

Frequently Asked Questions (FAQs)

New Zealand Vacuum Cleaner Company Limited
NZBN 9429037130367

30 January 2024



Frequently Asked Questions (FAQ)

This document is dated 30 January 2024 and is subject to update at:

<https://www.pwc.co.nz/services/business-restructuring/voluntary-administration.html>

This document is intended for use by stakeholders of New Zealand Vacuum Cleaner Company Limited (Administrators Appointed) (“Godfreys NZ” or the “Company”) - part of the Godfreys Group in Australia - and is not intended for general circulation, publication, reproduction or any other use than to assist creditors in the administration. This FAQ addresses both general queries and those specific to different groups of creditors (see appendices for the different creditor groups identified).

Regular updates and other correspondence issued by the Administrators can be found on the PwC Godfreys NZ insolvency website:

<https://www.pwc.co.nz/services/business-restructuring/voluntary-administration.html>

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1. Question & Answers – General

a. A. General

A1	Who are the Administrators?	<p>Stephen White and John Fisk were appointed as Administrators of New Zealand Vacuum Cleaner Company Limited (“Godfreys NZ” or the “Company”) on 30 January 2024. The Administrators are both partners of PricewaterhouseCoopers New Zealand (“PwC NZ”), which is a part of one of the largest multinational professional services firms in the world. You can find out more at www.pwc.com.</p> <p>Also on 30 January 2024, Craig Crosbie, Robert Ditrich and Daniel Whalley of PricewaterhouseCoopers Australia (“PwC Australia”) were appointed as Administrators over the Godfreys Group’s Australian operations.</p>
A2	Who is Godfreys?	<p>Godfreys is one of the largest specialty retailers of domestic and commercial floor care and associated cleaning products in Australia and New Zealand. Godfreys has been trading for over 90 years and offers an extensive range of company owned and exclusively licensed branded products.</p>
A3	What happened to Godfreys? / Why did the administration come about?	<p>Like many retailers, Godfreys has been operating in a challenging economic environment for an extended period of time. Significant loan facilities have been provided by the Johnston family (descendants of one of the founders, John Johnston) to fund trading losses while Godfreys endeavoured to restructure and return to profitability. However, ongoing poor trading conditions and limited further funding required the director of Godfreys to appoint Administrators.</p>
A4	Are Administrators appointed over the Godfreys Australia parent and operating entities?	<p>Yes, there is a separate FAQ document which deals with questions pertaining to the Godfreys Australia entities. Please see https://insolvency.pwc.com.au/.</p>
A5	Which companies have been placed into administration?	<p><u>New Zealand entity</u></p> <ol style="list-style-type: none"> 1. New Zealand Vacuum Cleaner Company Ltd (NZCN 1075877) <p><u>Australian entities</u></p> <ol style="list-style-type: none"> 2. Godfreys Group Pty Ltd (ACN 602 722 985) 3. Australian Vacuum Cleaner Co Pty Ltd (ACN 004 568 441) 4. Electrical Home-Aids Pty Ltd (ACN 007 539 577) 5. Godfreys Finance Company Pty Ltd (ACN 602 729 019) 6. Godfreys Franchise Systems Pty Ltd (ACN 007 873 681) 7. Hoover Floorcare Asia Pacific Pty Ltd (ACN 086 345 575) 8. International Cleaning Solutions Group Pty Ltd (ACN 120 157 191) 9. International Cleaning Solutions Pty Ltd (ACN 119 462 798) <p><i>Please refer to the separate Godfreys Australia FAQ document for information related to the administration of the Australian entities.</i></p> <p>https://insolvency.pwc.com.au/</p> <p><i>This document addresses FAQs related to the New Zealand entity only.</i></p>

