



Securities Act (Gullivers Travel Group Limited) Exemption Notice 2004

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 (Gullivers Travel Group Limited) Exemption Notice 2004.
- 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 30 September 2005.
- 4 Interpretation**
 - (1) In this notice, unless the context otherwise requires,—
Act means the Securities Act 1978
First Schedule means the First Schedule of the Regulations

Gullivers group—

- (a) means the group of companies comprising Gullivers Travel and its intended subsidiary companies; and
- (b) includes any other interests in any other companies owned directly or indirectly by the companies referred to in paragraph (a) as at the date Gullivers Travel acquires the intended subsidiary companies

Gullivers Travel means Gullivers Travel Group Limited

intended subsidiary companies means the following companies that, on the date of the commencement of this notice, are intended to be subsidiaries of Gullivers Travel as from a date on or about December 2004:

- (a) Access Interactive Limited;
- (b) Atlantic & Pacific Business Travel Limited;
- (c) Gulliver's Pacific Limited;
- (d) Interactive Technologies Limited;
- (e) Just Tickets Limited;
- (f) Signature Travel Limited;
- (g) United Travel Limited

offer means the offer to the public of shares in Gullivers Travel in accordance with the offer document

offer document means the combined prospectus and investment statement in relation to the offer that is, or will be, registered on or about 16 November 2004

Regulations means the Securities Regulations 1983

shares means ordinary shares in Gullivers Travel.

- (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 Exemptions from First Schedule

Gullivers Travel and every person acting on its behalf are exempted, in respect of the offer, from the following clauses of the First Schedule:

- (a) clause 10(1)(c);
- (b) clauses 8, 11(2)(c), 11(3)(d), (f), and (g), and 23 to 38;
- (c) clauses 42(1)(f) and (g), and 42(2).

6 Conditions of exemption in clause 5(a)

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

- (a) the offer document contains—
 - (i) a prospective statement of cash flows of the Gullivers group for the 4-month period ending on 31 March 2005 and for the 12-month period ending on 31 March 2006; and
 - (ii) a prospective pro forma statement of cash flows of the Gullivers group for the 12-month period ending on 31 March 2005; and
- (b) the prospective statements of cash flows referred to in paragraph (a) comply with clause 10(2) of the First Schedule.

7 Condition of exemption in clause 5(b)

The exemption in clause 5(b) is subject to the condition that the offer document contains audited pro forma consolidated financial statements for the Gullivers group for the 12-month period ending on 31 March 2004 that—

- (a) are derived from pro forma financial statements prepared for the corresponding period for each intended subsidiary company in the Gullivers group; and
- (b) are prepared in accordance with the assumptions that describe the ownership, composition, and operation of the Gullivers group contained in the offer document; and
- (c) are prepared as if Gullivers Travel had owned the intended subsidiary companies throughout the period from 1 April 2002 to 31 March 2004; and
- (d) comply with clauses 23 to 38 of the First Schedule as if—
 - (i) references in those clauses to the group were references to the Gullivers group; and
 - (ii) references in those clauses to the most recently completed accounting period were references to the 12-month period ending on 31 March 2004; and
 - (iii) references in clause 37(a) and (b) of the First Schedule to comparative figures for the preceding accounting period were references to figures

for the 12-month period ending on 31 March 2003 that are—

- (A) derived from financial statements prepared for that period for each intended subsidiary company in the Gullivers group; and
- (B) prepared in accordance with the assumptions referred to in paragraph (b) and with paragraph (c).

8 Condition of exemption in clause 5(c)

- (1) The exemption in clause 5(c) is subject to the condition that the offer document contains a copy of a report by a qualified auditor that—
 - (a) is signed by the auditor in the name of the auditor or the auditor's firm; and
 - (b) states whether the amounts stated in the audited pro forma consolidated financial statements—
 - (i) have been drawn up to comply with disclosure permitted by this notice (rather than the disclosure required by the Regulations); and
 - (ii) subject to this notice, comply with clauses 23 to 38 of the First Schedule; and
 - (iii) subject to the Regulations and the assumptions that describe the ownership, composition, and operation of the Gullivers group contained in the offer document, comply with generally accepted accounting practice; and
 - (iv) give a true and fair view of the state of affairs of the Gullivers group as at 31 March 2004 and of the financial performance and cash flows of the Gullivers group for the year ended on that date in accordance with subclause (3); and
 - (v) have been properly derived from pro forma financial statements prepared for the corresponding period in respect of each intended subsidiary company in the Gullivers group; and
 - (vi) have been properly compiled on the footing of the assumptions that describe the ownership, composition, and operation of the Gullivers group contained in the offer document; and

