



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' Thirteenth Six Monthly Report
For the Period 17 December 2018 to 16 June 2019***

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 December 2018 to 16 June 2019.

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:-

Estimated Distribution

We now estimate a further final dividend will be payable to investors and unsecured creditors of some 5 cents in the dollar. We note there are still settlements in relation to some clawback claims to be collected before the final distribution amount can be precisely determined. At this stage we expect to be able to make a further distribution by December 2019. We have already made an interim distribution of 14.3705 cents in the dollar. Including the final estimated distribution this would bring total estimated distributions from the liquidation to 19.3705 cents in the dollar.

Interim Distribution

There remains approximately \$423,000 of unclaimed distributions from the first interim distribution, comprised of approximately 47 investors. Any investor who has not received their first interim distribution should contact us at receiverships@nz.pwc.com to arrange verification of their claim.

Liquidation Committee

Two further liquidation committee meetings were held during the period covered by this report. The purpose of the meetings was to consider information provided by the Financial Markets Authority (“FMA”) to the committee on behalf of investors. This was following the Supreme Court decision in *ANZ v Financial Markets Authority* [2019] NZSC 40. The information is now being considered outside the liquidation and we do not anticipate providing further updates in relation to what steps, if any, are being taken in relation to it via these reports.



We do not anticipate there will be any further liquidation committee meetings.

Shares held

There have been no share realisations within 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

A decision in relation to the clawback matter which was heard in October 2018 was delivered by the Court in February 2019. The Court found that the investor was required to repay the monies claimed. The investor appealed that decision, however, that appeal was withdrawn in March 2019 and the investor has since paid the judgment sum.

By the end of the reporting period covered by this report all potential claims other than two had agreed settlements in relation to the claims against them. To the end of the period covered by this report, 204 investors have settled the clawback claims which the liquidators brought against them. Settlements with these investors total \$24.8m.

Of the remaining two claims, both have signed settlement agreements after the period covered by this report but before the report was issued. These two settlements total \$815,000 and bring total settlements from clawback to \$25.6m. There will also be a small amount of costs which have been recovered as a part of clawback legal proceedings which will increase the total amount recovered through clawback slightly.

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 June 2019 of \$5,751,735.53. This was held in the liquidations as follows:

•	Ross Asset Management Limited (in Liquidation)	\$5,749,715.15
•	Bevis Marks Corporation Limited (in Liquidation)	\$ 2,020.38

Liquidators' Fees

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

- 50% - investigation and litigation regarding clawback
- 30% - reviewing investor and creditor claims and distribution model and paying distribution
- 20% - all other matters dealt with during the course of the liquidation.

Note this list is not exhaustive and based on approximations, rounded to the nearest 5%, 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. We will endeavour to respond to all enquiries as quickly as possible.

Dated: 12 July 2019

A handwritten signature in black 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 June 2019

Ross Asset Management Limited (In Liquidation)

Receipts	\$	\$
Asset Sales	9,475.21	
Clawback Recovery	24,986,056.51	
Dividends	40,625.59	
Funds on Hand	31,947.25	
Interest Income	526,845.88	
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	1,133,717.90	
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	141,664.73	
 Total Receipts		31,557,341.99

Payments

Advertising	4,127.72
Bank Charges	1,225.48
Brokerage Fees	42,441.62
Sale Commission	28,410.48
Distribution to Investors and Creditors	17,507,772.74
Document Management	44,715.67
DRG Ross Trust Legal Fees	8,533.04
DRG Ross Trust Receivers' Fees	14,055.00
DRG Ross Trust Receivers'	4,158.99
Disbursements	
Duress Payments	10,095.39
Employee Preferential Creditors	19,574.83



Insurance	3,956.04	
IT Support	9,469.53	
Legal Fees	3,889,088.37	
Liquidation Committee Expenses	4,708.74	
Liquidators' Fees	2,161,452.25	
Liquidators' Disbursements	167,116.54	
PAYE	11,142.61	
Petitioning Creditor Costs	1,302.80	
Property Expenses & Other Costs	35,202.24	
Receivers' Fees	172,185.53	
Receivers' Disbursements	12,098.48	
Withholding Tax	146,633.52	
Shares under Valid Proprietary Claim	479,326.57	
Wages	11,104.29	
GST	1,017,728.37	
Total Payments		25,807,626.84
Cash at Bank		5,749,715.15



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2019***

Bevis Marks Corporation Limited (In Liquidation)

Receipts	\$	\$
Dividends	12,214.31	
Interest	3,291.44	
Share Sales	218,484.64	
Transfer from Receivers	2,902.15	
GST Payable	0.00	
Total Receipts		236,892.54
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		2,020.38



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2019***

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 2019***

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 2019***

Dagger Nominees Limited (In Liquidation)

Receipts	\$	\$
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
Payments		
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
Cash at Bank		\$0.00



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2019***

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



***Statement of Realisations and Distributions
For the period 17 December 2012 to 16 June 2019***

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 2019***

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