

Laundromat Collective Limited (In Liquidation)

trading as Federation

Liquidators' First Report

1 INTRODUCTION AND APPOINTMENT

Laundromat Collective Limited ("the company") was placed into liquidation by a special resolution of the shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 10 February 2016. Boris van Delden and Peri Finnigan, 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, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 ATTACHMENTS

The following documents are attached to this report:

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

4 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	11 February 2011
Company number:	3271688
Date ceased trading:	The liquidators are trading on the business
Nature of business:	New Zealand streetwear retail store operator

McDONALD VAGUE LIMITED

Level 10, 52 Swanson Street, Auckland CBD
 PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
 Telephone 09 303 0506, Facsimile 09 303 0508, insol@mvp.co.nz, www.mvp.co.nz
 Member of Insol International. Consultants to the Accounting and Legal Professions.

Trading address:	38 Barrys Point Road, Takapuna 12 Customs Street, Britomart Dressmart Shop 402, 151 Arthur St, Onehunga
Trading name:	Federation
Share capital:	100 Shares
Shareholders:	Jenny Elizabeth Joblin (50 shares) Nicholas James Clegg
Director:	Jenny Elizabeth Joblin
Related companies:	Federation Clothing Limited (In Liquidation) Public Gallery Limited (In Liquidation) Only Found You Limited (In Liquidation)

Laundromat Collective Limited (In Liquidation) operated in conjunction with Federation Clothing Limited (In Liquidation), and previously Public Gallery Limited (In Liquidation) and Only Found You Limited (In Liquidation), operating streetwear retail stores in New Zealand and stocking the above named companies' brands.

Federation Clothing Limited (In Liquidation), Laundromat Collective Limited (In Liquidation), Public Gallery Limited (In Liquidation) and Only Found You Limited (In Liquidation) were all placed into liquidation on 10 February 2016.

The liquidators have been advised that the failure of the entity was the result of a number of factors. These included the seizure by New Zealand Customs of a large shipment and subsequent payment to release said shipment by way of a short term loan. This loan was subsequently called up by the secured creditor. There was also a reduction in gross profit margins due to increased competition and lower pricing in the market, plus the adverse effects of exchange rate fluctuations. The failure of Public Gallery Limited (In Liquidation) adversely affected the entity's bottom line. There were also material debtor disputes in Australia. Withdrawal of the entity's product line from a large retail chain and its re-instatement at a discounted rate had adverse effects. Lastly, a number of failed improvement projects of a material amount have all contributed to the downfall of this company.

The liquidators are in the process of realising all assets, and are seeking the sale of the business as a going concern. The company was trading as at the date of liquidation. The liquidators have continued to trade the business under their control.

5 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.

6 ASSETS AND PROPOSALS FOR CONDUCTING THE LIQUIDATION

We will realise all available assets. If any creditor is interested or knows of any other party who may be interested in purchasing any of the assets, please advise us urgently.

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.

7 LIABILITIES AND CREDITOR CLAIMS

7.1 *Secured Creditors*

As at the date of liquidation eleven secured parties had registered security interests against the company on the Personal Property Securities Register.

Personal Property Securities Act / Reservation of Title

Should any creditor believe that they are entitled to any goods, or proceeds from realisation of goods, due to holding a Purchase Money Security Interest, 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.

7.2 *Preferential Creditors*

We estimate that there is approximately \$11,056.11 owing to employees for wages, holiday pay and redundancy pay.

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 estimated at around \$44,710.

7.3 *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 \$1,332,010. A schedule of known creditors and their addresses is provided at Appendix 2, as required by Section 255(2)(c) of the Act.

A notice to creditors to prove debts or claims is included at Appendix 4. Also enclosed is a creditor's claim form for completion and return to this office by 22 March 2016. 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 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 3.

Pursuant to Section 314 of the Companies Act 1993, creditors are advised that at any time in the course of the liquidation the Liquidator shall, at the request in writing of any creditor or shareholder, call a meeting for the purpose of appointing a liquidation committee.

9 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 the Liquidators are more able to act on written information.

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 the attached creditor claim form. This report and all subsequent reports will be available on the Liquidators' website at www.mvp.co.nz

10 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the liquidation.

