



***Receivers' Six Monthly Report on the State of Affairs
of David Robert Gilmour Ross (Receivers and
Managers Appointed)***

***Ace Investment Trust (Receivers and Managers
Appointed)***

***Ace Investment Trust Limited (Receivers and
Managers Appointed)***

***Ace Investments Limited (Receivers and Managers
Appointed)***

Ross Unit Trust (Receivers and Managers Appointed)

***Ross Unit Trust Limited (Receivers and Managers
Appointed)***

***Vivian Investments (Receivers and Managers
Appointed)***

***Vivian Investments Limited (Receivers and Managers
Appointed)***

(Collectively the "Ross Group")

Pursuant to Section 24 of the Receiverships Act 1993

Reporting Period: 6 May 2015 to 5 November 2015



Introduction

We, John Howard Ross Fisk and David John Bridgman, Chartered Accountants of Wellington and Auckland respectively were appointed receivers of certain entities pursuant to orders of the High Court at Wellington dated 6 November 2012, following an application made by the Financial Markets Authority (“FMA”) under the Financial Advisers Act 2008 (subpart 4). The entities to which we were appointed on 6 November 2012 are:

- Ross Asset Management Limited
- Bevis Marks Corporation Limited
- McIntosh Asset Management Limited
- Mercury Asset Management Limited
- Dagger Nominees Limited
- Ross Investment Management Limited
- Ross Unit Trusts Management Limited
- United Asset Management Limited
- Mr David Robert Gilmour Ross
- The Woburn Ross Trust
- The Chapman Ross Trust

Following our report to the Court as receivers of the above Group dated 13 November 2012, the FMA sought and obtained further orders on 14 November 2012 that the orders made by the High Court appointing receivers on 6 November 2012 be extended to include the following possible entities:

- Ace Investment Trust
- Ace Investment Trust Limited
- Ace Investments Limited
- Ross Unit Trust
- Ross Unit Trust Limited
- Vivian Investments
- Vivian Investments Limited

This was on the basis that David Ross appeared to have trading accounts in these names. These do not appear to be companies incorporated in New Zealand or Australia. The appointment of receivers to David Ross includes his capacity as a trustee and accordingly any interest he may have in two trusts he controls, being the Woburn Ross Trust and the Chapman Ross Trust.

On 17 December 2012 the following companies were placed into liquidation pursuant to section 241(2)(a) and 241(2)(c) of the Companies Act 1993. John Howard Ross Fisk and David John Bridgman are the appointed liquidators:

- Ross Asset Management Limited
- Bevis Marks Corporation Limited
- McIntosh Asset Management Limited
- Mercury Asset Management Limited
- Dagger Nominees Limited
- Ross Investment Management Limited
- Ross Unit Trusts Management Limited
- United Asset Management Limited



As a result of the liquidation of the above companies the Court ordered the end of the receiverships of those companies on 5 March 2013. A final report on the receiverships of those companies has been filed. Accordingly they are not dealt with in this report.

As a result of a settlement reached between the trustees of the Chapman Ross Trust, the Woburn Ross Trust, Ross Asset Management Limited (In Liquidation), David Ross and Jillian Ross, the receiverships of the Chapman Ross Trust and the Woburn Ross Trust ended on 28 March 2014. A final report on the receiverships of those trusts has been filed. Accordingly they are also not dealt with in this report.

The effect of our appointment is that we have assumed control of the Ross Group and are provided with various powers to manage the affairs and assets of the Ross Group.

This report has been prepared by us in accordance with and for the purpose of Section 24 of the Receiverships Act 1993 ("the Act"). It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the receivership.

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 Sections 26 and 27 of the Receiverships Act 1993. Furthermore, in preparing this report we have relied upon and not independently verified or audited information or explanations provided to us.

Our last report on the receivership was dated 23 June 2015 and covered the period 6 November 2014 to 5 May 2015.

Particulars of debts and liabilities at the date of report outstanding and requiring to be satisfied from the property in receivership

Class of creditor	Name of creditor	Nature of claim	Note	Amount of claim \$
Secured creditor	Nil			0.00
Preferential creditors	Nil			0.00
Unsecured creditors	Ross Asset Management Ltd (In Liquidation)	Joint Shareholder Current Account	1	3,491,579
	Ross Asset Management Ltd (In Liquidation)	Loss suffered by RAM investors	2	108,004,449
	BNZ	Credit Card	3	17,502
	ANZ	Credit Card	4	47,194
	Diners Club	Credit Card	5	2,663
	Chapman Tripp & Gary Turkington	Legal fees	6	0.00
Total liabilities				111,563,387



1. As recorded in Financial Statements dated 31 March 2010. Outstanding from David Ross joint with Jillian Ross.
2. Calculated loss suffered by investors as a result of David Ross' misappropriation of investor funds. The Liquidators believe they could successfully bring a claim for this amount on the basis that David Ross has breached his duties as a director under the Companies Act 1993.
3. This is a credit card held in David Ross' name.
4. This is a credit card held in David Ross' name.
5. This is a credit card held in David Ross' name.
6. \$217,904 (including GST) legal fees for David Ross' legal representation in relation to charges brought by the Serious Fraud Office and Financial Markets Authority and dealings with the receivers and liquidators of the Ross Group was determined to be reasonable by the High Court and accordingly has been paid.