A6 What is a voluntary administration?	<p>Voluntary administration is a process that can be initiated under the Companies Act 1993 by directors, a creditor with all or substantially all asset security, or the Court when they believe that a company is, or is likely to become, insolvent. This means that the company is unable to pay its debts or is likely to become unable to pay its debts as and when they fall due.</p> <p>The role of the voluntary administrator is to investigate the company's affairs, report to creditors and to recommend to creditors whether the company should enter into a Deed of Company Arrangement ("DOCA"), go into liquidation or be returned to the control of the directors.</p> <p>For more information regarding administrations, please visit https://companies-register.companiesoffice.govt.nz/help-centre/when-your-company-fails/what-happens-during-voluntary-administration/</p>
A7 What is the implication of the Administration?	<p>The Administrators are in control of the business and assets of the Godfreys NZ and are currently undertaking an assessment of the company's operations. Godfreys NZ will continue to trade while a restructure is undertaken and a buyer for the business and assets is sought.</p> <p>The NZ Administrators will work closely with the Australian Administrators to support trading and to get the best available outcome for creditors and other stakeholders.</p> <p>As a result of the restructure, a number of Godfreys stores will be closed. The Godfreys NZ store closures will likely occur within the next few days.</p>
A8 How does voluntary administration differ from receivership or liquidation?	<p>Voluntary administration is different to receivership and liquidation. In each case, an independent and suitable qualified person takes full control of the company and/or its assets, however the goal/purpose is different for each appointment type:</p> <ul style="list-style-type: none"> ● Voluntary administration – attempt to restructure the business of the company to continue its operations, either in its current form or a restructured version. ● Liquidation – to wind up the company in an orderly and fair way for the benefit of creditors. Receivership – to collect and sell enough of the secured assets (this may include selling assets or the company's business) to repay the debt owed to the preferential and secured creditor(s).

a. B. Status of the voluntary administration / next steps

B1 How long will the voluntary administration process take?	<p>PwC were appointed on 30 January 2024.</p> <p>The Administrators are required to convene a meeting of the Godfreys NZ creditors for the purpose of enabling creditors to vote on the future course of the Company (“Watershed Meeting”). Generally speaking, a voluntary administration takes approximately 25 working days unless an extension of the convening period for the Watershed Meeting of creditors (which is the period within which the Administrators must give notice to creditors of the Watershed Meeting) is sought and approved by the Court.</p> <p>You will receive formal communications setting out the next steps in the administration, including:</p> <ul style="list-style-type: none"> a) The First Meeting of creditors (expected to be held on Friday, 9 February 2024); and b) The Watershed Meeting of creditors (date to be confirmed pending application to Court for an extension).
B2 When and where is the First Meeting of creditors being held and what is the purpose?	<p>The First Meeting is held within 8 business days of a voluntary administrator’s appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.</p> <p>The First Meeting will be held on Friday, 9 February 2024. It will be a physical meeting held at PwC’s offices in Auckland, Wellington and Christchurch (i.e. it will not be a virtual meeting). All known creditors will receive communications setting out details of the meeting including associated documents.</p> <p>At this meeting, the Administrators will provide creditors with an update on the progress of the administration and the creditors can vote to elect a Creditors’ Committee to assist the administrators and/or replace the current administrators if an alternative administrator is proposed at the meeting.</p> <p>The functions of a Creditors’ Committee are to consult with the administrators about matters relating to the administration and receive and consider reports by the administrators. These are honorary committees and the advice given by creditors is not binding on the administrators although it may be persuasive. While a committee cannot give directions to the administrators, the administrator must report to the committee about matters relating to the administration as and when the committee reasonably requires.</p>
B3 When and where is the Watershed of creditors being held?	<p>The date of the Watershed Meeting of creditors is to be confirmed subject to the Court granting an extension to the convening period. The Administrators currently intend to approach the Court to extend the convening period for 90 days, given the size and complexity of the administration of the Godfreys Group. It is too early to estimate the likely return to creditors at this point in time.</p> <p>At the Watershed Meeting of creditors, registered creditors will have the opportunity to vote on the future of the Company.</p> <p>Notice of the meeting will be sent to all creditors prior to that meeting.</p>

B4 What is the likely outcome of the voluntary administration process?	<p>It is too early to estimate the likely return to creditors at this point in time.</p> <p>The Administrators will report to creditors prior to the Watershed Meeting of creditors. That report will detail the Administrators' investigations into the Group's business, property, affairs and financial circumstances.</p> <p>The Administrators' report will also provide an opinion on each option available to creditors (as listed below) and will recommend which option is in the best interests of creditors.</p> <p>The three options available to creditors to determine the future of each Group company are:</p> <ul style="list-style-type: none"> a) The voluntary administration to end and return the Company to the director's control; b) The Company executes any proposed Deed of Company Arrangement ("DOCA"). A DOCA is a binding agreement between a company and its creditors setting out how a company's affairs will be dealt with. It aims to maximise the chances of the company, or as much as possible of its business, continues in existence as a going concern in order to maximise the returns to creditors and shareholders,; or c) Wind up the Company (i.e. have it placed into liquidation). <p>Creditors will vote on these options at the Watershed Meeting of creditors.</p>
B5 How do I submit my claim and vote at the Watershed Meeting of creditors?	Please refer to section C of this document.
B6 Is the Group continuing to trade during the voluntary administration?	<p>Yes, at this stage the Company will continue to trade while the Administrators undertake an immediate restructure and commence a sale of business campaign.</p> <p>Creditors will be notified promptly, as appropriate, of decisions made by the Administrators.</p>
B7 Are the Administrators planning to make changes to the operations, close stores or make staff redundant?	<p>The Administrators are currently assessing the Company's operations with the intention of undertaking an immediate restructure and commencing a sale of business campaign.</p> <p>As a result of the restructure, a number of stores will be closed, and some employees are expected to be made redundant. The store closures will occur within the next few days.</p> <p>Further information related to customers, suppliers, employees, landlords and franchisees can be found in the appendices to this document.</p>
B8 Sale of business or sale of asset enquiries	Please direct all expressions of interest for the sale of the businesses and/or sale of assets of Godfreys to: godfreys@au.pwc.com
B9 Media inquiries	For media inquiries please contact - Louise Poppelwell (louise.j.poppelwell@pwc.com) of PwC New Zealand.

