

**ANNUAL REPORT 1998**

**IRISH TAKEOVER PANEL**

**Report for the period from April 29, 1997 to June 30, 1998**

# **IRISH TAKEOVER PANEL**

**Report for the period from April 29, 1997 to June 30, 1998**

This first report of the Irish Takeover Panel is made to Ms. Mary Harney, T.D., Minister for Enterprise, Trade and Employment as required by section 19 of the Irish Takeover Panel Act, 1997

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## Members of the Panel

Irish Association of Investment Managers

Irish Clearing House Limited - Nominated by the Irish Bankers Federation

Irish Stock Exchange Limited

Law Society of Ireland

Sean Dorgan - Nominated by the Consultative Committee  
of Accountancy Bodies - Ireland

## Directors of the Panel

|                    |   |  |
|--------------------|---|--|
| Chairperson        | Daniel O’Keeffe, S.C. }                                       | Appointed by the Governor of the Central<br>Bank of Ireland                |
|                    | William M. McCann, FCA }                                      |  |
| Deputy Chairperson | Kenneth Beaton<br>(Alternate: Michael Dillon)                 | Appointed by the Irish Stock Exchange Limited                              |
|                    | Ann Fitzgerald  | Appointed by the Irish Association of<br>Investment Managers               |
|                    | Daniel J. Kitchen   | Appointed by the Consultative Committee<br>of Accountancy Bodies - Ireland |
|                    | Brian J. O’Connor<br>(Alternate: Alvin Price)                 | Appointed by the Law Society of Ireland                                    |
|                    | Philip Sykes<br>(Alternates: Richard Keatinge<br>Hugh Cooney) | Appointed by the Irish Bankers Federation                                  |

## Director General (and Secretary of the Panel)

Leo Conway



## **Introduction**

The Irish Takeover Panel (“the Panel”) is the statutory body responsible for monitoring and supervising takeovers and other relevant transactions in Ireland. The Panel was established by the Irish Takeover Panel Act, 1997 (“the Act”); it is incorporated as a company limited by guarantee. The Panel is responsible for making Rules to ensure that takeovers and other relevant transactions comply with the General Principles set out in the Schedule to the Act. These General Principles are designed to ensure fair and equal treatment of all shareholders in relation to takeovers. The Rules also serve to provide an orderly framework within which takeovers can be conducted.

The Panel has extensive powers under the Act to make rulings and give directions, to hold hearings, to summon witnesses and to require production of documents and other information, where these are appropriate in the discharge of its statutory functions.



## **Chairperson's Statement**

### *Background*

Until July 1997, the London Takeover Panel regulated all takeover offers for companies resident in the Republic of Ireland whose shares were listed or dealt in on the Irish or London Stock Exchanges. The London Panel regulates conduct in the course of a takeover through a self-regulatory code which is designed to ensure good business standards and fairness to shareholders. Following the introduction of the Stock Exchange Act, 1995, which gave the Central Bank of Ireland regulatory control over stock exchanges and their member firms in Ireland, the Irish Stock Exchange became independent and separated from the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited. Against this background, it was felt that it was no longer appropriate for the London Panel to continue its regulatory role in the Republic of Ireland.

The Irish Takeover Panel Act, 1997 provides for the establishment of the Panel to supervise takeovers and related transactions. The Members of the Panel are representative of bodies professionally involved in the securities markets and in the field of takeovers. The various bodies represented co-operated in promoting the Act because of the importance to Irish financial markets of maintaining high standards in relation to takeovers following the establishment of an independent Irish Stock Exchange. The decision to have a statute-based Panel in Ireland resulted mainly from concerns about the legal difficulties which would arise from the exercise of its functions by an Irish Panel which did not have powers derived from legislation. The Panel commenced its statutory functions on July 1, 1997. Its primary duties are the monitoring and supervision of takeovers and other relevant transactions and the making of rules ("the Rules") to ensure compliance with the Act.



One of the primary advantages of a self-regulatory authority such as the London Panel is perceived to be its flexibility. The Act attempts to imbue the Irish Panel with as much flexibility as possible consistent with its statutory framework. The Panel is authorised to grant derogations from or waive the Rules in relation to a particular matter in exceptional circumstances where the Panel considers it appropriate to do so, taking into consideration the General Principles. Such flexibility is essential given that no set of detailed rules could anticipate all the circumstances which might arise in individual cases.

