



***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' Twelfth Six Monthly Report***

***For the Period 17 June 2018 to 16 December 2018***

***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 2018 to 16 December 2018.

Some of the information contained in this report has previously been reported in updates to investors and creditors 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***

No further Liquidation Committee meetings were held during the period of this report.

#### ***Shares held***

Share realisations totalling \$7,464 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 share realisations in a cost effective manner.

#### ***Clawback from Insolvent Transactions***

To date, 195 investors have settled the clawback claims which the liquidators have brought against them. Settlements with these investors total \$20.9m.

10 claims against investors have yet to be settled. In relation to these unsettled claims legal proceedings have been commenced in relation to all of them. The value of claims issued is approximately \$5.3m but final recoveries will be dependent on the outcome of the proceedings

A Court hearing for one matter was heard in October 2018. At this time no decision has been released. The Court has not given an indication of the likely timing of a decision.

Further matters are scheduled to be heard in February 2019, April 2019, May 2019 and August 2019.

Settlement discussions are ongoing with all investors still subject to clawback claims.



### ***Interim Distribution***

On 22 June 2018 the High Court heard the Liquidators' application for directions regarding the appropriate method and model for distribution. On 8 August 2018 the High Court issued a judgment providing those directions.

We summarise the main orders granted by the Court below.

- The assets of RAM and Dagger Nominees Limited (In Liquidation) are to be pooled so that the assets of both companies are all available to pay investor and creditor claims.
- There is one common pool of assets from which both investors' and other creditors' claims will be paid.
- An Investor who had already received from RAM more than they had contributed (with both contributions and payments CPI adjusted), is not eligible for a distribution.
- Purported transfers of value between RAM portfolios are to be recognised for the purpose of a distribution, but limited to the available net contributions balance in the transferring portfolio at the time of transfer, unless the Liquidators consider that the particular circumstances of the transfer or purported transfer are extraordinary, such that this approach would be unjust or ineffective.
- Investor claims for distribution are to be calculated using the Net Contributions Model. Both Company assets and assets held on trust for investors will be distributed according to that model. Contributions and withdrawals will be adjusted for inflation (using the Consumer Price Index) to calculate their value at the date of liquidation.
- The Liquidators' costs are entitled to be paid from the resulting combined pool of funds held. The Liquidators must report to the High Court at the end of the Liquidation to obtain final approval of costs deducted.
- Various ancillary orders to assist with the distribution process.

A copy of the judgment is available on our website along with all other relevant documents in relation to the application.

As the decision was not appealed the Liquidators wrote to all investors asking them to verify their claim, using the method approved by the Court.

On 29 November 2018 the Liquidators paid an interim distribution of \$17.508m to investors and unsecured creditors of RAM being a payment of 14.3705 cents in the dollar towards investors' and creditors' agreed claims in the liquidation. Of that \$17.508m, \$955k of distributions remained unclaimed at the date of this report. Any investors or creditors who believe they should be entitled to a distribution but have not received it should contact the liquidators at [receiverships@nz.pwc.com](mailto:receiverships@nz.pwc.com).

Further distributions will be dependent on successful recoveries in relation to the above clawback claims. Based on the remaining claims and costs, we estimate there could be up to a further 4 cents in the dollar, however, we stress this will depend upon successful recoveries from the remaining claims. As with all litigation and claims of this nature, the final outcome could materially change."



### ***Statement of Realisation and Distribution***

Attached as Appendix B are Statements of Realisations and Distributions for the period of the liquidations.

Excluding the unclaimed distributions referred to above the Liquidators held funds on hand as at 16 December 2018 of \$2,108,625.67. This was held in the liquidations as follows:

• Ross Asset Management Limited (in Liquidation)	\$2,106,754.95
• Bevis Marks Corporation Limited (in Liquidation)	\$ 1,870.72

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

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

- 3% - reporting to creditors
- 5% - convening of Committee meetings and liaising with the Committee
- 1% - reconstruction and recovery of the overdrawn shareholder current account
- 3% - sale of shares
- 1% - liaising with Inland Revenue
- 47% - investigation and litigation regarding clawback
- 3% - dealing with investor queries
- 27% - reviewing investor and creditor claims and distribution model and paying distribution
- 10% - other investigations and general administration of the liquidations

Note this list is not exhaustive and based on approximations, as time spent on some areas 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](mailto:receiverships@nz.pwc.com). We will endeavour to respond to all enquiries as quickly as possible.

