

# Laybuy Group Holdings Limited (In Receivership)

Company number: 8028865  
NZBN: 9429048322997

Receivers' six monthly report  
Reporting period: 17 June 2024 to 17 December 2024

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On 17 June 2024 at 12:05pm, David Webb and Robert Campbell, licensed insolvency practitioners (registration numbers: IP60 and IP145, respectively), were appointed as Receivers and Managers of all the present and after acquired property of Laybuy Group Holdings Limited (In Receivership) (**LGHL** or **Company**) under the powers contained in a general security deed dated 24 July 2020, as acceded to by Laybuy Group Holdings Limited by way of supplemental deed dated 3 September 2020, in favour of Kiwibank Limited.

Receivers are required to be licensed insolvency practitioners. More information about the regulation of insolvency practitioners is available from the Registrar of the Companies. As licensed insolvency practitioners, we are bound by the RITANZ Code of Professional Conduct when carrying out all professional work relating to our appointment.

## Restrictions

This report has been prepared by us in accordance with, and for the purpose of, section 24 of the Receiverships Act 1993 (**Act**). It is prepared for the sole purpose of reporting on the state of affairs with respect to the property in receivership and the conduct of the receivership.

All information contained in this report is for the confidential use of the parties to which it is provided in accordance with sections 26 and 27 of the Act and is not to be disseminated or passed to any other person without written authority or in accordance with law.

In compiling this report, we have relied upon and not independently verified or audited information or explanations provided to us and we express no opinion on accuracy, completeness or reliability of the information or explanations.

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.

We do not accept any liability whatsoever arising from this report.

Certain information can be withheld by the Receivers if inclusion would materially prejudice the exercise of the Receivers' functions.

## Property disposed of since the commencement of the receivership and date of previous report

As advised in our first report, LGHL and its various subsidiaries in New Zealand, Australia and the United Kingdom (**Laybuy Group**) operated a "buy now pay later" platform known as Laybuy, servicing over 10,500 merchants and approximately 500,000 users globally. At the date of appointment of Receivers, the Laybuy Group had effectively ceased to trade, with new transaction originations having ceased on 12 June 2024.

The New Zealand business was operated by LGHL and its subsidiary, Laybuy Holdings Limited (**LHL**), over which we were also appointed Receivers. All New Zealand based employees were employed by LGHL.

The assets of LGHL predominantly consisted of:

- Fixed assets
- IT Operating Platform systems (**Operating Platform**)
- A potential insurance claim that had been notified to the Laybuy Group's insurers prior to its insolvency.

Upon appointment, the Receivers worked with the support of key Laybuy employees to address the following key issues:

- Maintain the Operating Platform to:
  - Ensure protection and privacy of data held;
  - Enable the various subsidiaries to collect receivables from customers;
  - Preserve value in the systems with a view to a potential sale of the platform (see further details below); and
  - Maintain records of the Laybuy Group;
- Liaise with critical suppliers; and
- Ensure all regulatory requirements were met.

Shortly after the appointment of receivers, a sale process commenced in conjunction with LHL. The process resulted in the sale of certain New Zealand assets, including the Operating Platform. The Operating Platform is now owned by Klarna as separately communicated to the Laybuy Group's New Zealand customers and merchants.

As noted in our first report, the Receivers have received the proceeds from the sale of fixed assets, being office furniture and equipment and a vehicle owned by LGHL.

## Proposals for the disposal of property in receivership

The Receivers were advised of a potential insurance claim which had been notified to the Laybuy Group's insurers prior to appointment of receivers. This related to a cyber-attack that occurred in early 2024, against the New Zealand and the United Kingdom Laybuy entities (Laybuy (UK) Limited and Laybuy Holdings (UK) Limited). Christopher Bennett, Matthew Callaghan and Samuel Ballinger of FTI Consulting LLP were appointed Administrators of Laybuy (UK) Limited and Laybuy Holdings (UK) Limited on 24 June 2024 (**Administrators**).

The Receivers engaged with a claim preparation specialist, appointed prior to the commencement of the receivership, and have continued to progress the claim. As the UK entities were also victims of the cyber-attack, the Receivers have entered into a cost and proceeds sharing agreement with the Administrators.