- (vii) have been properly compiled as if Gullivers Travel had owned the intended subsidiary companies throughout the period from 1 April 2002 to 31 March 2004; and
 - (c) states whether the amounts stated in any summary pro forma historical consolidated financial information have been derived from the audited pro forma consolidated financial statements and whether or not the amounts have been correctly derived; and
 - (d) contains a statement in the form set out in the Schedule in relation to the prospective financial information referred to in clause 6.
 - (2) The exemption in clause 5(c) is subject to the further condition that the offer document contains a prominent statement to the effect that the consolidated financial statements contained in that document for the Gullivers group are pro forma consolidated financial statements for the intended subsidiary companies to be included in the Gullivers group and are not the actual financial statements for the Gullivers group.
 - (3) For the purposes of subclause (1)(b)(iv), the report by the qualified auditor must state that the audited pro forma consolidated financial statements give a true and fair view—
 - (a) taking into account information or explanations of the kind referred to in section 14(2) of the Financial Reporting Act 1993 (if any); and
 - (b) including, and on the basis of, the assumptions that describe the ownership, composition, and operation of the Gullivers group, and the accounting policies, contained in the offer document; and
 - (c) as if Gullivers Travel had owned the intended subsidiary companies throughout the period from 1 April 2002 to 31 March 2004.
 - (4) If the audited pro forma consolidated financial statements do not comply with the matters referred to in subclause (1)(b)(i) to (vii), the report must state how they do not so comply.
 - (5) In this clause, **audited pro forma consolidated financial statements** means the audited pro forma consolidated financial statements referred to in clause 7.
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Schedule

Form of statement

cl 8(1)(d)

In our opinion, the prospective financial information of the Gullivers group for the 4-month period ending on 31 March 2005 and the year ending on 31 March 2006, and the pro forma prospective financial information of the Gullivers group for the year ending on 31 March 2005 set out on [*specify pages of the offer document*], and the amounts set out in the columns labelled 2005 pro forma forecast and 2006 forecast in the table showing the segmental breakdown on [*specify pages of the offer document*], so far as the accounting policies and calculations are concerned,—

- (a) have been properly compiled on the footing of the assumptions made or adopted by the directors of Gullivers Travel Group Limited, and in relation to the year ending on 31 March 2005, including the assumptions describing the ownership, composition, and operation of the Gullivers group, as set out respectively on [*specify pages of the offer document*]; and
- (b) are presented on a basis consistent with the accounting policies to be adopted by the Gullivers group, such accounting policies being materially the same as the accounting policies set out on [*specify pages of the offer document*] which were used by the Gullivers group in the preparation of the audited pro forma historical consolidated financial statements.

Dated at Wellington this 10th day of November 2004.

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

[L.S.]

F. R. S. Clouston,
Member.

Statement of reasons

This notice comes into force on the day after the date of its notification in the *Gazette* and expires on the close of 30 September 2005.

This notice exempts Gullivers Travel Group Limited, subject to conditions, from clauses 8, 10(1)(c), 11(2)(c), 11(3)(d), 11(3)(f), 11(3)(g), 23 to 38, 42(1)(f), 42(1)(g) and 42(2) of the First Schedule of the Securities Regulations 1983 (the **First Schedule**) in respect of shares offered to the public by Gullivers Travel Group Limited under a combined prospectus and investment statement in relation to the offer that is, or will be, registered on or about 16 November 2004.

The Securities Commission considers that it is appropriate to grant the exemptions for the following reasons:

- the exemption from clause 10(1)(c) of the First Schedule means that the prospective financial information will be aligned to the accounting periods to be adopted by Gullivers Travel Group Limited. This will provide more useful and more easily comparable information when historical financial information is provided in the future for these periods. It is more useful for investors to be presented with prospective financial information aligned with the financial periods for which audited financial statements will be prepared; and
- given the complex restructuring that will be undertaken to arrive at the issuing group structure, the exemption from clauses 8, 11(2)(c), 11(3)(d), 11(3)(f), 11(3)(g), and 23 to 38 of the First Schedule, with the inclusion of audited pro forma consolidated financial statements (which also disclose assumptions made in the preparation of the audited pro forma consolidated financial statements) should provide more useful information for investors to assess the position of Gullivers Travel Group Limited in the form in which it will commence business and the nature of the investment that is actually being offered; and
- the exemption from clauses 42(1)(f) and (g), and 42(2) of the First Schedule allows an auditor's report that provides a more relevant opinion in light of the actual historical and prospective financial information to be provided in the offer document.

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**Securities Act (Gullivers Travel Group
Limited) Exemption Notice 2004**

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 12 November 2004.

This notice is administered by the Securities Commission.
