liquidators had net funds on hand of \$1,748,765.28. A breakdown of the individual balances held for each Ross Group company is detailed below:

Bevis Marks Corporation Limited (In Liquidation)	\$	80,153.32
Dagger Nominees Limited (In Liquidation)	\$	757,427.92
McIntosh Asset Management Limited (In Liquidation)	\$	23,425.21
Mercury Asset Management Limited (In Liquidation)	\$	34,816.77
Ross Asset Management Limited (In Liquidation)	\$	716,822.84
Ross Investment Management Limited (In Liquidation)	\$	5,669.30
Ross Unit Trusts Management Limited (In Liquidation)	\$	6,584.95
United Asset Management Limited (In Liquidation)	\$	123,834.97
	<b>\$</b>	<b>1,748,765.28</b>

Detailed receipts and payments accounts to 15 March 2014 for each company are attached at Appendix C.



At 15 March 2014 a further \$153,160 of time costs and a further \$12,709 of disbursements had been incurred by the Liquidators but not been paid. A further \$111,891 of legal costs had also been incurred but had not yet been paid.

#### **Distribution to Creditors and Investors**

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. Additionally the outcome of clawback claims may materially impact the available funds to distribute. The Liquidators presented their preferred method of distribution to the Committee at the meeting for consideration.

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. The Liquidators will endeavour to respond to all enquiries as quickly as possible where appropriate. Please mark any queries for the Liquidation Committee so that these can be passed to them for consideration.

Dated 14 May 2014

A handwritten signature in blue ink, appearing to be 'John Fisk', written over a horizontal line.

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

## Ross Group Companies (In Liquidation)

Share Realisation Summary at

15/03/2014

### PORTFOLIO VALUATION

Shares held by RAM Entities	Valuation of Holdings <sup>(1)</sup>	Unlikely to be realised <sup>(2)</sup>	Valuation of realisable holdings <sup>(3)</sup>
NZ Holdings	\$1,316,694.45	-\$51,051.33	\$1,265,643.12
Australian Holdings	\$2,915,900.21	-\$472,734.17	\$2,443,166.04
USA Holdings	\$698,398.26	-\$50,352.54	\$648,045.72
Other Country Holdings	\$1,004,058.75	-\$1,475.29	\$1,002,583.46
<b>Totals</b>	<b>\$5,935,051.67</b>	<b>-\$575,613.32</b>	<b>\$5,359,438.35</b>

### SHARE REALISATIONS

Shares held by RAM Entities	Net Realisations to Date <sup>(4)</sup>	Yet to be Realised <sup>(5)</sup>	Shares Subject to Verified Proprietary Claims <sup>(6)</sup>	Shares Subject to Unverified Proprietary Claims <sup>(7)</sup>	Estimated Total Realisations available for Investors & Creditors <sup>(8)</sup>
NZ Holdings	\$928,303.90	\$277,024.20	-\$28,653.64	-\$79,274.65	\$1,097,399.81
Australian Holdings	\$1,393,684.62	\$500,296.61	\$0.00	-\$120,674.85	\$1,773,306.38
USA Holdings	\$185,316.41	\$407,756.36	\$0.00	-\$158,945.90	\$434,126.87
Other Country Holdings	\$425,008.64	\$536,874.86	-\$253,742.81	\$0.00	\$708,140.70
<b>Totals</b>	<b>\$2,932,313.58</b>	<b>\$1,721,952.03</b>	<b>-\$282,396.45</b>	<b>-\$358,895.39</b>	<b>\$4,012,973.77</b>

### RECONCILIATION OF REALISATIONS RECEIVED

Shares held by RAM Entities	Gross Realisations to Date <sup>(9)</sup>	Share Realisations Received to Date <sup>(10)</sup>	Realisations Yet to be Received from Brokers <sup>(11)</sup>	Brokerage Fees Paid <sup>(12)</sup>	Net Realisations to Date <sup>(4)</sup>
NZ Holdings	\$935,974.41	\$928,303.51	\$0.39	-\$7,670.51	\$928,303.90
Australian Holdings	\$1,427,746.85	\$1,389,840.91	\$3,843.71	-\$34,062.22	\$1,393,684.62
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
<b>Totals</b>	<b>\$2,989,828.32</b>	<b>\$2,928,469.49</b>	<b>\$3,844.09</b>	<b>-\$57,514.74</b>	<b>\$2,932,313.58</b>