b. C. Submitting a claim and creditors meetings

<p>C1 How do I lodge a claim?</p>	<p>Please lodge your Proof of Debt (“POD”) and supporting documentation by sending to the Administrators at:</p> <p>New Zealand Vacuum Cleaner Company Limited (Administrators Appointed) C/- PwC Private Bag 92162 Auckland Attention: Janet Sprosen</p> <p>Or by email to: nz_godfreys@pwc.com.</p> <p>This email address is the main medium for communication.</p> <p>It is important that creditors keep their contact details up to date. This can be done by contacting the above email address.</p> <p>For the avoidance of doubt, any POD submitted in relation to the First Meeting or Watershed Meeting will not be relevant for any future right to any distribution from the administration. In the event there is a distribution to creditors, we will perform a formal adjudication of all claims.</p>
<p>C2 What is a POD?</p>	<p>A POD, or Proof of Debt, is a form completed by a creditor which details how much the creditor is owed.</p>
<p>C3 I am a creditor and I have not received a POD.</p>	<p>Please send an email to the Administrators at nz_godfreys@pwc.com.</p>

- C4** What do I need to do before the First Meeting of creditors?
- Submit your POD and Proxy Form (where relevant) by sending to:
- New Zealand Vacuum Cleaner Company Limited (Administrators Appointed)
C/- PwC
Private Bag 92162
Auckland
Attention: Janet Sprosen
- Or by email to: nz_godfreys@pwc.com.
- Instructions to assist with lodging your POD and supporting documentation can be found on the Notice of Appointment of Voluntary Administrators and First Meeting of Creditors. If you have not received this notice, please email: nz_godfreys@pwc.com.
- All Proxy Forms will need to be submitted by no later than two working days prior to the commencement of the meeting, being 11am on Wednesday 7 February 2024.
- Relevant links and detailed instructions will be provided to creditors in due course to facilitate attendance at the First Meeting.
- It is not compulsory for you to attend the First Meeting and non-attendance will not affect the validity of any claim you may have against the companies in the Group. You may also attend the First Meeting as an observer (i.e., without voting rights), in which case, you do not need to register to vote.
- To keep up to date with correspondence from the Administrators please go to:
<https://www.pwc.co.nz/services/business-restructuring/voluntary-administration.html>
- C5** How do I attend and vote at the Watershed Meeting of creditors?
- In order to vote at the Watershed Meeting, creditors will need to submit a POD and (where necessary) a Proxy Form in the manner outlined above.
- Alternatively, you can submit a postal voting form by no later than two working days prior to the commencement of the meeting, being 11am on Wednesday 7 February 2024.
- If you completed a POD with respect to the First Meeting, you will not need to complete a POD again for voting purposes at the Watershed Meeting (unless you require changes to be made).
- All Proxy Forms will need to be submitted by no later than two working days prior to the commencement of the meeting.
- Relevant links and detailed instructions will be provided to creditors in due course to facilitate both their attendance and voting at the Watershed Meeting.