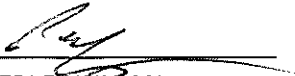
11 CONTACT DETAILS

Enquiries should be directed to Keaton Pronk on DDI (09) 9691518 or by email to kpronk@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 FINNIGAN
LIQUIDATOR

DATED this *16* day of February 2016

BVD/KP/rc/150
Laundromat Collective/205 First Report

Laundromat Collective 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
Employees			
Andrew Adley			
Danielle Afiello			
Filipa Olausson			
James Dryden			
Jeremiah Vainerere			
Jess Goodsell			
Joseph Amundsen			
Joshua Lee			
Lisa McMelkan			
Louis Buckland			
Molly Abraham			
Monique Westerdal			
Tim Smith			
Zoe Hendricks			
Trade Creditors			
Accident Compensation Corporation	P O Box 3248	WELLINGTON 6140	
Best Jet Services	G270 Sunset Road	Mairangi Bay	
Federation Clothing Limited			

Creditor Names	Address 1	Address 2	Address 3
First Security Limited	2 Arthur Brown Place	Mt Wellington	
Frank Consulting Limited	Flat 4, 92 Churchill Road	Murrays Bay	
Inland Revenue Department	P O Box 39 010	Wellington Mail Centre	
Kudos Solutions Limited	P O Box 9790	Newmarket	
Lowndes Jordan	P O Box 5966	Wellesley Street	
Minti - Britomart			
Minti - Dressmart			
Minti - Newmarket			
Minti - Takapuna			
New Era			
Nutech Security	Level 4, Suite 2, 27 Gillies Avenue	Newmarket	AUCKLAND 1023
Office Max NZ Limited	P O Box 14 052	TAURANGA	
Only Found You	Private Bag 92 831	Penrose	AUCKLAND 1141
Paymark	38 Barrys Point Road	Takapuna	AUCKLAND 0622
Payment Express	P O Box 799	Shortland Street	AUCKLAND 1140
Pebble Rock Limited	33 Wilkinson Road	Ellerslie	AUCKLAND
PG - Albany	Suite 6 Level 2	58 Surrey Crescent, Grey Lynn	AUCKLAND
PG - Britomart			
PG - Dressmart			
PG - Newmarket			
PG - Takapuna			
Posthaste	161 Station Road	Penrose	AUCKLAND
Security Specialists	P O Box 5696	DUNEDIN 9058	
Shooting Sparrow			
Smartpay Rental Services	P O Box 100 490	North Shore Mail Centre	AUCKLAND 0745
Spark NZ Trading Limited	P O Box 1473	CHRISTCHURCH 8140	
The Market Limited	3 Newton Road	Mount Maunganui	TAURANGA

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Laundromat Collective Limited (In Liquidation) and the likely result of the liquidation it is proposed to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

We do not, however, wish to preclude creditors from expressing their views. Please contact Keaton Pronk of this office on DDI (09) 969 1518 if you have any specific enquiries.

You are advised that should you desire a creditor's meeting, notice in writing is required within 10 working days of receiving this notice.

At the time of giving notice you must also state the reason you require a meeting so that an agenda can be prepared and advertised and creditors can be given the opportunity to vote on any issue by voting letter.


PERI FINNIGAN
LIQUIDATOR

DATED this 26 day of February 2016

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Laundromat Collective Limited (In Liquidation)
trading as Federation

Notice to Creditors to Prove Debts or Claims

Notice is hereby given that the undersigned, the liquidator of Laundromat Collective Limited (In Liquidation) ("the company"), does hereby fix 22 day of March 2016, as the day on or before which the company's creditors are to make their claims, and to 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.


PERI FINNIGAN
LIQUIDATOR

DATED this 16 day of February 2016

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

DATE OF LIQUIDATION: 10 February 2016



The Insolvency & Business Recovery Specialists

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)

<p>NAME AND POSTAL ADDRESS OF CREDITOR IN FULL</p> <p>Telephone Numbers: () ()</p> <p>E-Mail</p> <p>My Reference is: (if applicable)</p>	<p>* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.</p> <p>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.</p> <p>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 –</p> <p>(a) Contain full particulars of the claim; and (b) Identify any documents that evidence or substantiate the claim.</p> <p>You may have access to and request correction of any personal information.</p> <p>(*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)</p>
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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** Other
(State currency if other than \$NZ) Currency NZ \$ _____

4. I have claimed retention/reservation of title rights pursuant to rights held by me Tick if Applicable
Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you. (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: / /

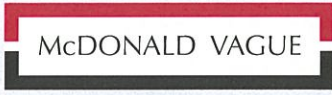
WARNING —

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.

<p>Received (Date Stamp)</p>	<p>RESERVED FOR OFFICE USE:</p> <p>Claim admitted/rejected for voting purposes: (Delete one) Signed: _____ Date: / /</p> <p style="text-align: center;">Preferential Claim for: Ordinary Claim for:</p> <p><u>CLAIM REJECTED FOR PAYMENT:</u> \$ _____ \$ _____</p> <p style="text-align: center;">or</p> <p><u>CLAIM ADMITTED FOR PAYMENT:</u> \$ _____ \$ _____</p> <p style="text-align: right;">Signed Liquidator: _____ Date: / /</p>	
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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.



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McDONALD VAGUE LIMITED

PO Box 6092, Wellesley St, Auckland 1141, New Zealand.
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Particulars of Claim

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 \$20,340 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: \$ _____