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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' Eleventh Six Monthly Report

For the Period 17 December 2017 to 16 June 2018

Company numbers: 455971
372992
455890
377152
431870
652854
652855
647452

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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 December 2017 to 16 June 2018.

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 https://www.pwc.co.nz/services/business-recovery/liquidations/ross-group.html

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 20 December 2017 to discuss the application for directions in respect of the distribution model. An update to investors and creditors was issued following the meeting and is available on our website. No further Liquidation Committee meetings are scheduled at this time.

Shares held

Share realisations totalling $448 have occurred within in the period covered by this report. There are some further shares to be realised, although it remains uncertain whether they can be realised. We continue to examine options to progress these matters in a cost effective manner.

Proprietary Claims

There have been no further proprietary claims raised or settled within the period.

Clawback from Insolvent Transactions

To date, 182 investors have settled the claims against them. Settlements with these investors total $19.5m.

21 claims against investors have yet to be settled. In relation to these unsettled claims, the liquidators have filed legal proceedings against 13 investors, and are in settlement discussions with the remainder.

Distribution Model

On 12 December 2017, the liquidators made an application to the High Court seeking directions regarding the appropriate method and model for distribution. This matter was heard shortly after the period covered by this report, on 22 June 2018.

We draw investors' attention to the Court application, and associated documents, which provide details of the possible distribution models and their potential impact on investors. These documents are available on our website.

We encourage investors to familiarise themselves with the directions that have been sought as the outcome of the application may have a material impact on any return they receive.

At the time of the issue of this report the Court has not yet decided on the appropriate method for distribution.

Distribution from David Ross's Bankrupt Estate

During the period of this report no further distributions were received from David Ross' bankruptcy. No further distributions are anticipated.

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 2018 of $18,824,412.84. This was held in the liquidations as follows:

• Ross Asset Management Limited (in Liquidation)	$	17,683,797.03
• Bevis Marks Corporation Limited (in Liquidation)	$	346.12
• McIntosh Asset Management Limited (in Liquidation)	$	0.00
• Mercury Asset Management Limited (in Liquidation)	$	0.00
• Dagger Nominees Limited (in Liquidation)	$	1,140,269.69
• 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

Liquidators' fees paid to date for the entire liquidation cover the following areas

- 3% - reporting to creditors
- 7% - convening of Committee meetings and liaising with the Committee
- 1% - the reconstruction and recovery of the overdrawn shareholder current account
- 4% - sale of shares

- 1% - liaising with Inland Revenue
- 45% - investigation and litigation regarding clawback
- 3% - dealing with investor queries
- 25% - reviewing investor and creditor claims and distribution model
- 11% - other investigations and general administration of the liquidations

Note this list is not exhaustive and based on approximations, as time spent on some areas will overlaps with other areas.

The legal fees which have been incurred in this liquidation reflect the complexity of the matters which have needed to be dealt with, particularly where those matters are without precedent so have required significant legal advice and legal proceedings

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 and the claims brought by the Liquidators against certain investors 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, by phone on (04) 462 7000, by writing to our mailing address or email receiverships@nz.pwc.com. We will endeavour to respond to all enquiries as quickly as possible.

Dated: 13 July 2018

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 June 2018

Ross Asset Management Limited (In Liquidation)

Receipts	$	$
Asset Sales	9,475.21	
Clawback Recovery	19,544,847.77	
Dividends	39,908.00	
Funds on Hand	31,947.25	
Interest Income	315,764.90	
Management Fees	27,117.49	
Other Income	621.60	
Rental Income	6,404.52	
Reparations from David Ross	1,087,707.76	
Sale of Eastbourne Property	828,000.00	
Sale of Riversdale Property	85,000.00	
Security for Costs	22,509.12	
Share Sales	2,523,321.91	
Transfer from Receivers	40,378.06	
Total Receipts		24,563,003.59

Payments		
Advertising	4,127.72	
Bank Charges	966.88	
Brokerage Fees	42,441.62	
Sale Commission	28,410.48	
Document Management	45,087.78	
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	
Insurance	3,956.04	
IT Support	9,402.38	
Legal Fees	3,190,556.21	
Liquidation Committee Expenses	191.70	
Liquidators' Fees	1,819,916.30	