C6 I want to nominate a proxy for the creditors' meetings.	<p>A creditor who is a natural person and is attending a meeting in person does not need to provide a proxy. All other creditors will need to complete and lodge a proxy form to be able to vote or otherwise appoint an authorised representative to attend the meeting and vote on their behalf (they will need to have evidence of that authority with them, should the Administrators require them to establish that authority).</p> <p>A new Proxy Form is required to be completed for each creditors' meeting (i.e. previous meeting proxy forms are invalid for the Watershed Meeting).</p> <p>If a corporate creditor wants to be represented at the First Meeting or Watershed Meeting, it must: (a) appoint an individual (i.e. natural person) to act on its behalf by providing an executed Proxy Form; or (b) appoint an authorised representative to attend the meeting and vote on their behalf.</p> <p>Individuals may choose to appoint a representative to vote on their behalf by executing a Proxy Form.</p> <p>A creditor can choose to appoint the Chairperson to vote on their behalf.</p> <p>All proxy forms must be submitted via the manner outlined above.</p>
C7 Can you confirm what is owed to me?	Please submit your POD and relevant supporting documentation via the manner outline above. If your claim varies from the Company's records. we will notify you.
C8 I have a Personal Property Securities Register ("PPSR") interest, how do I notify the Administrators?	If you have supplied goods to a company in the Group on consignment or have registered a security interest on the PPSR, you can notify the Administrators of that interest by contacting: nz_godfreys@pwc.com .
C9 Can I offset monies owed to the Group with outstanding monies owed by the Group to me?	No, a right of set-off cannot be enforced between pre and post appointment periods. The position is different when determining a creditor's entitlement to have a claim admitted under a DOCA. We suggest that creditors obtain legal advice on this subject.

c. D. Communications with creditors

D1 Where can I get a copy of the Reports to Creditors or other public communications issued by the Administrators?	<p>When issued, reports to creditors and other key communications issued to stakeholders can be found on either:</p> <ol style="list-style-type: none"> 1. PwC Godfreys NZ insolvency website - https://www.pwc.co.nz/services/business-restructuring/voluntary-administration.html or 2. by emailing us on nz_godfreys@pwc.com
D2 Who can I contact if I have questions about the administration?	<p>For general day-to-day enquiries, we encourage you to please reach out to your existing Godfreys contact.</p> <p>Alternatively, to the extent you require the Administrators assistance, emails can be sent to nz_godfreys@pwc.com.</p> <p>We will review all queries received and respond accordingly. We will also update our FAQs to reflect the key themes and concerns that arise throughout the administration period.</p> <p>Please refrain from contacting the PwC switchboard directly.</p>

2. Question & Answers – Detailed appendices

d. Appendix A1.1 – Customers

General	
A1	<p>What does the administration mean for customers?</p> <p>The Administrators are currently assessing the Group's operations with the intention of undertaking a restructure and commencing a sale of business campaign.</p> <p>As a result of the restructure, a number of Godfreys NZ stores will be closed, being Coastlands, Wellington Porirua, Nelson, Hamilton Central and New Plymouth. These store closures will occur within the next few days. Stores that are not closing will continue to operate largely as normal.</p> <p>The Group's online retail presence will continue to operate, business as usual.</p>
A2	<p>Are my consumer rights impacted?</p> <p>As a consumer your rights may be affected. Please refer to additional details provided at:</p> <p>https://www.consumerprotection.govt.nz/general-help/common-consumer-issues/gone-out-of-business/</p>
A3	<p>I have made a "click & collect" order and paid in full for the goods, can I collect them?</p> <p>Yes, you can still collect goods you have paid for as the business will continue to trade during the administration.</p> <p>To the extent the store you are intending to collect from is impacted by a store closure, should that occur, you will be notified of alternative arrangements to collect your goods.</p>
A4	<p>Are Godfreys Group still offering "trade-in discounts"?</p> <p>No, Godfreys will not be accepting any trade-ins or providing discount offers during the administration period.</p>
A5	<p>I prepaid for repairs services or placed a deposit for goods prior to the appointment date, will I get my money back?</p> <p>Unfortunately, not. You may be an unsecured creditor (see section 1 of these FAQs).</p>
A6	<p>I purchased goods using a "buy now, pay later" facility offered by the Group, do I still need to make the repayments for the goods?</p> <p>Yes.</p>
A7	<p>Will product safety recalls be dealt with during the administration?</p> <p>Yes, product safety recalls will still be actioned during the administration.</p> <p>Please contact your Godfreys NZ contact directly.</p>
A8	<p>Will the general customer service line still be contactable for product related queries?</p> <p>Yes, please continue to contact Godfreys NZ directly for all product and sales related queries as the business will continue to trade during the administration.</p>
A9	<p>What happens to goods damaged in transit?</p> <p>No change to the pre-existing policy.</p> <p>If an order arrives damaged, we will arrange either a replacement or refund as well as arrange collection of the damaged product.</p>

