

(2) The income derived or expenditure incurred in respect of a mandatory conversion convertible note shall be calculated by daily apportionment of the coupon interest payments to income years pursuant to Determination G1: Apportionment of Daily Income and Expenditure.

7. *Example*—On 13 September 1987 a convertible note is issued for \$100 with an interest coupon of 12 percent payable semi-annually in arrears. The note is mandatorily convertible to ten shares in the issuing company on 13 September 1988. The market value of each share at issue date is \$9 and by conversion date this has risen to \$15. Both the issuer and holder use a 31 March balance date and apply Determination G1 on a 365 days basis.

The coupon interest payments are made as follows:

13 March 1988	\$6.00
13 September 1988	\$6.00

(a) *Year ended 31 March 1988*—

Coupon payment 13/3/88	\$6.00
Apportionment of coupon payment 13/9/88	

There are 18 days between 13 March and 31 March 1988, and 184 days between 13 March and 13 September 1988 $18/184 \times \$6.00$

	= \$0.59
Income/Expenditure	<u>\$6.59</u>

(b) *Year ended 31 March 1989*—

As the note matures in this year the base price adjustment (section 64F of the Act) is required. The formula $a - (b + c)$ is applied using the following values:

a (all consideration paid)	= \$12.00
b (acquisition price)	= 0
c (amounts in previous years)	= \$ 6.59
Income/Expenditure	= $a - (b + c)$
	= \$12.00 - (0 + \$6.59)
	= \$ 5.41

As all amounts other than the coupon payments are deemed to be attributable to the underlying shares, the issue price and share market values can be ignored for the purposes of calculating income and expenditure. This effectively gives the note an acquisition price of nil (for accrual purposes), hence the zero value of "b" in the above base price adjustment.

This determination is signed by me on the 5th day of August in the year 1987.

JOHN SIMCOCK, Commissioner of Inland Revenue.

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Notice by Commerce Commission of Clearances of Merger and Takeover Proposals

NOTICE is hereby given that the Commerce Commission has given clearance to the following merger and takeover proposals in terms of section 66 (3) (a) of the Commerce Act 1986.

Person by or on behalf of whom notice was given in terms of section 66 (1) of the Commerce Act 1986

Proposal

Date of Clearance

Commission Reference

Dominion Breweries Ltd.	Dominion Breweries Ltd. may acquire the furniture, plant, chattels and stock-in-trade of the Cambridge Tavern, Leamington, from Jay Holdings Ltd.	5 August 1987	AUT/MT-D1/21
Pyne Gould Corporation Ltd.	Pyne Gould Corporation Ltd. may acquire all the shares in Pyne Gould Guinness Ltd.	6 August 1987	AUT-MT-P15/1
Pyne Gould Guinness Ltd.	Pyne Gould Guinness Ltd. may acquire up to 100 percent of the issued share capital of Finance and Discounts Ltd.	6 August 1987	AUT/MT P13/2
Equiticorp Holdings Ltd.	Equiticorp Holdings Ltd., or any wholly owned subsidiary company may increase its shareholding in Feltex International Ltd. from 49.6 percent to 100 percent	6 August 1987	AUT-MT-E4/4
Alliance Freezing Company (Southland) Ltd.	Alliance Freezing Company (Southland) Ltd. may acquire up to 100 percent of the issued share capital of C. S. Stevens and Company Ltd.	6 August 1987	AUT/MT-A12/2
Crown Corporation Ltd.	Crown Corporation Ltd. or an interconnected body corporate may acquire up to 100 percent of the issued share capital of Rada Corporation Ltd.	6 August 1987	AUT/MT-C3/3
Angus Group Ltd.	Angus Group Ltd. may acquire all the issued capital in Angus Corporation Ltd.	6 August 1987	AUT/MT-A22/2
East Coast Permanent Trustees Ltd.	East Coast Permanent Trustees Ltd. may acquire the commercial office development at number 3 Owens Road and 103 to 109 Manukau Road, Epsom, Auckland, from Chase Group and Concept Projects Ltd., its wholly owned subsidiary.	6 August 1987	AUT/MT-E9/1
Jarden Europe SA	Jarden Europe SA may acquire up to 100 percent of the issued share capital in Kentbrass Ltd.	6 August 1987	AUT/MT-J9/1
Strong and Fisher (Holdings) P.L.C. (UK)	Strong and Fisher (Holdings) P.L.C. may acquire more than 50 percent of the share capital of New Zealand Light Leathers Ltd.	11 August 1987	AUT/MT-S15/1

Dated at Wellington this 12th day of August 1987.

D. T. WOGAN, for Commerce Commission.

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