Liquidators' Disbursements	147,319.99	
PAYE	11,142.61	
Petitioning Creditor Costs	1,302.80	
Property Expenses & Other Costs	33,400.82	
Receivers' Fees	172,185.53	
Receivers' Disbursements	12,098.48	
Withholding Tax	87,616.23	
Shares under Valid Proprietary Claim	479,326.57	
Wages	11,104.29	
GST	722,234.88	
Total Payments		6,879,206.56
Cash at Bank		**$17,683,797.03**

Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2018

Bevis Marks Corporation Limited (In Liquidation)

Receipts	**$**	**$**
Dividends	12,079.18	
Interest	3,275.17	
Share Sales	216,961.78	
Transfer from Receivers	2,902.15	
GST Payable	0.00	
Total Receipts		235,218.28
Payments		
Bank Charges	90.78	
Brokerage Fees	3,285.36	
Distribution to David Ross' Receivers	217,208.44	
Document Charges	105.00	
Liquidators' Fees	8,874.74	
Liquidators' Disbursement	623.22	
Other Expenses	529.97	
Receivers' Fees	1,485.52	
Receivers' Disbursements	222.83	
Withholding Tax	749.60	
GST Receivable	1,696.70	
Total Payments		234,872.16
Cash at Bank		**346.12**

Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2018

McIntosh Asset Management Limited (In Liquidation)

Receipts	$	$
Funds on Hand	495.60	
Interest	924.70	
Share Sales	28,236.14	
GST Payable	0.00	
Total Receipts		29,656.44
Payments		
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
Cash at Bank		**0.00**

Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2018

Mercury Asset Management Limited (In Liquidation)

Receipts	**$**	**$**
Dividends	1,207.06	
Funds on Hand	1,574.15	
Interest	1,494.13	
Share Sales	76,868.40	
GST Payable	0.00	
Total Receipts		81,143.74
Payments		
Bank Charges	30.00	
Brokerage Fees	1,478.36	
Distribution to David Ross' Receivers	71,645.48	
Liquidators' Fees	6,001.42	
Liquidators' Disbursements	388.68	
Other Expenses	273.12	
Withholding Tax	368.16	
GST Receivable	958.52	
Total Payments		81,143.74
Cash at Bank		**0.00**

Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2018

Dagger Nominees Limited (In Liquidation)

Receipts	**$**	**$**
Dividends	76,760.33	
Funds on Hand	7,355.59	
Interest	105,237.27	
Management Fees	186.43	
Share Sales	1,171,211.77	
Transfer from Receivers	4,922.65	
GST Payable	2,040.62	
Total Receipts		1,367,714.66
Payments		
Bank Charges	771.56	
Brokerage Fees	14,310.37	
Document Charges	2,248.64	
Liquidators' Fees	18,415.69	
Liquidators' Disbursements	3,926.27	
Proprietary Claims	157,766.79	
Withholding Tax	30,005.65	
Total Payments		227,444.97
Cash at Bank		**$1,140,269.69**

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Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2018

United Asset Management Limited (In Liquidation)

Receipts	$	$
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
Payments		
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**

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Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2018

Ross Investment Management Limited (In Liquidation)

Receipts	**$**	**$**
Interest	188.15	
Share Sales	7,923.35	
GST Payable	0.00	
Total Receipts		8,111.50
Payments		
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 June 2018

Ross Unit Trusts Management Limited (In Liquidation)

Receipts	**$**	**$**
Interest	206.73	
Share Sales	8,308.30	
GST Payable	0.00	
Total Receipts		8,515.03
Payments		
Bank Charges	34.00	
Brokerage Fees	255.09	
Distribution to David Ross' Receivers	6,180.91	
Liquidators' Fees	1,624.84	
Liquidators' Disbursements	166.50	
Withholding Tax	57.53	
GST Receivable	196.16	
Total Payments		8,515.03
Cash at Bank		**0.00**