Returns	
<p>A10 Can I return a product purchased prior to the administration?</p>	<p>Godfreys sells products:</p> <ol style="list-style-type: none"> 1. directly to customers from stores that it owns and operates; 2. directly to customers from the Godfreys website (Online Store); and 3. to stores owned and operated by third party Godfreys franchisees, which the franchisees then sell to customers. <p>If you purchased your product from a franchisee owned store please contact that store directly in relation to any returns. Franchisee stores are listed below:</p> <ul style="list-style-type: none"> ● Godfreys New Lynn ● Godfreys Pukekohe ● Godfreys Takanini ● Godfreys Waitakere ● Godfreys Westgate ● Godfreys Palmerston North ● Godfreys Lower Hutt ● Godfreys Hornby ● Godfreys Dunedin <p>Franchisee owned stores will not be able to assist you with products purchased from the Online Store or Godfreys owned stores.</p> <p>If you purchased your product from the Online Store or a Godfreys owned store and it is faulty or no longer working, due to the administration you are likely to be an unsecured creditor of Godfreys. This means that you cannot obtain a replacement, repair or refund from Godfreys or the Administrators.</p> <p>Please refer to additional details provided - https://companies-register.companiesoffice.govt.nz/help-centre/when-your-company-fails/what-happens-during-voluntary-administration/</p> <p>If the product you purchased was a brand for which Godfreys is not the manufacturer (or deemed manufacturer) under New Zealand Consumer Law, customers may also have rights against the manufacturer directly.</p> <p>Brands that Godfreys sells but Godfreys does not manufacture means that Godfreys is not the “deemed manufacturer” under the New Zealand Consumer Law (“Non-Godfreys Brands”). Warranties provided by Non-Godfreys Brands are still applicable.</p> <p>Godfreys owned stores and the Online Store will not be accepting “change of mind” or “money back guarantee” exchanges, refunds or returns. This may mean that you are an unsecured creditor of Godfreys (see section C above).</p> <p>If you think you are an unsecured creditor, you can lodge a Proof of Debt (POD) and supporting documentation via: nz_godfreys@pwc.com (see section C1 above).</p>

<p>A11 Can I return a product purchased during the administration?</p> <p><i>The administration commenced on 30 January 2024.</i></p>	<p>Customers that purchase products during the administration will have their rights under New Zealand Consumer Law.</p> <p>Returns of products purchased during the administration for defects and other reasons provided for under New Zealand Consumer Law will continue to be processed in accordance with that law.</p> <p>For goods purchased during the administration, Godfreys will not:</p> <ol style="list-style-type: none"> 1. be offering any express and/or voluntary warranties; 2. be offering any “change of mind” or “money back guarantee” returns, refunds or exchanges; and/or 3. be offering trade-in discounts. <p>All sales during the administration will be made on the basis that the customer has no additional rights against Godfreys than those provided for under New Zealand Consumer Law and other mandatory statutes.</p>
<p>A12 Does the 10 Day Money Back Guarantee policy still apply during the administration?</p>	<p>No</p>
<p>Warranties</p>	
<p>A13 Prior to the administration, I bought goods with a warranty attached, how will my warranty be impacted?</p>	<p>See A10 above.</p>
<p>A14 I am going to purchase goods during the administration. Will a warranty be provided?</p>	<p>See section A11 above.</p> <p>Godfreys will remain bound by the New Zealand Consumer Law, including the consumer guarantees provided by that law.</p> <p>No additional warranties will be provided by Godfreys.</p>
<p>A15 I purchased goods, there is no warranty attached but the goods are faulty, can I return them for a refund?</p>	<p>See A11 above.</p> <p>The Group will remain bound by New Zealand Consumer Law, including the consumer guarantees provided by that law.</p>
<p>Repairs</p>	
<p>A16 Will you continue to provide repairs and servicing?</p>	<p>No. This service is temporarily suspended.</p>
<p>A17 Your website references that you offer a 90-day warranty on all repairs, will this be honoured?</p>	<p>Please contact the store that organised the repairs.</p>

e. Appendix A1.2 – Commercial customers

This section is to address specific questions that relate to Commercial customers. These questions are in addition to questions in A1.1.

