



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

Company number: 2358239

New Zealand Business Number: 9429031779623

**Liquidators' Final 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. Liquidators' Actions

The Liquidators have liaised with 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 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 reviewed the actions of the director with consideration as to whether there were any potential breaches of appropriate sections of the Companies Act 1993. The Liquidators' investigations included interviewing the director, examining the Company's financial statements and considering the Company's bank transactions. Nothing arose from these investigations that may be of benefit to creditors of the Company. The Company had not been trading for several years prior to liquidation and as such any recovery actions available to the Liquidators were restricted by statutory timeframes.

The only existing utility or service the Company was engaged in 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.

4.1. Schedule of Receipts and Payments

Attached as **Appendix 1** is a schedule of receipts and payments for the duration of the liquidation.

4.2. 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.

4.3. Creditor Claims

Unsecured Creditors

The Liquidators received four unsecured creditor claims in the liquidation valued at \$302,408.16. The largest claim was for \$241,869 filed by the director for unpaid salary, however the director volunteered to withdraw their claim to enable a larger distribution to the other creditors.

A distribution of 10.74 cents in the dollar was made in respect of the remaining claims.

4.4. Other Matters

The unsecured creditors' claims were unable to be satisfied in full due to a shortfall in the realisation of the Company's assets.

The final remaining balance owed to creditors that filed a claim is outlined below:

Unsecured creditors - \$54,039.16

5. Liquidators' Statement

All known assets have been disclaimed, or realised, or distributed without realisation.

All proceeds of realisation have been distributed.

The Company is ready to be removed from the New Zealand Register of Companies.

For the purposes of regulation 9(g) of the Companies (Reporting by Insolvency Practitioners) Regulations 2020, the liquidation of the Company is completed at the date and time the notice is provided to the Registrar of Companies.

6. Removal from New Zealand Register of Companies

As Liquidators, we are obliged to give public notice of the intention to have the Company removed from the Register of Companies. A copy of our notice is attached as **Appendix 2**.

The attention of all creditors and shareholders is drawn to section 321 of the Act which provides that, where public notice is given of an intention to remove a company from the Register, any person may send or deliver to the Registrar, not later than the date specified in the notice, an objection to the removal on any one or more of the following grounds:

- (a) That the company is still carrying on business or there is other reason for it to continue in existence; or
- (b) That the company is party to legal proceedings; or
- (c) That the company is in Receivership, or Liquidation, or both; or
- (d) That the person is a creditor, or a shareholder, or a person who has an undischarged claim against the company; or
- (e) That the person believes that there exists, and intends to pursue, a right of action on behalf of the company under Part IX of this Act; or
- (f) That for any other reason, it would not be just and equitable to remove the company from the New Zealand register.

Creditors and shareholders should be aware of section 321(2)(b)(ii) of the Act which provides that a claim by a shareholder or any other person against a company is not an “undischarged claim” if a receiver or liquidator has notified the shareholder or that person that the company has no surplus assets.

7. Contact information

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

Ryan Kilkolly
DDI: (+64 4) 472 5812
Email: ryan.kilkolly@bdo.co.nz

BDO Wellington
PO Box 10-340
Level 1, Chartered Accountants Building
50 Customhouse Quay
Wellington

Dated this 16th day of July 2021



JESSICA KELLOW
Liquidator



APPENDICES

Appendix 1 - Statement of Receipts and Payments

Virtual Measurement Systems Limited (in Liquidation)	
Summary of Receipts & Payments	
2 December 2020 - 16 July 2021	
	\$
RECEIPTS	
GST Refund - Yet to be Received	391
Inland Revenue - GST Refunds	1,001
Interest	3
Proceeds of Pre-Liquidation Bank Account	16,171
Total Receipts	17,566
PAYMENTS	
Liquidators' Costs and Disbursements	11,065
Unsecured Creditor Distribution	6,500
Resident Withholding Tax	1
Total Payments	17,566
Cash on hand	-



Appendix 2 - Notice of Intention to Remove

VIRTUAL MEASUREMENT SYSTEMS LIMITED (IN LIQUIDATION)
Company Number: 2358239
("the Company")

Notice of Intention to Remove Company from Register
(Pursuant to Section 320 of the Companies Act 1993)

We, Iain Shephard and Jessica Kellow, joint and several liquidators of the Company whose registered office is situated at:

BDO Wellington
PO Box 10-340
Level 1, Chartered Accountants Building
50 Customhouse Quay
Wellington

Hereby give notice that pursuant to section 318(1)(e) of the Companies Act 1993, and having filed with the Registrar our final report on the liquidation, it is intended to remove the Company from the New Zealand register.

Any objection to the removal pursuant to section 321 of the Companies Act 1993 must be delivered to the Registrar no later than 8 September 2021.

DATED this 10th Day of August 2021.

A handwritten signature in blue ink, appearing to read 'Jessica Kellow', written in a cursive style.

JESSICA KELLOW
Liquidator