Dated: 22 January 2019

A handwritten signature in black ink, appearing to read 'John Howard Ross Fisk', written over a faint rectangular box.

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 2018*

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Asset Sales	9,475.21	
Clawback Recovery	20,864,920.17	
Dividends	40,021.34	
Funds on Hand	31,947.25	
Interest Income	463,300.96	
Management Fees	27,117.49	
Other Income	621.60	
Pooling of Assets from Dagger Nominees Ltd (In Liquidation)	1,147,876.21	
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	2,529,101.92	
Transfer from Receivers	40,378.06	
GST	75,218.70	
Total Receipts		27,259,600.31

#### **Payments**

Advertising	4,127.72
Bank Charges	1,349.93
Brokerage Fees	42,441.62
Sale Commission	28,410.48
Distribution to Investors and Creditors	17,507,745.41
Document Management	45,587.36
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



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Insurance	3,956.04	
IT Support	9,402.38	
Legal Fees	3,544,596.02	
Liquidation Committee Expenses	191.70	
Liquidators' Fees	2,022,553.32	
Liquidators' Disbursements	159,855.05	
PAYE	11,142.61	
Petitioning Creditor Costs	1,302.80	
Property Expenses & Other Costs	32,901.24	
Receivers' Fees	172,185.53	
Receivers' Disbursements	12,098.48	
Withholding Tax	128,927.21	
Shares under Valid Proprietary Claim	479,326.57	
Wages	11,104.29	
GST	877,222.35	
Total Payments		<hr/> 25,152,845.36
<b>Cash at Bank</b>		<hr/> <b>\$2,106,754.95</b> <hr/>





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

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Dividends	12,079.18	
Interest	3,276.91	
Share Sales	218,484.64	
Transfer from Receivers	2,902.15	
GST Payable	0.00	
Total Receipts		<hr/> 236,742.88
<b>Payments</b>		
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		<hr/> 234,872.16
<b>Cash at Bank</b>		<hr/> <b>1,870.72</b> <hr/>



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

***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		<hr/> 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		<hr/> 29,656.44
<b>Cash at Bank</b>		<hr/> <b>0.00</b> <hr/>



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

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
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		<hr/> 81,143.74
<b>Payments</b>		
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		<hr/> 81,143.74
<b>Cash at Bank</b>		<hr/> <b>0.00</b>



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

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

<b>Receipts</b>	<b>\$</b>	<b>\$</b>
Dividends	78,505.72	
Funds on Hand	7,355.59	
Interest	113,972.65	
Management Fees	186.43	
Share Sales	1,171,373.20	
Transfer from Receivers	4,922.65	
GST Payable	5,684.09	
Total Receipts		1,382,000.33
<b>Payments</b>		
Bank Charges	776.96	
Brokerage Fees	14,310.37	
Document Charges	2,248.64	
Liquidators' Fees	18,919.69	
Liquidators' Disbursements	3,951.47	
Pooling to Ross Asset Management Limited	1,147,876.21	
Proprietary Claims	157,766.79	
Withholding Tax	32,451.56	
GST Receivable	3,698.64	
Total Payments		1,382,000.33
<b>Cash at Bank</b>		<b>\$0.00</b>



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

***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		<hr/> 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		<hr/> 155,553.08
<b>Cash at Bank</b>		<hr/> <b>0.00</b> <hr/>



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

***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		<hr/> 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		<hr/> 8,111.50
<b>Cash at Bank</b>		<hr/> <b>0.00</b> <hr/>



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

***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		<hr/> 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	166.50	
Withholding Tax	57.53	
GST Receivable	196.16	
Total Payments		<hr/> 8,515.03
<b>Cash at Bank</b>		<hr/> <b>0.00</b> <hr/>