

**Reprint
as at 1 August 2011**



**Securities Act (Dairy Equity
Limited) Exemption Notice 2006**

(SR 2006/220)

Securities Act (Dairy Equity Limited) Exemption Notice 2006: expired, on
1 August 2011, by clause 3.

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

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Notice

1 Title

This notice is the Securities Act (Dairy Equity Limited) Exemption Notice 2006.

Note

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in this reprint.

A general outline of these changes is set out in the notes at the end of this reprint, together with other explanatory material about this reprint.

This notice is administered by the Securities Commission.

2 Commencement

This notice comes into force on the day after the date of its notification in the *Gazette*.

3 Expiry

This notice expires on the close of 31 July 2011.

4 Interpretation

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

Act means the Securities Act 1978

Dairy Equity means Dairy Equity Limited

Regulations means the Securities Regulations 1983

specified equity securities means equity securities in Dairy Equity offered to the public by Dairy Equity.

(2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemption from clause 10(1)(c) of Schedule 1 of Regulations

Dairy Equity and every person acting on its behalf are exempted from clause 10(1)(c) of Schedule 1 of the Regulations in respect of the specified equity securities.

6 Conditions of exemption in clause 5

The exemption in clause 5 is subject to the conditions that—

(a) the registered prospectus relating to the offer of the specified equity securities contains, in the place where the prospective statement of cash flows required by clause 10(1)(c) of Schedule 1 of the Regulations would otherwise be set out,—

(i) a prominent statement to the effect that investors should regard investment in Dairy Equity as high risk; and

(ii) a prominent statement to the effect that the directors believe that they are unable to provide a meaningful prospective statement of cash flows and a statement of the directors' reasons, with

- reference to the principal assumptions on which any prospective financial information would have been based, for forming that view; and
- (b) the investment statement relating to the offer of the specified equity securities contains, at the front of the section headed “*What returns will I get?*”,—
- (i) a prominent statement to the effect that the directors believe that they are unable to provide a meaningful prospective statement of cash flows and a statement of the directors’ reasons, with reference to the principal assumptions on which any prospective financial information would have been based, for forming that view; and
- (ii) a prominent statement to the effect that investors should rely on their own judgement or on independent advice as to the likely level of returns.

Dated at Wellington this 8th day of August 2006.

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

[Seal]

C A N Beyer,
Member.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on 31 July 2011, exempts Dairy

Equity Limited (**Dairy Equity**) from clause 10(1)(c) of Schedule 1 of the Securities Regulations 1983 (the **Regulations**).

The Securities Commission considers that it is appropriate to grant the exemption because—

- under clause 10(1)(c) of Schedule 1 of the Regulations, a registered prospectus for an initial offer of equity securities is required to contain a prospective statement of cash flows to provide potential investors with information about the issuer's anticipated cash flows in the year following the offer of securities. However, in some circumstances where there is not reliable information on which to base a prospective statement of cash flows, any such statement is unlikely to be of use to potential investors and may be misleading:
- Dairy Equity believes it would be difficult to prepare a prospective statement of cash flows without that statement containing so much qualification as to make the statement of little relevance and meaning to potential investors:
- the conditions of the exemption require the registered prospectus and investment statement to contain certain statements. These statements will inform potential investors that the investment is high risk, that the directors believe that they are unable to provide a meaningful prospective statement of cash flows and their reasons for forming that view, and that investors should rely on their own judgement or on independent advice as to the likely level of returns:
- the notice does not exempt Dairy Equity from clause 40 of Schedule 1 of the Regulations. Dairy Equity and each of its directors therefore remain liable to ensure that all material matters relating to the offer of the equity securities are disclosed in the registered prospectus.

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Notes

1 *General*

This is a reprint of the Securities Act (Dairy Equity Limited) Exemption Notice 2006. The reprint incorporates all the amendments to the notice as at 1 August 2011, as specified in the list of amendments at the end of these notes.

Relevant provisions of any amending enactments that contain transitional, savings, or application provisions that cannot be compiled in the reprint are also included, after the principal enactment, in chronological order. For more information, *see* <http://www.pco.parliament.govt.nz/reprints/>.

2 *Status of reprints*

Under section 16D of the Acts and Regulations Publication Act 1989, reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by the amendments to that enactment. This presumption applies even though editorial changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in the reprint.

This presumption may be rebutted by producing the official volumes of statutes or statutory regulations in which the principal enactment and its amendments are contained.

3 *How reprints are prepared*

A number of editorial conventions are followed in the preparation of reprints. For example, the enacting words are not included in Acts, and provisions that are repealed or revoked

are omitted. For a detailed list of the editorial conventions, see <http://www.pco.parliament.govt.nz/editorial-conventions/> or Part 8 of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations and Deemed Regulations in Force*.

4 Changes made under section 17C of the Acts and Regulations Publication Act 1989

Section 17C of the Acts and Regulations Publication Act 1989 authorises the making of editorial changes in a reprint as set out in sections 17D and 17E of that Act so that, to the extent permitted, the format and style of the reprinted enactment is consistent with current legislative drafting practice. Changes that would alter the effect of the legislation are not permitted. A new format of legislation was introduced on 1 January 2000. Changes to legislative drafting style have also been made since 1997, and are ongoing. To the extent permitted by section 17C of the Acts and Regulations Publication Act 1989, all legislation reprinted after 1 January 2000 is in the new format for legislation and reflects current drafting practice at the time of the reprint.

In outline, the editorial changes made in reprints under the authority of section 17C of the Acts and Regulations Publication Act 1989 are set out below, and they have been applied, where relevant, in the preparation of this reprint:

- omission of unnecessary referential words (such as “of this section” and “of this Act”)
- typeface and type size (Times Roman, generally in 11.5 point)
- layout of provisions, including:
 - indentation
 - position of section headings (eg, the number and heading now appear above the section)
- format of definitions (eg, the defined term now appears in bold type, without quotation marks)
- format of dates (eg, a date formerly expressed as “the 1st day of January 1999” is now expressed as “1 January 1999”)

- position of the date of assent (it now appears on the front page of each Act)
- punctuation (eg, colons are not used after definitions)
- Parts numbered with roman numerals are replaced with arabic numerals, and all cross-references are changed accordingly
- case and appearance of letters and words, including:
 - format of headings (eg, headings where each word formerly appeared with an initial capital letter followed by small capital letters are amended so that the heading appears in bold, with only the first word (and any proper nouns) appearing with an initial capital letter)
 - small capital letters in section and subsection references are now capital letters
- schedules are renumbered (eg, Schedule 1 replaces First Schedule), and all cross-references are changed accordingly
- running heads (the information that appears at the top of each page)
- format of two-column schedules of consequential amendments, and schedules of repeals (eg, they are rearranged into alphabetical order, rather than chronological).

**5 *List of amendments incorporated in this reprint
(most recent first)***

Securities Act (Dairy Equity Limited) Exemption Notice 2006 (SR 2006/220):
clause 3
