



McDonald  
Vague

business recovery partners

# Infinity Cheer NZ Limited (In Liquidation)

## Liquidators' First Report

McDonald Vague Limited

Level 10, 52 Swanson Street,  
Auckland Central

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**TO: The directors, shareholders, and known creditors of the company**

### 1 INTRODUCTION AND APPOINTMENT

Infinity Cheer NZ Limited ("the company") was placed into liquidation by a special resolution of the sole shareholder pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 10 May 2019 at 1:47 p.m. Peri Micaela Finnigan and Iain McLennan, Accredited Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of the company.

### 2 RESTRICTIONS

In preparing this report and its appendices, we have relied upon information provided to us. We have not independently verified or audited that information. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction, or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, amend this report to take into account any information existing at the date of this report that becomes known to us after this report is published.

### 3 INDEPENDENCE

A declaration of independence is attached at Appendix 2. As far as we are aware there are no conflicts real, perceived, or risks of independence.

### 4 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs setting out the company's estimated financial position
- Appendix 2: Declaration of independence / relationships / indemnities and upfront payments
- Appendix 3: Schedule of company creditors' names and addresses
- Appendix 4: Notice of Liquidators' decision to dispense with meeting of creditors
- Appendix 5: Notice to creditors to prove debts or claims
- Appendix 6: Creditors claim form

## 5 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	25 January 2013
Company number:	4222158
Date ceased trading:	April 2019
Nature of business:	Cheerleading Studio Operation
Trading address:	14B Manga Road, Silverdale, Auckland
Share capital:	100 Shares
Shareholder:	Sheridan Read
Director:	Sheridan Read
Related company:	Read Performances Limited (Removed)

The director advised that the liquidation is due to competition, a downturn in the market, overheads, management and high royalty fees. The cheerleading industry has gone through a big change recently which has been recognised by the Franchisor. As a franchisee, the company did not receive sufficient guidance or support to the detriment of the company. The franchisee competed directly with the franchisor.

## 6 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1.

## 7 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

We will realise all available assets. We however understand that all assets were recovered by the franchisor prior to liquidation and that the franchisor has taken over the business and its customer base. The franchisor also took over some obligations to some customers who had prepaid.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties and take appropriate steps where necessary.

If there are funds available for distribution to creditors, we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

## 8 LIABILITIES AND CREDITOR CLAIMS

A schedule of known creditors and their addresses is provided at Appendix 3, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is provided at Appendix 5. Also provided is a creditor's claim form at Appendix 5 for completion and return to this office by Friday, 28 June 2019. Creditors that have not made a claim by the date on the notice may be excluded from any distribution made. If you believe that you are a secured creditor, please contact us and the appropriate form will be sent to you.

### **8.1 Secured Creditors**

As at the date of liquidation there are no secured parties that have registered security interests against the company on the Personal Property Securities Register.

#### *Personal Property Securities Act / Reservation of Title*

If any creditor believes that they hold a Purchase Money Security Interest entitling them to any goods or proceeds from realisation of goods, they should contact us immediately.

If any creditor believes that they have a Reservation of Title over goods and they have not perfected their interest, they should also contact us immediately.

### **8.2 Preferential Creditors**

The Inland Revenue Department has not yet provided us with a creditor's claim form but we understand that there are amounts due in respect of GST, PAYE and other payroll deductions of approximately \$2,550.

### **8.3 Unsecured Creditors**

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$46,524.

## **9 CREDITORS' MEETING / LIQUIDATION COMMITTEE**

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 4.

Any creditor or shareholder may at any time in the course of the liquidation request that the liquidators call a meeting pursuant to Section 314 of the Companies Act 1993, for the purpose of appointing a liquidation committee. Any request for a meeting must be submitted to the liquidators in writing.

## **10 FURTHER INFORMATION**

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence, and send it to us. Please note that it can be difficult for liquidators to act in reliance on information that is not provided in writing.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on your creditors' claim form.

This report and all subsequent reports will be available on the Liquidators' website at [www.mvp.co.nz](http://www.mvp.co.nz)

## 11 ESTIMATED DATE OF COMPLETION

The Liquidators believe the liquidation may be concluded within six months.

