



***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”***

***Liquidators' Sixth Six Monthly Report***

***For the Period 17 June 2015 to 16 December 2015***

***Company numbers:***455971

***372992***

***455890***

***377152***

***431870***

***652854***

***652855***

***647452***



## ***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 Companies Act 1993 (“the Act”). More specific details in relation to the appointments are contained in our previous reports to creditors.

This report covers the period 17 June 2015 to 16 December 2015.

We acted as receivers of the Group Companies within the two years prior to liquidation. 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.

Some 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>.

## ***Restrictions***

This report has been prepared by us in accordance with and for the purpose of section 255 of 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.

## ***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***

A meeting of the Liquidation Committee was held on 19 August 2015. An update to investors and creditors was issued following the meeting and is available on our website. We are currently awaiting the outcome of litigation, discussed below, and we do not envisage setting a date for any further Liquidation Committee meetings until the judgments are received and reviewed.

### ***Shares held***

There have been minimal share realisations in the period covered by this report. As previously advised, this is due to difficulties in realising the remaining shares, such as share certificates not being held or the shares being of minimal realisable value. We continue to examine options to progress these matters in a cost effective manner.

During the period covered by this report \$31,672 was received from the sale of shares.

### ***Proprietary Claims***

As previously advised, the review of proprietary claims is now largely concluded other than two large claims.





One of these claimants made an application to the High Court to have their claims recognised. This was heard in a week long hearing before the High Court in October 2015. At the time of writing, the judgment of the High Court has not yet been issued.

The liquidators are in discussions with the other claimants' solicitor in relation to their claims. These discussions are ongoing.

No further shares have been released to proprietary claimants since our last report.

### ***Insolvent Transactions***

Pursuant to 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. Additionally the Property Law Act 2007 permits dispositions of property to be set aside when they are made in certain circumstances including that they were made when the company was insolvent and were made with the intent to prejudice a creditor, or without the company receiving reasonably equivalent value in exchange. There are defences that may be available in relation to both types of claim, in particular, defences based on the creditor's change of position in reliance on the transaction or disposition of property.

As previously advised we commenced legal proceedings against three RAM investors who received payments in the period 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 c.\$3.8 million. All claims were disputed by the investors in question with statements of defence being filed. The first matter was heard in March 2015. The Court's judgment held that the investor in question had to return withdrawals he had made from his portfolio which were greater in value than the capital he had initially contributed. The amount ordered to be repaid has a value of c.\$454,000. The investor appealed this decision to the Court of Appeal. The liquidators cross-appealed. The appeal was heard in November 2015, however, at the time of writing, the judgment of the Court of Appeal has not been issued.

As a result of this decision and the subsequent appeal, the liquidators have written to further investors requesting that they enter into standstill agreements. The effect of a standstill agreement is that the liquidators agree not to issue proceedings until after the appeal decision in exchange for the investor not challenging those proceedings as time barred. If the appeal decision is not received for some time the liquidators will continue to write to relevant investors requesting that they enter into standstill agreements, on the basis of date of the oldest withdrawal in the past six years.

At the time of writing 28 investors have entered into standstill agreements. Two investors were not willing to enter into standstill agreements and accordingly legal proceedings have been issued against them. Three investors wished to avoid any ongoing risk of litigation and settlements have been agreed with them with a combined value of \$446,000, of which \$171,000 had been received by the end of the period covered by this report. The liquidators are in discussions with other investors regarding further settlements or the entering into of standstill agreements. Certain investors are using a single legal advisor in relation to this matter. Details of that advisor can be provided to any investors upon request.

A summary of prospective claims at the date of the period covered by this report is attached as Appendix C.

As previously advised, any investor who received cash, shares or other property from RAM within the past six years is on notice that the liquidators believe we may have a valid claim to recover those monies or property pursuant to sections 292, 294 and 297 of the Companies Act 1993 and sections 347 and 348 of the Property Law Act 2007.

### ***Distribution of Assets***

As successful voidable transaction claims may 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. Details of the Liquidators' preferred method of distribution have been provided to the Liquidation Committee for its information.