As at the date of this report, the claim has been submitted to the insurer, but the outcome has not been determined. Potential recoveries are uncertain and will not yet be disclosed for commercial reasons.

## Summary of amounts received and paid in respect of the receivership

A statement of the realisations and distributions for the Company since the commencement of the receivership is detailed in **Appendix A**. All amounts are GST exclusive. We make the following observations in respect of this statement:

- LGHL operated a shared service model with its subsidiaries in Australia and the United Kingdom, whereby key technology, risk and compliance and employees were provided centrally for the benefit of the whole Laybuy Group. This continued while the Operating Platform was maintained, and a cost sharing agreement was entered into with other Laybuy Group entities for reimbursement of third party supplier and employee costs. This is referred to in Appendix A as 'Apportionment of trading costs'.
- 'Intercompany transfer of funds' refers to funding provided by LHL Limited. LGHL is the sole shareholder of LHL and provided it with access to the Operating Platform. The continued operation of the Operating Platform during the receivership, and a sale of the business, was required to be run in conjunction with each other. However, as the receivables book was owned by LHL, funding to LGHL

was required to meet receivership costs to otherwise enable LHL to collect its receivables. This was agreed to by our appointor, who was otherwise entitled to the funds.

- As noted in this report, the ongoing maintenance of the Operating Platform was required to maximise recoveries for both LGHL and LHL. The Receivers fees incurred by LGHL are reflected in the overall recoveries made for the benefit of our appointor (refer also to the Receivers report of LHL).

## Summary of fees paid to the Receivers

A summary of the fees, allowances, reimbursements and other benefits paid since the commencement of the receivership are as follows:

	\$000 (excl. GST)
Fees	461
Reimbursements	2
<b>Total</b>	<b>\$463</b>

## Details of amounts outstanding and likely to become available for payment

The amounts owed to secured creditors, at the date of this report, are summarised in the table below:

Secured creditor	\$000
Kiwibank	544
De Page Landen Limited	0
<b>Total secured creditors</b>	<b>\$544</b>

The Receivers' first report noted the sum of c\$8.5m owed to the secured creditor, by whom they were appointed. A substantial distribution has been made by the receivers of LHL to the secured creditor, with the remaining balance outstanding to the secured creditor shown in the table above. Distributions have also been made to the secured creditor from the Receivers of Laybuy Australia Pty Limited (In Receivership).

All available equipment leased from De Page Landen Limited, was returned to it. They have not notified us of any claim.

The amounts owed to preferential creditors, at the date of this report, are summarised in the table below:

Preferential creditor	\$000
Employee claims	336
Inland Revenue	0
<b>Total preferential creditors</b>	<b>\$336</b>

There are currently no funds available for distribution to preferential creditors. Subject to any recoveries from the cyber insurance claim referred to above, and confirmation of priority order of distributions from this potential recovery, a distribution to employees could be made.

The Receivers' first report noted that c\$70,000 was due to Inland Revenue. LGHL and LHL were registered for GST on a group basis, meaning both companies were liable for the debt. This amount has been paid to Inland Revenue in full by the Receivers of LHL.

## Further information

Should you have any queries on the contents of this report, please contact us at [nzlaybuygroup@deloitte.co.nz](mailto:nzlaybuygroup@deloitte.co.nz).

Dated: 17 February 2025

A handwritten signature in dark ink, appearing to read 'R. Campbell.', is positioned above the printed name and title.

Robert Campbell  
Receiver  
**Receiver and Manager**  
**Personal liability excluded**

### Statement of realisation and distributions

	\$
Opening Bank Balance (17 June 2024)	<u>0</u>
<b>Realisations</b>	
Cash at bank	13,047
Sale of assets	200,923
Debtors	1,548
Intercompany transfer of funds	751,032
Refund of deposit	50,168
Apportionment of trading costs	156,533
Net interest	59
<b>Total Receipts</b>	<u><b>1,173,310</b></u>
<b>Distributions</b>	
Cost of asset realisation	10,662
Trading Expenses	392,201
Wages & Salaries	262,726
Bank fees	6
Receivers' Disbursements	1,971
Receivers' Fees	460,966
GST Nett	8,505
<b>Total Payments</b>	<u><b>1,137,038</b></u>
 Closing Bank Balance (17 December 2024)	 <u><u><b>36,272</b></u></u>

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