## 12 CONTACT DETAILS

Enquiries should be directed to Peri Finnigan on DDI (09) 303 9519 or by email to [pfinnigan@mvp.co.nz](mailto:pfinnigan@mvp.co.nz).

The Liquidators can be contacted at:

McDonald Vague Limited  
Level 10, 52 Swanson Street  
Auckland 1010

P O Box 6092  
Wellesley Street  
Auckland 1141

  
PERI M FINNIGAN  
LIQUIDATOR

DATED this 15<sup>th</sup> day of May 2019

## Infinity Cheer NZ Limited (In Liquidation) Statement of Affairs

Statement of Affairs for the above named company as at 10 May 2019 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

### ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS

	<i>Book Value</i>	<i>Estimated to Realise</i>
Accounts receivable - term fees	-	-
Inventory	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

### *Less preferential creditors*

Inland Revenue Department		2,550
<b>Total</b>		<b>\$2,550</b>

### *Estimated deficiency as regards preferential creditors*

**(\$2,550)**

### ASSETS AVAILABLE FOR UNSECURED CREDITORS

		<i>Book Value</i>	<i>Estimated to Realise</i>
Customer Database	Note 3	unknown	-
Furniture and Fittings (gazebo, stereo, desks, coaches, heaters etc.)	Note 3	unknown	-
Plant and Equipment (foam mats, airtrack, tumble mats, crash mats..)	Note 3	17,266	-
<b>Total</b>		<b>\$17,266</b>	<b>\$ -</b>

### Deficiency ranking as unsecured

**(\$2,550)**

### AVAILABLE FOR UNSECURED CREDITORS

**\$ -**

### LESS UNSECURED CREDITORS

Estimated deficiency as regards preferential creditors		2,550
Trade creditors		1,000
ASB Bank overdraft and Credit Cards		14,974
Heartland Bank loan		28,000

### *Estimated (deficiency) as regards unsecured creditors*

**(\$46,524)**

#### **Notes:**

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.
3. The company assets were recovered by the franchisor.

#### **Disclaimer of Liability:**

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

## Infinity Cheer NZ Limited (In Liquidation) Declaration of Independence / Relationships / Indemnities and Upfront Payments

### A DECLARATION OF INDEPENDENCE

- (i) The appointed and McDonald Vague Limited have undertaken a proper assessment of the risks of independence prior to accepting appointment in accordance with the law code of conduct and applicable professional standards and have concluded that they have no prior business or professional relationship with the insolvent that is a real or potential risk and that they are independent.

### B DECLARATION OF RELATIONSHIPS

- (ii) The appointed and McDonald Vague Limited have no prior business or professional or personal relationship with known associates of the insolvent or creditors that are a real or potential risk.
- (iii) The appointed disclose there are no other relevant relationships to declare.
- (iv) The appointed and McDonald Vague Limited have not provided any prior professional services to the insolvent or known associates of the insolvent in the prior two years.

### C DECLARATION OF INDEMNITIES AND UPFRONT PAYMENTS

- (v) An upfront fee of \$1,000 was received from the director cover initial remuneration and expenses associated with the appointment. The funds are held in a Trust account and will be drawn on as work is produced and expenses incurred. There is no condition on the conduct or outcome of the liquidation attached to the provision of these funds.

  
PERI M FINNIGAN  
LIQUIDATORDATED this 15<sup>th</sup> day of May 2019



## Infinity Cheer NZ Limited (In Liquidation) Schedule of Creditors' Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993


Creditor Names	Address 1	Address 2	Address 3
Accident Compensation Corporation	P O Box 3248	WELLINGTON 6140	
All Star Cheerleaders	62B Diana Drive	Glenfield	AUCKLAND 0629
ASB Central Auckland Commercial Banking	P O Box 90 649	AUCKLAND 1142	
ASB Infinity Visa	P O Box 35	Shortland Street	AUCKLAND 1140
Heartland Bank Limited	P O Box 9919	Newmarket	AUCKLAND
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	LOWER HUTT 5045
Spark NZ Trading Limited	P O Box 1473	CHRISTCHURCH 8140	

## Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Infinity Cheer NZ Limited (In Liquidation) and the likely result of the liquidation, the liquidators propose to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

The liquidators do not, however, wish to preclude creditors from expressing their views. Please contact Peri Finnigan of this office on DDI (09) 303 9519 if you have any specific enquiries.