Despite the statutory nature of regulation, efforts were made to ensure that this would not give rise to increased litigation, particularly tactical litigation. The Act seeks to avoid this by providing that the only way in which a rule, derogation, waiver, ruling or direction may be questioned is by way of an application to the High Court for leave to apply for judicial review. Such an application must generally be made within seven days. This approach is entirely consistent with the acceptance of the UK Court of Appeal in the *Datafin* case in 1987 of “the special needs of the financial markets for speed on the part of the decision makers”. Furthermore, leave to apply will not be granted under the Act unless the High Court is satisfied that there are substantial grounds for contending that the rule, derogation, waiver, ruling or direction is invalid or ought to be quashed. The Court’s decision on such an application and on the judicial review itself is final and the Act provides that leave to appeal to the Supreme Court will only be granted where the decision involves a point of law of “exceptional public importance”.

### *Rules Review*

Arising from various regulatory activities to date, a number of issues have arisen in relation to specific rules and these are being examined with a view to possible amendments to the Rules in due course.

### *The Proposed Takeover Directive*

The proposed 13<sup>th</sup> Directive on Company Law has been the subject of much debate and controversy. It is also the Panel's view that in certain areas, the proposals in the November 1997 draft of the Directive conflict in a major way with the regulatory framework currently operating in Ireland. Substantial changes to the present system would be required in order to comply with the Directive, if it was implemented in its present form. These changes would be harmful to the effectiveness of the existing regulatory process and could cause practical problems in the operation of the system of regulation.

One area of particular concern to the Panel is the failure of the draft Directive as presently formulated to provide for derogations from the national Rules. No supervisory authority could be expected to operate effectively without the flexibility to derogate from or waive rules (subject always, of course, to respecting the general principles on which the rules are based). A further area of concern is the apparent provision for the awarding of compensation payments against the supervisory authority. This conflicts with the Irish legislation, under which such claims may only succeed if the Panel or its officers have acted in bad faith.

Ireland, like the UK, has entered a general scrutiny reservation on the proposal and the Panel is involved in making submissions, both oral and written, to the European Council Working Party on the Directive.

### *Co-operation*

A number of people and bodies were instrumental in helping to complete the difficult process of preparing for the establishment of the Panel. The Irish Stock Exchange initiated the process by the formation of a Committee which was succeeded by the Interim Takeover Panel, initially chaired by John Cooke (now a Judge of the European Courts of Justice), then by the late Peter Shanley and, following his appointment as a Judge of the High Court, by myself. My two

predecessors brought a degree of commitment and wisdom which maintained the momentum of the project through many difficulties and complexities. They were supported enthusiastically by the members of the Interim Panel, representing various interests which now comprise the Members of the Panel. The Company Law Section of the Department of Enterprise, Trade and Employment consulted closely with the Interim Panel and the present Director General, Leo Conway, during the drafting of the Act.

A special word of gratitude must be extended to the London Takeover Panel, which has provided valuable assistance and advice to us at all stages of the preparatory phase, and indeed has continued to give valuable cooperation since the Panel was established.

I would also like to thank my colleagues on the Board of the Panel for their support and for their willingness to meet at short notice and, when necessary, at unsocial hours, and also Leo Conway and his staff.

Without complacency, I believe that the first year of operation of the Panel has shown that the legislative and regulatory framework which has been established is robust and effective. It is to be expected that there will be a degree of evolution over the years, and undoubtedly some future difficulties will arise, but we take considerable comfort from the evident goodwill shown by professional practitioners in the field of takeovers and from the support of the market generally.

**Daniel O’Keeffe**

Chairperson

September 28, 1998

## **Director General's Report**

### *Relevant Companies*

The Irish Takeover Panel Act, 1997 establishes the Irish Takeover Panel as the body responsible for the monitoring and supervision of takeovers and certain other transactions in relation to securities in relevant companies in Ireland. A relevant company is defined in the Act to include public limited companies or other bodies corporate incorporated in Ireland whose securities are currently being traded, or (if the subject of a takeover or other relevant proposal) were traded within the previous five years, on a market regulated by a recognised stock exchange (the Irish Stock Exchange is the only exchange prescribed as such). In addition, the Minister, after consultation with the Panel, may prescribe any other public limited company as a relevant company in order to secure the protection of its investors. To date, the Minister has not prescribed any such company. At June 30, 1998, 78 companies were deemed relevant for the purposes of the Act.