### ***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 2015 of \$2,124,408.29. This was held in the liquidations as follows:

• Ross Asset Management Limited (in Liquidation)	\$ 1,011,361.83
• Bevis Marks Corporation Limited (in Liquidation)	\$ 0.00
• McIntosh Asset Management Limited (in Liquidation)	\$ 0.00
• Mercury Asset Management Limited (in Liquidation)	\$ 0.00
• Dagger Nominees Limited (in Liquidation)	\$ 1,113,046.46
• United Asset Management Limited (in Liquidation)	\$ 0.00
• Ross Investment Management Limited (in Liquidation)	\$ 0.00
• Ross Unit Trusts Management Limited (in Liquidation)	\$ 0.00

### ***Liquidators' Fees***

The Liquidators' fees paid during the reporting period are \$323,481. During the reporting period more than 85% of the liquidators' time was either spent on insolvent transactions matters or dealing with investor proprietary claims. Legal fees for the period are \$523,028, almost all of which relates to insolvent transactions matters and investor proprietary claims.

Liquidators' fees paid to date cover the following areas

- 4% - reporting to creditors
- 10% - convening of Committee meetings
- 2% - the reconstruction and recovery of the overdrawn shareholder current account
- 5% - sale of shares
- 5% - liaising with Inland Revenue



- 30% - investigation and litigation regarding potentially insolvent transactions
- 4% - dealing with investor queries
- 26% - reviewing investor and creditor claims
- 14% - other investigations and general administration of the liquidations

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***

Due to the above litigation 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 the 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 email [receiverships@nz.pwc.com](mailto:receiverships@nz.pwc.com). We will endeavour to respond to all enquiries as quickly as possible.

Dated: 28 January 2016

A handwritten signature in blue 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 Realisations and Distributions For the period 17 December 2012 to 16 December 2015***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Asset Sales	9,475.21	
Clawback Recovery	171,000.00	
Dividends	23,182.61	
Funds on Hand	31,947.25	
Interest Income	69,235.38	
Management Fees	26,376.27	
Other Income	624.76	
Rental Income	6,404.52	
Reparations from David Ross	887,261.48	
Sale of Eastbourne Property	828,000.00	
Sale of Riversdale Property	85,000.00	
Security for Costs	5,891.25	
Share Sales	2,171,460.65	
Transfer from Receivers	40,378.06	
GST Payable	58,393.87	
 Total Receipts		4,414,631.31

#### **Payments**

Advertising	4,127.72
Bank Charges	788.81
Brokerage Fees	41,196.56
Sale Commission	26,850.48
Document Storage	13,514.49
DRG Ross Trust Legal Fees	8,533.04
DRG Ross Trust Receivers' Fees	14,055.00
DRG Ross Trust Receivers' Disbursements	4,158.99
Duress Payments	10,095.39
Employee Preferential Creditors	19,574.83
General Expenses	6,538.28
Insurance	3,956.04
IT Support	9,092.38



Legal Fees	1,292,009.93	
Liquidation Committee Expenses	191.70	
Liquidators' Fees	936,684.33	
Liquidators' Disbursements	73,931.54	
Employer Deductions	11,142.61	
Petitioning Creditor Costs	1,302.80	
Property Expenses	28,067.48	
Receivers' Fees	172,185.53	
Receivers' Disbursements	12,098.48	
Withholding Tax	19,566.75	
Shares under Valid Proprietary Claim	292,307.50	
Wages	11,104.29	
GST Receivable	390,194.53	
Total Payments		3,403,269.48
Cash at Bank		1,011,361.83





***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2015***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Dividends	12,079.18	
Interest	2,745.01	
Share Sales	86,033.47	
Transfer from Receivers	2,902.15	
GST Payable	0.00	
Total Receipts		103,759.81
<b>Payments</b>		
Bank Charges	90.78	
Brokerage Fees	2,696.17	
Distribution to David Ross' Receivers	88,073.44	
Document Charges	105.00	
Liquidators' Fees	8,165.80	
Liquidators' Disbursement	585.91	
Receivers' Fees	1,485.52	
Receivers' Disbursements	222.83	
Withholding Tax	749.60	
GST Receivable	1,584.76	
Total Payments		103,759.81
Cash at Bank		0.00