### SHARES HELD BY NON-RAM ENTITIES

Shares held by non-RAM entities	Valuation of Holdings <sup>(1)</sup>	Shares Subject to Verified Proprietary Claims <sup>(6)</sup>	Shares Subject to Unverified Proprietary Claims <sup>(7)</sup>
Shares held by 3rd parties <sup>(13)</sup>	\$5,629,939.00	-\$2,635,273.80	-\$2,994,665.20

### 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 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.



**David Ross & Related Entities (In Receivership)**  
**DRG Ross Family Trust (In Receivership)**

Share Realisation Summary at 15/03/2014

	Valuation of Holdings <sup>(1)</sup>	Unlikely to be realised <sup>(2)</sup>	Valuation of realisable holdings <sup>(3)</sup>
Shares Subject to Receivership <sup>(14)</sup>	\$482,826.30	\$1.45	\$482,824.85

	Net Realisations to Date <sup>(4)</sup>	Yet to be Realised <sup>(5)</sup>	Shares Subject to Verified Proprietary Claims <sup>(6)</sup>	Shares Subject to Unverified Proprietary Claims <sup>(7)</sup>	Estimated Total Realisations available for Investors & Creditors of RAM <sup>(8)</sup>
Shares Subject to Receivership <sup>(14)</sup>	\$58,277.28	\$408,505.41	-\$193,625.49	\$0.00	\$277,283.52

	Gross Realisations to Date <sup>(9)</sup>	Share Realisations Received to Date <sup>(10)</sup>	Realisations Yet to be Received from Brokers <sup>(11)</sup>	Brokerage Fees Paid <sup>(12)</sup>	Net Realisations to Date <sup>(4)</sup>
Shares Subject to Receivership <sup>(14)</sup>	\$60,298.03	\$53,815.28	\$4,462.00	-\$2,020.76	\$58,277.28

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 50% of Arria NLG plc shares held by the DRG Ross Family Trust (In Receivership) as it has been agreed that 50% of the shares held will be released to the beneficiaries of the trust.

(7) - We are not aware of any other 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.

**Ross Group Companies (In Liquidation)****Summary of Companies bank account balances at 15 March 2014**

Bevis Marks Corporation Limited (In Liquidation)	\$	80,153.32
Dagger Nominees Limited (In Liquidation)	\$	757,427.92
McIntosh Asset Management Limited (In Liquidation)	\$	23,425.21
Mercury Asset Management Limited (In Liquidation)	\$	34,816.77
Ross Asset Management Limited (In Liquidation)	\$	716,822.84
Ross Investment Management Limited (In Liquidation)	\$	5,699.30
Ross Unit Trusts Management Limited (In Liquidation)	\$	6,584.95
United Asset Management Limited (In Liquidation)	\$	123,834.97
	<b>\$</b>	<b>1,748,765.28</b>



**Ross Group Companies (In Liquidation)**  
**Summary of transactions at 15 March 2014**

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

**Receipts**

Share sales	84,175.54	
Dividends	5,944.16	
Transfer from Receivers' account	2,902.15	
Interest income	1,461.43	
GST on receipts	-	
<b>Total receipts</b>		<b>94,483.28</b>

**Payments**

Bank charges	83.58	
Brokerage fees	2,572.85	
Broker document charges	105.00	
Liquidators' fees	7,415.00	
Liquidators' general expenses & disbursements	585.91	
Receivers' fees	1,485.52	
Receivers' general expenses & disbursements	222.83	
RWT	387.13	
GST on payments	1,472.14	
<b>Total payments</b>		<b>14,329.96</b>

**Total cash on hand**

<b>\$ 80,153.32</b>
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**Ross Group Companies (In Liquidation)**  
**Summary of transactions at 15 March 2014**

**Dagger Nominees Limited (In Liquidation)**

**Receipts**

Share sales	771,655.97	
Dividends	21,952.32	
Transfer from Receivers' account	4,922.65	
Interest income	10,401.15	
Funds on Hand	7,355.59	
GST on receipts	-	
<b>Total receipts</b>		<b>816,287.68</b>

**Payments**

Bank charges	461.58	
Brokerage Fees	11,722.74	
Broker document charges	1,998.64	
Liquidators' fees	12,869.00	
Liquidators' general expenses & disbursements	3,332.53	
Proprietary Claims	23,014.45	
RWT	2,842.34	
GST on payments	2,618.48	
<b>Total payments</b>		<b>58,859.76</b>

<b>Total cash on hand</b>	<b>\$</b>	<b>757,427.92</b>
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**Ross Group Companies (In Liquidation)**  
**Summary of transactions at 15 March 2014**