A18 I am a commercial customer of Godfreys Group – what happens to our ongoing arrangements?	The Administrators are currently undertaking an assessment of the Group's operations with the intention of undertaking a restructure and commencing a sale of business campaign. Further information will be provided in due course.
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f. Appendix B – Suppliers & other unsecured creditors

<p>B1 I am a supplier/ unsecured creditor of Godfreys NZ and have not been paid.</p>	<p>All creditors of Godfreys NZ are now creditors in the voluntary administration. Your debts currently cannot be paid.</p> <p>Amounts owed to you by Godfreys NZ as at 30 January 2024 will form part of your claim in the administration.</p> <p>It is important to note that a voluntary administration creates restrictions on creditors being able to enforce their rights. You generally cannot enforce your claim, recover your property, enforce any security, commence or continue an action against the company (including to place the company into liquidation) or act on a personal guarantee given by the director.</p> <p>Further guidance on voluntary administration is available at: https://companies-register.companiesoffice.govt.nz/help-centre/when-your-company-fails/what-happens-during-voluntary-administration/</p>
<p>B2 What does this mean for suppliers?</p>	<p>The Administrators are now in control of the businesses and operations of Godfreys NZ.</p> <p>Godfreys NZ will continue to support their brand partners and suppliers throughout the administration process and otherwise intend on operating as normal. Suppliers and brand partners should continue to deal with the same contact from Godfreys NZ as prior to the administration.</p> <p>The Administrators have imposed controls and procedures regarding the purchase of goods and services as outlined below.</p> <p>Further guidance on voluntary administration is available at: https://companies-register.companiesoffice.govt.nz/help-centre/when-your-company-fails/what-happens-during-voluntary-administration/</p>

B3 How do I continue to supply the Group throughout the administration period?	The Administrators are continuing to operate and trade Godfreys NZ on a 'business as usual' basis while we call for expressions of interest / undertake a sale of business campaign.
	We will not accept liability for any goods purchased or services rendered by suppliers that are not made in line with the Administrators' purchasing procedures as outlined below:
	<ul style="list-style-type: none"> • If there are any outstanding or unfulfilled orders placed by Godfreys NZ prior to our appointment, please contact your usual contact to obtain an updated purchase order from an authorised signatory to proceed with the order; and • Authorised signatories are limited – please contact the Administrators staff.
	Please immediately:
	<ul style="list-style-type: none"> • Close any existing account(s) in the Company's name and send a final invoice/statement to your usual contact. The balance of all outstanding invoices as at the date of our appointment will represent an unsecured claim against Godfreys NZ. • Open a new account for the relevant company titled New Zealand Vacuum Cleaner Company Limited (Administrators Appointed) for any orders made after 30 January 2024 being the date of our appointment and approved in writing by an authorised signatory. • Complete and return the vendor creation form directly to: nz_godfreys@pwc.com.
	Please continue to forward all future invoices to the accounts payable department of Godfreys.
B4 Why should I continue to supply the Group?	Continuing to operate as usual will give the Administrators the best chance to sell the business and assets of Godfreys NZ and ensure ongoing employment for Godfreys NZ staff. This will also improve the likelihood of unsecured creditors receiving a return on their pre-appointment debt.
B5 How long will it take to get my money back?	It is difficult to determine at this stage what, if any, return will be available for creditors and the timing of any such return. Information with respect to this query will be addressed in the Administrators report to creditors and at the Watershed Meeting.
B6 What is the likelihood I will get my money back?	It is difficult to determine at this stage what, if any, return will be available for creditors and the timing of any such return. Information with respect to this query will be addressed in the Administrators reports to creditors and at the Watershed Meeting.
B7 I am an overseas supplier (i.e., do not reside in NZ) is the process different for me to get my money back?	No, you will complete the same process as any other creditor in the administration.

B8	Can I take my stock back if I have not received payment?	No, stock is property of the relevant Group company, and it cannot be recovered except in limited circumstances. If you have registered a security interest on the PPSR, please refer to Section 1..
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B9	Can I get a copy of the creditors listing of the specific company in the Group?	You will need to request this information directly. Please email nz_godfreys@pwc.com .
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g. Appendix C – Employees