***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2015***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Funds on Hand	495.60	
Interest	924.70	
Share Sales	28,236.14	
GST Payable	0.00	
Total Receipts		29,656.44
<b>Payments</b>		
Brokerage Fees	444.01	
Distribution to David Ross' Receivers	22,926.88	
Liquidators' Fees	4,919.35	
Liquidators' Disbursements	327.75	
Withholding Tax	251.39	
GST Receivable	787.06	
Total Payments		29,656.44
<b>Cash at Bank</b>		<b>0.00</b>



***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2015***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Dividends	787.39	
Funds on Hand	1,574.15	
Interest	1,350.88	
Share Sales	40,832.35	
GST Payable	0.00	
Total Receipts		44,544.77
<b>Payments</b>		
Bank Charges	30.00	
Brokerage Fees	1,316.20	
Distribution to David Ross' Receivers	36,459.20	
Liquidators' Fees	5,210.78	
Liquidators' Disbursements	329.40	
Withholding Tax	368.16	
GST Receivable	831.03	
Total Payments		44,544.77
<b>Cash at Bank</b>		<b>0.00</b>





***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2015***

***Dagger Nominees Limited (In Liquidation)***

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Dividends	40,625.37	
Funds on Hand	7,355.59	
Interest	54,054.87	
Management Fees	186.43	
Share Sales	1,160,609.56	
Transfer from Receivers	4,922.65	
GST Payable	27.96	
Total Receipts		1,267,782.43
<b>Payments</b>		
Bank Charges	545.13	
Brokerage Fees	14,105.36	
Document Charges	2,248.64	
Liquidators' Fees	18,085.29	
Liquidators' Disbursements	3,855.58	
Proprietary Claims	96,922.14	
Withholding Tax	15,456.95	
GST Receivable	3,516.88	
Total Payments		154,735.97
<b>Cash at Bank</b>		<b>1,113,046.46</b>



***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2015***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Funds on Hand	17,574.66	
Interest	4,371.84	
Share Sales	132,725.13	
Transfer from Receivers	881.45	
GST Payable	0.00	
Total Receipts		155,553.08
<b>Payments</b>		
Bank Charges	34.20	
Brokerage Fees	2,629.81	
Distribution to David Ross' Receivers	114,025.19	
Document Charges	54.00	
Liquidators' Fees	8,133.55	
Liquidators' Disbursements	569.71	
Withholding Tax	1,185.43	
Unsecured Creditor Distribution	27,615.70	
GST Receivable	1,305.49	
Total Payments		155,553.08
Cash at Bank		0.00



***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2015***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Interest	188.15	
Share Sales	7,923.35	
GST Payable	0.00	
Total Receipts		8,111.50
<b>Payments</b>		
Brokerage Fees	115.71	
Distribution to David Ross' Receivers	4,980.14	
Liquidators' Fees	2,369.35	
Liquidators' Disbursements	207.45	
Withholding Tax	52.33	
GST Receivable	386.52	
Total Payments		8,111.50
Cash at Bank		0.00





***Statement of Realisations and Distributions  
For the period 17 December 2012 to 16 December 2015***

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Interest	206.73	
Share Sales	8,308.30	
GST Payable	0.00	
Total Receipts		8,515.03
<b>Payments</b>		
Bank Charges	34.00	
Brokerage Fees	255.09	
Distribution to David Ross' Receivers	6,180.91	
Liquidators' Fees	1,624.84	
Liquidators' Disbursements	165.50	
Withholding Tax	57.53	
GST Receivable	196.16	
Total Payments		8,515.03
Cash at Bank		0.00



## ***Appendix C***

### ***Ross Group Companies (In Liquidation)***

#### ***Potential Clawback Claims At 16 December 2015***

## Appendix C

### Ross Asset Management Limited (In Liquidation)

#### Potential Clawback Claims

At 16/12/2015

Claims for All Withdrawals in Relevant Period		
	Investors	Claim Value
Total Possible Claims	376	\$77,411,543.36
Legal Proceedings Filed	5	\$5,752,994.09
Standstill Agreements Signed	28	\$12,373,636.14
Awaiting Response	12	\$4,768,947.48

Claim for Only Profit in Relevant Period		
	Investors	Claim Value
Total Possible Claims	243	\$32,935,437.29
Legal Proceedings Filed	5	\$3,536,309.13
Standstill Agreements Signed	16	\$4,766,185.36
Awaiting Response	12	\$2,266,526.25

	Investors	Total Settlement Value
Settlements Agreed	3	\$446,000.00