### *The Rules*

In addition to its supervisory function, the Panel is also entrusted with a rulemaking function. The Irish Takeover Panel Act, 1997 (Takeover) Rules, 1997 and the Irish Takeover Panel Act, 1997 (Substantial Acquisitions) Rules, 1997 which came into effect on July 1, 1997 fulfilled this function. These Rules have been made principally to ensure that takeovers and other relevant transactions comply with the principles (referred to in the Rules as “the General Principles”) set out in the Schedule to the Act. The Rules also provide an orderly framework within which takeovers are conducted. They are not concerned with the financial or commercial advantages or disadvantages of a takeover, which are matters for the companies concerned and their shareholders. Nor are the Rules concerned with issues such as competition and merger policies, which are regulated under different legislation. The drafting of the Rules by the Panel was based

substantially on the London City Code; however, there are significant differences at the detail level.

### *Members of the Panel*

The Members of the Panel are representative of bodies professionally involved in the securities markets and in the field of takeovers. They comprise the following five bodies, or in certain cases, their corporate or personal nominee:

The Consultative Committee of Accountancy Bodies – Ireland  
Law Society of Ireland  
Irish Association of Investment Managers  
The Irish Bankers Federation  
Irish Stock Exchange Limited

If deemed necessary, the Minister may alter this list by introducing appropriate regulations. Each of the aforementioned bodies has appointed a director to the Board of the Panel. In addition, the Governor of the Central Bank of Ireland has appointed the Chairperson and Deputy Chairperson to the Board.

The Act also provides for the Governor of the Central Bank and the Members to designate one or more alternates for each director appointed by them, and three of the Members have done so. This facilitates the functioning of the Panel when directors are unavailable or are faced with a potential conflict of interest in relation to a case under consideration. Finally, there is also a provision for up to three additional directors to be co-opted by the existing directors. To date, this has not proved necessary. The Board is often required to meet at short notice in order to consider issues requiring urgent decisions.

### *The Executive*

The day-to-day work of the Panel is carried out by the Executive through the office of the Director General. The Executive deals with the general

administration of the Panel and the Rules, including consideration of queries and submissions which do not require consideration by the Board. The Executive is available for consultation and to give guidance before and during takeover transactions. The Executive is also responsible for monitoring dealings in the shares of relevant companies to ensure compliance with the Rules.

### *Enforcement of the Rules*

The Act gives the Panel statutory authority to make rulings as to whether any activity or proposed activity complies with the General Principles and the Rules. The Panel is also empowered to give directions to any party to a takeover to do or refrain from doing anything specified by the Panel. The Panel may also investigate a person's conduct where it reasonably believes that a contravention of the General Principles or Rules has occurred or may occur. Where appropriate, the Panel may advise, admonish or censure such a person in relation to his or her conduct. In order to carry out its functions, the Panel may conduct a hearing in relation to the matter concerned. For the purposes of such a hearing, the Panel has the same powers, rights and privileges as are vested in the High Court in relation to compelling attendance, examining on oath and compelling the production of documents. The Act also affords witnesses before the Panel the same immunities and privileges as witnesses before the High Court. Up to June 30, 1998, no directions were given and no hearings were conducted by the Panel. However, in July 1998, as a result of a complaint by a shareholder in Fitzwilton plc regarding alleged conflicts of interest in relation to an Offer for that company, a hearing was held. The Panel ruled that the evidence did not sustain the complainant's case and that none of the persons complained of had acted improperly.

### *Access to Reports*

Where it deems it necessary, the Panel (under section 21 of the Act) may require a Court appointed inspector to furnish it with a copy of a report provided to the Court or the Minister under the Companies Act, 1990. Similarly, the Panel may

require a recognised Stock Exchange to furnish it with a copy of any report given to the Director of Public Prosecutions in respect of an insider dealing offence. To date, no such requests have been made.

### *Charges*

In order to defray the expenses incurred in the performance of its functions under the Act, the Panel is authorised to impose charges on relevant companies, on offerors who are not relevant companies, on dealings in the securities of relevant companies and on documentation submitted to the Panel in accordance with the Rules or in relation to Panel proceedings. The consent of the Minister to the current level of charges has been obtained.

