



**THE SECURITIES ACT (IRRIGATION COMPANIES) EXEMPTION
NOTICE 1990**

PURSUANT to the Securities Act 1978, the Securities Commission gives the following notice.

NOTICE

1. Title and commencement—(1) This notice may be cited as the Securities Act (Irrigation Companies) Exemption Notice 1990.

(2) This notice shall come into force on the day after the date of its notification in the *Gazette*.

2. Interpretation—(1) In this notice, unless the context otherwise requires,—

“The Act” means the Securities Act 1978:

“The first prospectus” means, in relation to an irrigation company, the first registered prospectus issued by that irrigation company for specified equity securities:

“Irrigation company” means a company registered under the Companies Act 1955 which has acquired an irrigation scheme from the Crown pursuant to the Irrigation Schemes Act 1990:

“Irrigation scheme” means a water supply works to which the definition of the term “irrigation scheme” in section 2 of the Irrigation Schemes Act 1990 applies:

“The Regulations” means the Securities Regulations 1983:

“Specified equity securities” means equity securities issued by an irrigation company which are offered for subscription to any person who, as a shareholder, or who, on becoming a shareholder, intends to participate in an irrigation scheme owned by the company.

(2) Any term or expression which is not defined in this notice, but which is defined in the Act or the Regulations, shall have the meaning given to it by the Act or the Regulations.

3. Irrigation companies exempt from certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of offers of specified equity securities—(1) Subject to this clause, every irrigation company, and every person acting on behalf of an irrigation company, are exempted from compliance with the provisions of—

- (a) Sections 37A (1) (e), 37A (2), and 54 of the Act; and
- (b) Regulation 3 (1) of the Regulations in so far as that subclause requires the registered prospectus containing an offer of specified equity securities to contain the information, statements, certificates, and other matters specified in clauses 1 (3), 6, 8 to 10, 11 (2) (c), 11 (3) (f) and (g), 22 to 37, 41, and 42 of the First Schedule to the Regulations—

in respect of any offer or allotment of specified equity securities.

(2) The exemption granted by subclause (1) of this clause is subject to the condition that a copy of an audited consolidated balance sheet as at the end of, and an audited consolidated profit and loss account for, the most recently completed accounting period of the irrigation company, or if the first accounting period has not yet been completed, then for the period up to 3 months prior to the registration of the most recent prospectus—

- (a) Has, before making the offer, been given or sent to the persons to whom the offer is made; or
- (b) Is attached to, or contained in, the registered prospectus given or sent to the persons to whom the offer is made—

which audited consolidated balance sheet and audited consolidated profit and loss account give a true and fair view of the state of affairs and results thereof in accordance with the provisions relating to accounts contained in the Companies Act 1955.

(3) The exemption granted by subclause (1) of this clause is subject to the further condition that every person to whom an offer of specified equity securities is made during the period of 2 years from the date of registration of the first prospectus is supplied, at the time the offer is made, with—

- (a) A financial statement in summary form (and, where practicable, in tabular form) in respect of the irrigation scheme; and
- (b) A statement as to whether or not the amounts stated pursuant to paragraphs (a), (b), and (c) of subclause (4) of this clause have been taken from audited financial statements.

(4) For the purposes of subclause (3) (a) of this clause—

- (a) The amounts in the financial statement shall be amounts that appear in financial statements giving a true and fair view of the results and state of affairs of the irrigation scheme for the 2 accounting periods preceding the date of the first prospectus, or, where no such statements have been prepared, amounts that would have appeared in such statements if they had been prepared:
- (b) The amounts that appear in the financial statement shall include, to the extent available in respect of each of the 2 accounting periods preceding the date of the first prospectus, amounts showing—
 - (i) Sales or other gross operating revenues:
 - (ii) Management expenses:
 - (iii) Total interest expense:
 - (iv) The total of any abnormal items that derive from the ordinary activities of the scheme;

- (v) The net profit or loss before taking account of taxation and extraordinary items:
 - (vi) The total provided for, or credited by way of, taxation:
 - (vii) The net profit or loss before taking account of extraordinary items:
 - (viii) The total of any extraordinary items (net of taxation) that derive from events outside the ordinary activities of the scheme:
 - (ix) The net profit or loss after taking account of extraordinary items:
 - (x) Distributions or appropriations of net profit or loss:
- (c) The amounts that appear in the financial statement shall, to the extent available, include as at the end of each of the 2 accounting periods preceding the date of the first prospectus, amounts showing—
- (i) Total assets:
 - (ii) Total tangible assets:
 - (iii) Total liabilities:
 - (iv) Total issued capital and reserves.
- (5) The exemption granted by subclause (1) of this clause is subject to the further conditions that—
- (a) At the date of an allotment of specified equity securities, the most recent registered prospectus that relates to the specified equity securities is not known by the issuer, or any director of the issuer, to be false or misleading in a material particular by reason of failing to refer, or give proper emphasis, to adverse circumstances (whether or not the registered prospectus became so misleading as a result of circumstances occurring after the date of the registered prospectus); and
 - (b) The Articles of Association of the irrigation company provide that no calls on specified equity securities may be made except with the authority of the company's shareholders in general meeting.

Dated at Wellington this 12th day of November 1990.

The Common Seal of the Securities Commission was hereunto affixed in the presence of:

[L.S.]

R. E. BAKER,
Member.

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice exempts companies that have acquired irrigation schemes from the Crown pursuant to the Irrigation Schemes Act 1990 from certain provisions of the Securities Act 1978 and the Securities Regulations 1983 in respect of offers of specified equity securities (as that term is defined).

Issued under the authority of the Acts and Regulations Publication Act 1989.
Date of notification in *Gazette*: 15 November 1990.
This notice is administered in the Securities Commission.