<p>C1 What is happening to me as an employee of Godfreys NZ?</p>	<p>The business will continue to trade during the administration.</p> <p>The Administrators are currently assessing the Group's operations and will undertake a restructure and commence a sale of business campaign. The Administrators currently anticipate there will be strong interest from prospective buyers and we hope to preserve as many jobs as possible.</p> <p>As a result of the restructure, a number of stores will be closed. The store closures will occur within the next few days.</p> <p><u>Retail employees</u></p> <p>Please continue to attend your place of employment in line with your current contracted terms.</p> <p>Further guidance will be provided to staff affected by store closures.</p> <p>Stores that are not closing will continue to operate as normal.</p> <p><u>Head office employees</u></p> <p>If you work in a head office role, please continue to attend your place of employment in line with your current contracted terms.</p>
<p>C2 I work at a store that is flagged for closure. What does this mean?</p>	<p>You will be notified and given further details as soon as possible.</p> <p>In limited circumstances, there may be opportunities for redeployment to other stores within the store network. Alternatively, employment will be terminated.</p>
<p>C3 How do I find out what I am owed?</p>	<p>The Administrators will be assessing each employee's entitlements and will communicate with you further regarding this.</p>
<p>C4 When will my employee entitlements be paid?</p>	<p><u>Accrued entitlements prior to the Administrators' appointment (30 January 2024)</u></p> <p>Any amounts owed to you relating to the period prior to the appointment of Administrators (i.e., before 30 January 2024) will be a claim against Godfreys NZ and payable in priority (out of specific assets) to certain other claims Godfreys NZ should Godfreys NZ be placed into liquidation at a later date.</p> <p>Voluntary administration is an interim form of external administration. As is the usual practice, employee entitlements accrued before the appointment of the Administrators will not be paid during the voluntary administration. Such entitlements are expected to be paid at the end of the administration process (or in liquidation) from the realisation of Godfreys NZ assets.</p> <p><u>Ongoing salary and wages post-appointment date</u></p> <p>We understand wages have been paid up to 26 January 2024. The Administrators will pay ongoing employees their salary and wages from 30 January 2024 in the ordinary way.</p>

C5 What happens to the wages/super/annual leave/long service leave and redundancy owed to me if my employment is terminated?	<p>For employees whose employment has been terminated, claims for arrears of wages/salaries, holiday pay, and any redundancy pay (where applicable) due on termination, will have priority (out of certain assets) for payment over other certain creditors, and is limited to a gross amount of \$25,480, pursuant to the Companies Act 1993.</p> <p>To the extent these entitlements have not already been paid, it is likely you will need to wait until the outcome of the Watershed Meeting of creditors before you receive any outstanding entitlements.</p> <p>Please note that if you intend to resign during our appointment, you may not be entitled to any redundancy compensation otherwise payable to you.</p> <p>Payment of your entitlements will be dependent on the level of funds paid for certain of the Godfrey NZ assets and recovered from the sale of Godfrey business and assets.</p>
C6 When will I learn more about my employee entitlements?	The Administrators will write to you regarding your entitlements as soon as possible. Further information regarding the Group will be provided in the Administrators' report to creditors prior to the Watershed Meeting of creditors.
C7 What happens if I am on annual leave or about to take annual leave?	<p>If you are on annual leave you should return to your job on the due date as usual.</p> <p>The Administrators intend to honour any annual leave requests submitted prior to their appointment. However, please contact your direct manager to confirm the dates and arrangements.</p>
C8 What happens to my job if the Group/business is sold?	<p>In the event that the Group or business is sold or restructured, we hope that this will allow for, either:</p> <ul style="list-style-type: none"> ● the continuation of employment per current arrangements; or ● a transfer of employees to the new owners. <p>We will provide regular updates regarding the status of the voluntary administration process.</p>
C9 If I have resigned and am currently awaiting a payout for the balance of my leave, am I now a creditor to the business instead of an employee?	All employees (past and present) are classified as preferential creditors for any outstanding wages, holiday pay or redundancy compensation (in each case for the period prior to administration). That means any entitlements will be paid (up to the statutory limit) in priority to ordinary unsecured creditor claims (out of specific assets of Godfreys NZ).
C10 I am a casual employee and have been terminated, will I receive redundancy compensation?	No, typically casual employees are not entitled to redundancy compensation unless the employment agreement contains an entitlement.

C11 All other queries

The Administrators will continue to update this FAQ document with additional information on a regular basis. Please continue to review this document here: <https://www.pwc.co.nz/services/business-restructuring/voluntary-administration.html>

Please provide particulars of your query to your direct manager in the first instance, and they will forward it to the Administrators if they are unable to answer your query. A PwC staff member will be in contact with you to further address your query if not otherwise resolved.