If you wish to request that a creditor's meeting be called, notice in writing is required within 10 working days of receiving this notice. Your notice you must also state the reason you require a meeting so that an agenda can be prepared and circulated to creditors and creditors can be given the opportunity to vote on any proposed resolutions by voting letter.

  
PERI M FINNIGAN  
LIQUIDATOR

DATED this 15<sup>th</sup> day of May 2019



## Appendix 5

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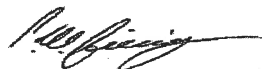
IN THE MATTER of                    The Companies Act 1993

and

IN THE MATTER of                    Infinity Cheer NZ Limited (In Liquidation)

### Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of Infinity Cheer NZ Limited (In Liquidation) ("the company"), fix Friday, the 28<sup>th</sup> day of June 2019, as the day on or before which the company's creditors are to make their claims and establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.



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PERI M FINNIGAN  
LIQUIDATOR

DATED this 15<sup>th</sup> day of May 2019

#### ADDRESS OF LIQUIDATOR

McDonald Vague Limited  
Level 10, 52 Swanson Street  
AUCKLAND 1010

PO Box 6092  
Wellesley Street  
AUCKLAND 1141

Telephone: (09) 303 0506  
Facsimile: (09) 303 0508  
Website: [www.mvp.co.nz](http://www.mvp.co.nz)

**DATE OF LIQUIDATION: 10 May 2019**



McDonald Vague

McDONALD VAGUE LIMITED

PO Box 6092, Wellesley St, Auckland 1141, New Zealand. Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Unsecured Creditor's Claim (Also for use by Preferential Creditors)

SECTION 304(1) COMPANIES ACT 1993 (For help see www.mvp.co.nz or email claims@mvp.co.nz)

Grid of 10 empty boxes for stamping or tracking.

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL. Telephone Numbers: ( ) ( ). E-Mail. My Reference is: (if applicable). \*Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993. The information will be used and retained by the liquidators and McDonald Vague and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993. Under Section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be in this prescribed form and must - (a) Contain full particulars of the claim; and (b) Identify any documents that evidence or substantiate the claim. You may have access to and request correction of any personal information. (\*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)

NAME OF COMPANY IN LIQUIDATION: (IN LIQUIDATION). (If claim is made on behalf of creditor, specify relationship to creditor and authority) claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words):

STATUS OF CLAIM: 1. I am an unsecured creditor for (Also applicable to secured creditors who hereby surrender their security) \$ 2. I am a preferential creditor for (Refer details on reverse) \$ 3. My total claim is for (State currency if other than \$NZ) Other Currency NZ \$ 4. I have claimed retention/reservation of title rights pursuant to rights held by me Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you. Tick if Applicable (Refer details on reverse) Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form. (The liquidator may require the production of a document under Section 304(2) of the Companies Act 1993. You are not required to attach any supporting documents at this stage, but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED: Date: / /

WARNING - It is an offence under Section 304(6) of the Companies Act 1993 to - Make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Received (Date Stamp) RESERVED FOR OFFICE USE: Claim admitted/rejected for voting purposes: (Delete one) Signed: Date: / / CLAIM REJECTED FOR PAYMENT: \$ Preferential Claim for: Ordinary Claim for: \$ or CLAIM ADMITTED FOR PAYMENT: \$ Preferential Claim for: Ordinary Claim for: \$ Signed Liquidator: Date: / /

Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.





McDONALD VAGUE LIMITED

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.  
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

If the creditor owes money to the company, please give full details.

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$

**CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.**  
 Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

**PREFERENTIAL CLAIMANTS ONLY**  
 Guideline  
 The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$23,160 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?  
 (eg. employee, GST, etc) \_\_\_\_\_

2. Details of your claim: \_\_\_\_\_

If applicable please record here your GST Registration number: \_\_\_\_\_  
 and total GST included in your tax invoice: \$ \_\_\_\_\_