



**VIRTUAL MEASUREMENT SYSTEMS LIMITED
(IN LIQUIDATION)
("Company")**

Company number: 2358239

New Zealand Business Number: 9429031779623

**Liquidators' Six-Monthly Report to Creditors and
Shareholders**



1. Introduction

Iain Bruce Shephard and Jessica Jane Kellow, Licensed Insolvency Practitioners of BDO Wellington, (Registration Numbers: IP71 and IP75 respectively) were appointed joint and several liquidators (“Liquidators”) of Virtual Measurement Systems Limited (“Company”) on 2 December 2020 at 9:12am by special resolution of the shareholders in accordance with section 241(2)(a) of the Companies Act 1993 (“the Act”).

In addition to our statutory obligations, we are also bound by the RITANZ Code of Professional Conduct (“Code”) when carrying out all professional work relating to our appointment as Liquidators.

In accordance with section 255 of the Act we are obliged to report to all creditors and shareholders on the conduct of the liquidation during the preceding six-month period. This report should be read in conjunction with our previous report pursuant to section 255(2)(d) of the Act.

2. Restrictions

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose other than that outlined above without our written permission in each specific instance.

We do not assume any responsibility or liability for any losses occasioned to any party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

We reserve the right (but will be under no obligation) to review this report and if we consider it necessary to revise the report in the light of any information existing at the date of this report which becomes known to us after that date.

3. Background

The Company, beginning in late 2009, designed a prototype for use within the vehicle safety industry. The Company’s only source of income was a contract with the world’s largest collision machine manufacturer, who were eventually brought out buy another company. The new owner decided that the Company’s products did not fit their business model and ended the contract, and consequentially left the Company in a position where it had no revenue.

The director extensively searched for an interested party to try and sell the prototype they had designed for the past few years but was unfortunately unsuccessful. The system is no longer unique in the market and similar or better products are available for companies in the industry.

With no foreseeable future for the Company or means to repay its debts, the shareholders resolved to place the Company into liquidation.

4. Conduct of the Liquidation in the Reporting Period

4.1. Liquidation of the Company

The Liquidators advertised their appointment in the relevant publications and made a call for creditor claims. The Liquidators also directly contacted all known creditors and answered any queries they may have had. The Liquidators subsequently reviewed all completed creditor claim forms received.

The Liquidators have liaised with many parties including Inland Revenue, the Companies Office, the New Zealand Gazette and the Accident Compensation Corporation, and completed a review of all information received.

The only existing facility the Company had was through an IT provider that consisted of the website domain, phone numbers and email addresses. The Liquidators considered there was no value in these and transferred ownership to the director.

The Company had not been trading for several years prior to liquidation and as such any recovery actions available to the Liquidators are restricted by statutory timeframes.

4.2. Schedule of Receipts and Payments

Attached as **Appendix 1** is a schedule of receipts and payments for the six-month period.

4.3. Asset Realisations

Proceeds of Pre-Liquidation Bank Account

The Liquidators recovered \$16,136.94 from the Company's bank account at liquidation.

The only other assets were plant and equipment with a book value of less than \$100 relating to the prototype of which the director had already undergone an extensive sale effort. These assets were all disclaimed as onerous.

4.4. Creditor Claims

Unsecured Creditors

The Liquidators received four unsecured claims in the liquidation totalling \$302,408.16.

The largest unsecured creditor is the director of the Company by way of salary owed, however they have agreed to step aside as a creditor to allow a larger distribution to other unsecured creditors in the event of a distribution.

The Liquidators anticipate making a small distribution to unsecured creditors in the near future.

5. Statement of Affairs and Interests Statement

Attached as **Appendix 2** is the Statement of Affairs of the Company. The information provided at the date of liquidation was prepared based upon financial statements of the Company as at 31 March 2018.

The revised statement of affairs considers asset realisations, creditor distributions and other liquidation costs to date. The information provided demonstrates our best understanding of the Company's position at this time given the information provided to the Liquidators and investigations that have taken place.

Attached as **Appendix 3** is an interests statement in accordance with section 255A and 255(2)(d)(ii) of the Act.

6. Further Proposals for Completing the Liquidation

The Liquidators propose to take the following further actions:

- distribute available funds to unsecured creditors;
- complying with our statutory obligations.

The Liquidators will consider further actions subsequent to additional information regarding the Company's affairs that comes to the Liquidators' attention. Further actions will be subject to the availability of funding and an assessment of the benefits of pursuing recoveries.

7. Estimated Date of Completion

It is not practical to estimate the date of the completion of the liquidation at this stage. Our subsequent reports to creditors will, when appropriate, advise of an estimated completion date.

8. Contact Information

If you require any further information, please direct enquiries to:

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Dated this 10th day of June 2021



JESSICA KELLOW
Liquidator

Appendices

Appendix 1 - Statement of Receipts and Payments

Appendix 2 - Statement of Affairs

Appendix 3 - Interests Statement



APPENDICES

Appendix 1 - Statement of Receipts & Payments

Virtual Measurement Systems Limited (In Liquidation)	
Summary of Receipts & Payments	
2 December 2020 - 10 June 2021	
	\$
RECEIPTS	
Inland Revenue - GST Refunds	1,001
Interest	3
Proceeds of Pre-Liquidation Bank Account	16,171
Total Receipts	17,175
PAYMENTS	
Liquidators' Costs and Disbursements	7,678
Resident Withholding Tax	1
Total Payments	7,678
Cash on hand	9,496

Appendix 2 - Statement of Affairs

Virtual Measurement Systems Limited (In Liquidation)				
Statement of Affairs				
	Notes	Initial Report Book value*	Est. Recovery	As at 10 June 2021 Book value
Assets available for preferential creditors				
Bank Accounts		16,137	16,137	9,496
Property, Plant and Equipment		52	Nil	Nil
		16,189	16,137	9,496
Less Unsecured creditors:				
Trade Creditors		(62,046)	unknown	(60,539)
Shareholder Advances		(235,694)	unknown	Nil
		(297,740)	unknown	(60,539)
Overall surplus/(shortfall) for Creditors prior to costs of liq.		(281,551)	unknown	(51,043)

**Based on 2018 financial statements and information from the director*

The above amounts are subject to the costs of liquidation

Appendix 3 - Interests Statement

(Pursuant to section 255A of the Companies Act 1993)

This Interests Statement is to be read in conjunction with the Liquidators' previous Interests Statement in their previous report.

We, Iain Bruce Shephard and Jessica Jane Kellow, Licensed Insolvency Practitioners of BDO Wellington, (Registration Numbers: IP71 and IP75 respectively), declare that:

- We have made the appropriate inquiries that are required for ensuring that this Interests Statement is complete; and
- Since the date of our previous Interests Statement, we confirm that we have not become aware of any additional circumstance, relationship, or other fact that creates, or could reasonably be perceived as creating, a conflict of interest in relation to the independence of our role as Liquidators.

DATED this 10th day of June 2021



IAIN BRUCE SHEPHARD
Liquidator
Licensed Insolvency Practitioner
Registration Number: IP71



JESSICA JANE KELLOW
Liquidator
Licensed Insolvency Practitioner
Registration Number: IP75