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

**Receipts**

Share sales	28,236.14	
Dividends	495.60	
Interest income	530.54	
GST on receipts	-	
<b>Total receipts</b>		<b>29,262.28</b>

**Payments**

Brokerage Fees	444.01	
Liquidators' fees	4,240.00	
Liquidators' general expenses & disbursements	327.75	
RWT	140.15	
GST on payments	685.16	
<b>Total payments</b>		<b>5,837.07</b>

<b>Total cash on hand</b>	<b>\$ 23,425.21</b>
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**Ross Group Companies (In Liquidation)**  
**Summary of transactions at 15 March 2014**

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

**Receipts**

Share sales	40,832.35	
Interest income	749.15	
GST on receipts	-	
<b>Total receipts</b>		<b>41,581.50</b>

**Payments**

Brokerage Fees	1,316.20	
Liquidators' fees	4,236.00	
Liquidators' general expenses & disbursements	329.40	
RWT	198.32	
GST on payments	684.81	
<b>Total payments</b>		<b>6,764.73</b>

<b>Total cash on hand</b>	<b>\$ 34,816.77</b>
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**Ross Group Companies (In Liquidation)**  
**Summary of transactions at 15 March 2014**

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

**Receipts**

Share sales	1,917,057.88	
Dividends	9,542.70	
Funds on Hand	32,252.18	
Transfer from Receivers' account	40,378.06	
Interest income	13,822.00	
Investor management fees	24,384.22	
RAM office furniture sales	4,725.21	
GST on receipts	40,553.77	
<b>Total Receipts</b>		<b>2,082,716.02</b>

**Payments**

Advertising	1,207.07	
Bank charges	404.88	
Brokerage Fees	38,632.59	
Broker document charges	1,587.57	
Commission	927.56	
Document storage	13,514.49	
Duress Payments	10,095.39	
Electricity	1,191.56	
Freight	1,815.00	
Insurance	2,102.49	
IT Support	6,747.21	
Landlord make good costs	505.65	
Legal Fees	297,168.70	
Liquidation Committee expenses	191.70	
Liquidators' fees	327,978.98	
Liquidators' general expenses & disbursements	32,611.14	
Mail Collection	320.00	
PAYE	4,968.14	
Petitioning creditor costs	1,302.80	
Proprietary claims	262,825.76	
Receivers' Fees	172,185.53	
Receivers' general expenses & disbursements	12,098.48	
Office Rental	25,146.87	
RWT	3,152.94	
Security	313.61	
Telephone	770.13	
Wages	11,104.29	
GST on payments	135,022.65	
<b>Total payments</b>		<b>1,365,893.18</b>

<b>Total cash on hand</b>	<b>\$ 716,822.84</b>
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**Ross Group Companies (In Liquidation)**  
**Summary of transactions at 15 March 2014**

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

**Receipts**

Share sales	7,923.35	
Interest income	101.91	
GST on receipts	-	
<b>Total receipts</b>		<b>8,025.26</b>

**Payments**

Brokerage Fees	115.71	
Liquidators' Fees	1,690.00	
Liquidators' general expenses & disbursements	207.45	
RWT	28.18	
GST on payments	284.62	
<b>Total payments</b>		<b>2,325.96</b>

<b>Total cash on hand</b>	<b>\$ 5,699.30</b>
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**Ross Group Companies (In Liquidation)**  
**Summary of transactions at 15 March 2014**

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

**Receipts**

Share sales	8,203.27	
Interest income	106.57	
GST on receipts	-	
<b>Total receipts</b>		<b>8,309.84</b>

**Payments**

Brokerage Fees	255.09	
Liquidators' Fees	1,090.00	
Liquidators' general expenses & disbursements	162.45	
RWT	29.48	
GST on payments	187.87	
<b>Total payments</b>		<b>1,724.89</b>

<b>Total cash on hand</b>	<b>\$ 6,584.95</b>
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**Ross Group Companies (In Liquidation)**  
**Summary of transactions at 15 March 2014**

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

**Receipts**

Share sales	115,304.43	
Transfer from Receivers' account	881.45	
Funds on Hand	17,574.66	
Interest income	2,125.49	
GST on receipts	-	
<b>Total receipts</b>		<b>135,886.03</b>

**Payments**

Bank charges	27.00	
Brokerage fees	2,572.31	
Broker Document Charges	54.00	
Liquidators fees	7,124.00	
Liquidators' general expenses & disbursements	554.56	
RWT	567.41	
GST on payments	1,151.78	
<b>Total payments</b>		<b>12,051.06</b>

<b>Total cash on hand</b>	<b>\$ 123,834.97</b>
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