

Laybuy Holdings Limited (In Receivership)

Company number: 6149287
NZBN: 9429043407262

Receivers' first report

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On 17 June 2024 at 12:01pm, 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 Holdings Limited (In Receivership) under the powers contained in a general security deed dated 24 July 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 23 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.

Events leading up to our appointment as Receivers

The Company was incorporated on 7 November 2016 and operated a global "buy now pay later" platform known as "Laybuy", servicing over 10,500 merchants and approximately 500,000 users globally. The Laybuy "buy now pay later" model required customers to pay the first instalment for a purchase from a retail merchant at the time of purchase, with the balance paid over 5 weekly consecutive payments.

We were also appointed Receivers of Laybuy Group Holdings Limited ("**LGHL**"), which is the 100% shareholder of the Company.

The Laybuy Group ("**Laybuy Group**") had operations in New Zealand, Australia and United Kingdom, all of which were operated by separate entities. Laybuy Holdings Limited ("**LHL**") was the entity that operated the New Zealand business.

Glen Kanevsky and Jason Tracy of Deloitte Australia were appointed Receivers over Laybuy Australia Pty Limited on 17 June 2024, and on 24 June 2024 Christopher Bennett, Matthew Callaghan and Samuel Ballinger of FTI Consulting LLP were appointed Administrators of Laybuy (UK) Limited and Laybuy Holdings (UK) Limited.

The Laybuy Group had been experiencing liquidity issues and had made efforts to seek additional investment and a sale of the business and/or assets. While these negotiations were well advanced, they did not result in a successful transaction. As a result, the Companies' Directors requested the appointment of Receivers in New Zealand and Australia, and Administrators to the UK business.

New transaction originations ceased on or around 12 June 2024, and therefore the Laybuy Group had effectively ceased to trade prior to insolvency practitioners being appointed to the various entities in New Zealand, Australia and the UK.

Separate reports have been prepared for each of the companies in the Laybuy Group. The Receivers recommend that this report be read in conjunction with the report of LGHL.

Assets comprising the property in receivership

The Receivers' appointment is in respect of all present and after acquired property of the Company, including:

- Accounts receivable (customer payments due)
- Fixed assets/operating systems

Property disposed of to date and any proposals for the disposal of property

The Receivers, with the support of various Laybuy staff, have focused on the following key matters:

- Maintaining the operating platform systems to;
 - Ensure protection and privacy of data held;
 - Enable collection of amounts due from customers; and
 - Maintain the records of the Company.
- Liaising with critical suppliers.
- Liaising with retail merchants.
- Responding to customer queries.
- Decommissioning the operating platform.
- Ensuring all regulatory requirements were met.
- Placement of necessary insurances.

At the time of writing, the Receivers have received receipts from customers in the normal course whilst the platform was operational. The platform ceased to be operational on 29 July 2024 and all overdue/outstanding amounts have been referred to a third-party collection agency. Further details regarding customer collections will be provided in subsequent Receivers' reports.

The Receivers immediately commenced a sale process, and are continuing to canvass a sale of New Zealand based assets and operating platform.

Particulars of secured creditors/encumbrances

At the date of our appointment, the personal property security register (PPSR) recorded three registered financing statements against the Company. Details of these creditors and their interests are summarised in the table below:

Secured party	Address	Collateral	Registration date
Kiwibank Limited	20 Customhouse Quay, Wellington 6011	All present and after acquired personal property	6 December 2017
BMW financial Services New Zealand Limited	33 Broadway Avenue Newmarket, Auckland	Motor Vehicle	25 February 2020
Partners for Growth VI,LP	1751 Tiburon Blvd California 94920	All present and after acquired personal property	20 October 2023

Particulars of debts and liabilities requiring to be satisfied from the property in receivership

Based on information to hand at the time of writing, the estimated amount owed to secured creditors at the date of our appointment is summarised in the table below:

Secured creditor	\$000
Kiwibank	8,534
BMW financial Services New Zealand Limited	0
Total secured creditors	\$8,534

The Company has also guaranteed loans provided by Partners for Growth VI,LP to other entities in the Laybuy Group. We understand PFG was owed £3.14 million as at the date of our appointment.

Preferential creditors

At the date of this report, there are no amounts due to preferential creditors.

Inland Revenue have confirmed no outstanding amounts are due.

There are no employee claims as the employing company was LGHL (refer to the separate Receivers' report in respect of this entity).

Unsecured creditors

The Receivers currently hold incomplete information on unsecured claims against the Company. An estimate of the level of unsecured creditors will be provided in future Receivers' reports.

Information provided by the Company

The Directors of the Company have co-operated in making available the information required by the Receivers to complete this report.

Further information

Should you have any queries on the contents of this report, please contact Louise Craig or Nathan Barrett of our office.

Dated: 16 August 2024



Robert Campbell
Receiver
Receiver and Manager

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