Otherwise, please contact: nz_godfreys@pwc.com.

h. Appendix D – Landlords

<p>D1 I am a lessor and am owed money for unpaid rent (or other amounts under the lease agreement) by Godfreys NZ – when will I be paid?</p>	<p>Any amounts owing to you at the date of our appointment will rank as an unsecured debt against the Company, as will any amounts due under the lease as a result of early termination of the agreement.</p> <p>For completeness, the Administrators are not personally liable for rent for the first seven business days after the appointment date, pursuant to section 239ADI of the Act. The Administrators intend to seek orders from the Court extending the period for which they will not be personally liable for rent and other payments under Godfreys NZ's leases.</p>
<p>D2 The lessee has paid amounts in advance, what do I do with the income received in advance?</p>	<p>The Administrators intend to trade on the Godfreys NZ business while they conduct their investigations. During this time, we anticipate the premises will continue to be occupied by the Company.</p> <p>The Administrators will provide separate correspondence to landlords throughout the duration of the administration to keep them updated.</p>
<p>D3 Will Godfreys continue to lease my property and, if so, when will I be paid for any post appointment rent?</p>	<p>The Administrators are currently assessing Godfreys NZ operations and will undertake an immediate restructure and sale of business campaign. Accordingly, the Administrators intend to remain at the leased property until further notice.</p> <p>The Administrators are not personally liable for rent for the first seven business days after the appointment date, pursuant to section 239ADI of the Act. The Administrators intend to seek orders from the Court extending period for which they will not be personally liable for rent and other payments under Godfreys NZ's leases. Subject to the that period, the Administrators will procure that the Company pays rent where the Company continues to occupy and use the leased premises.</p> <p>The Administrators may choose to exit a lease early due to a decision to close certain stores. The Administrators will separately correspond with the impacted lessors in this instance.</p>
<p>D4 If the leased premises continues to be occupied by Godfreys, where should I send my invoices?</p>	<p>Please continue to send your invoices to your existing Godfrey NZ accounts payable contact.</p>

D5	How does invoicing work now that Godfreys is in administration?	<p>Please immediately:</p> <ul style="list-style-type: none"> Close any existing account(s) in Godfreys NZ name and send a final invoice/statement to your usual contact. The balance of all outstanding invoices as at the date of our appointment will represent an unsecured claim against the relevant Group company. <p>The Administrators intend to provide more specific instructions to landlord creditors with respect to making a claim in due course, subsequent to the review of various lease and other relevant agreements.</p> <ul style="list-style-type: none"> Open a new account for the relevant company titled “New Zealand Vacuum Cleaner Company Limited (Administrators Appointed)”. Complete and return the vendor creation to: nz_godfreys@pwc.com.
D6	Can I get a copy of the creditors listing of the specific company in the Group?	You will need to request this information directly. Please email nz_godfreys@pwc.com.
D7	Can you confirm what is owed to me?	We are unable to provide an estimate at this stage, please estimate the value of your claim.
D8	Can I offset monies owed to the Group with outstanding monies owed by the Group to me?	No
D9	When will I find out if you intend to exit my premises?	Landlords of stores that will be closed will be notified directly by the Administrators
D10	How long will the sale process take? And when will I be informed who a potential new tenant may be?	Further details will be provided in due course.

i. Appendix E – Franchisees

E1	I am a franchisee, what does the administration mean for me?	<p>The Administrators are currently undertaking an assessment of the Group's operations with the intention of undertaking a restructure and commencing a sale of business campaign.</p> <p>Further information will be provided in due course. It is likely that the trading relationship between yourself and the Group will change.</p> <p>We recommend that Franchisees seek their own professional advice.</p>
E2	I owe amounts to the Group under my franchise agreement such as my franchise fee, royalties etc. Do I still need to pay these?	Yes.
E3	What happens to the terms and conditions of the franchise agreement?	The franchise agreements continue to apply.
E4	Will Franchise Fees continue to be charged?	Yes.
E5	Can I continue to purchase stock from the Group?	Yes, in accordance with the franchise and supply agreements (subject to availability of stock and / or any matters arising from the Group administrations).
E6	Is my store going to be corporatised?	No, not at this stage. The buyback process previously undertaken by the Group is now suspended.
E7	I lease a premise directly to run my franchise, how will this be impacted by the administration?	You should seek your own professional advice.
E8	I operate my franchise store from a premises that is leased to the Godfreys Group. What does this mean for me?	Franchisees must continue to comply with their obligations under their licence agreements with Godfreys NZ.
E9	Will I still be able to access support from head office including marketing materials, inventory and items required for store fit out during the administration?	Godfreys NZ will be continuing to trade in accordance with the franchise agreements, subject to requirements of, and restriction in, the Administration process.
E10	I want to terminate my franchise agreement early.	You should seek your own professional advice.
E11	What happens to my franchise and the franchise agreement if the Group/business is sold?	Further information will be provided in due course.