Property disposed of since 5 May 2015

The purpose of the receivership is to preserve assets pending further investigations into the affairs of Ross Asset Management Limited (In Liquidation) ("RAM") and to subsequently determine whether any of those assets are available for parties who had monies invested with RAM. We detail below property that has been disposed of since the appointment of receivers.

Share Portfolios

Since the date of our last report there have been no further share realisations. There have, however, been some further distributions from various of the Ross Group Companies, being the proceeds of sale of shares which David Ross has claimed to be held for him personally. These monies have subsequently been paid to Ross Asset Management Limited (In Liquidation) as reparations from David Ross.

Household Chattels

Since the date of our last report a further \$380 before sales costs has been received. The proceeds are payable to RAM as reparation for the misappropriation of investor monies and investments. It is not anticipated that there will be any further chattel realisations of significance.

Proposals for disposal of receivership property

Share Portfolios

A small number of shares still remain to be dealt with, however, they are registered in overseas jurisdictions and there is some difficulty in arranging their sale, in a number of instances due to a lack of complete documentation such as share certificates. The receivers are working with overseas brokers and registries to see what steps can practically and economically be taken to achieve the sale of these shares. The shares are likely to have a value of no more than \$25,000 in aggregate, although ultimately their value may be nil. The receivers are attempting to ensure that the costs of time spent dealing with this matter does not outweigh the value of the shares.

Amounts likely to be available for payment to creditors

As noted above the purpose of the receivership is to preserve assets pending further investigations into the affairs of RAM and to subsequently determine whether any of those assets are available for parties who had monies invested with RAM. Accordingly any payment of creditors is subject to Court



approval. As noted in our previous reports a settlement agreement has been reached which allows assets owned by the Ross Group to be made available for the creditors of RAM.

David Ross was adjudicated bankrupt on the petition of the BNZ on 28 July 2015. Shortly after the period covered by this report the Financial Markets Authority has had its asset preservation orders removed by the High Court. Accordingly the receivers will soon be taking steps to retire, subject to any further realisations which can be obtained from the shares referred to above.

Receipts and payments

We attach, as Appendix B, statements of receipts and payments in the receiverships for the period of the receiverships, being 6 November 2012 to 5 November 2015.

Dated: 11 January 2016

A handwritten signature in blue ink, consisting of a large, stylized loop followed by a horizontal line and a small flourish.

John Howard Ross Fisk
Receiver



Appendix A

Restrictions

All information contained in this report is provided in accordance with Sections 26 and 27 of the Receiverships 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 Ross Group. 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 Ross Group 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

David Ross (Receivers and Managers Appointed) Receivers' Statement of Receipts and Payments for the Period 6 November 2012 to 5 November 2015

	\$
Receipts	
Funds on Hand	26,182.77
Household Chattels	24,165.00
Share Sales	14,491.96
Distribution from Chapman Ross Trust	400,402.64
Distribution from Woburn Ross Trust	397,447.99
Distribution from Bevis Marks Corporation Limited (In Liquidation)	88,072.51
Distribution from McIntosh Asset Management Limited (In Liquidation)	22,926.44
Distribution from Mercury Asset Management Limited (In Liquidation)	36,258.37
Distribution from Ross Investment Management Limited (In Liquidation)	4,979.91
Distribution from Ross Unit Trusts Management Limited (In Liquidation)	6,180.75
Distribution from United Asset Management Limited (In Liquidation)	114,024.77
Painting Proceeds	124,081.87
Interest Income	3,104.37
	\$1,262,319.35
Payments	
Preparation of Tax Returns	5,137.56
Asset Removal Costs	1,285.20
Bank Charges	185.30
Brokerage Fees	631.73
Commission	3,254.60
Court Ordered Allowance	11,000.00
David Ross' Legal Fees	299,664.53
Distribution to Jillian Ross	13,498.01
Receivers' Legal Fees	8,200.00
Receivers' Fees	7,783.15
Receivers' General Expenses and Disbursements	684.26
Reparations paid to Ross Asset Management Limited (In Liquidation)	842,859.95
Valuations	870.00
GST on Payments	48,986.87
	\$1,244,041.16
Balance	\$18,278.19



***Ace Investment Trust (Receivers and Managers Appointed)
Receivers' Statement of Receipts and Payments
for the Period 6 November 2012 to 5 November 2015***

Receipts	\$
Share Sales	45,777.93
	<u>\$45,777.93</u>
Payments	
Brokerage Fees	1,376.40
Reparations paid to Ross Asset Management Limited (In Liquidation)	44,401.53
	<u>\$45,777.93</u>
Balance	\$0.00