### *Regulatory Operations*

The Panel supervised five takeovers, as set out in Appendix 2, in its first year of operation. One of them, for Dana Petroleum plc, did not involve a change of beneficial control, but nevertheless it was appropriate for the Panel to supervise the transaction in the interests of the shareholders.

The Panel granted a “whitewash” waiver in respect of Dunloe House plc, arising from the acquisition by that company of certain property interests of its Chairman in exchange for shares, which might otherwise have led to a requirement for him to make a Rule 9 mandatory offer for the company. The waiver was granted conditional upon an independent shareholders’ vote in favour of the waiver at an Extraordinary General Meeting of the company.

In the course of supervising the above transactions, the Panel exercised certain of its powers under the Act as follows:

#### Rulings:

One ruling was made to the effect that certain persons were acting in concert, and two rulings were made that persons were not acting in concert.

Waivers:

Two waivers were granted, in relation to possible mandatory offer obligations, in respect of Dana Petroleum plc and Dunloe House plc arising from the transactions mentioned above.

Derogations:

Thirteen derogations were granted from the requirements of the Rules, in respect of the transactions listed in Appendix 2, comprising four which relieved persons from the need for disclosure of holdings and/or dealings in securities, five varying the required method of disclosure, three extending time limits, and one lifting a requirement under Rule 2.5 to circulate an announcement to shareholders, when circulation of the relevant information in an Offer document was imminent.

In granting waivers and derogations, the Panel took into consideration the General Principles, as applicable to the circumstances of each case.

Enquiries:

One enquiry was initiated by the Panel under the provisions of section 9(5) of the Act, to procure information not otherwise available to the Panel. Section 9(5) gives the Panel powers to require specific persons to furnish information to the Panel, where such information is required by the Panel in the performance of its functions.

The standard of observance of the General Principles and the Rules by parties and their advisers was very satisfactory. In order to facilitate practitioners in familiarising themselves with the Rules and to assist in ensuring compliance, the Panel invited practitioners to discuss draft offer documentation with the



Executive, even where prior clearance by the Panel was not required under the Rules. This was beneficial to the accumulation of operating experience in the Panel, and we believe it was also of considerable value to the practitioners involved.

In the course of the year's operations, certain issues arose which may lead to amendments to the Rules. A review is being undertaken to consider the need for amendments, and this incorporates consideration of the recent changes in the City Code in London, to determine if corresponding amendments to our Rules would be desirable.

### *Consultation*

It is particularly important to stress the value of early prior consultation with the Executive of the Panel where transactions are in contemplation which may come under the Panel's jurisdiction. In the course of the year there has been a significant number of such contacts, both in relation to actual or proposed transactions and in order to clarify practitioners' understanding of the Rules. It is our wish to encourage all such contacts, and the Executive will make every effort to clarify any issues raised. It has been our experience that difficulties can arise when assumptions are made about the import of the Rules, or how they are applied by the Panel, and it is preferable to avoid this by early consultation.

### *Financial Statements*

The Financial Statements for the period from incorporation to June 30, 1998 indicate a satisfactory position. Relevant Company charges generated £388,247, while the levy on share dealing Contract Notes yielded £80,109. These represented the more stable income of the Panel. The income from Document charges (amounting to £184,989 in the Accounts) is always unpredictable, since

the proceeds of these charges are determined by the scale of takeover activity.  
The Operating Expenditure (including the costs of the pre-incorporation period from January 1996) amounted to £548,529.

**Leo Conway**  
Director General

September 28, 1998



## Directors' Report

The directors present their first report and audited financial statements for the 14 month period ended 30 June 1998.

### *Principal activities, review of operations and future developments*

The Irish Takeover Panel is a public company limited by guarantee formed and registered under the Companies Act 1963 to 1990. The company was incorporated on 29 April 1997 in accordance with the Irish Takeover Panel Act, 1997 (the Act) to:

- a) monitor and supervise takeovers and other relevant transactions so as to ensure that the provisions of the Act and any rules thereunder are complied with; and
- b) make rules under the provisions of the Act in relation to takeovers and other relevant transactions.

A review of operations and future developments is contained in the Chairperson's Statement and the Director General's Report.

### *Results*

The results for the period are set out in the Income and Expenditure Account on page 25.

### *Health and safety of employees*

The wellbeing of the company's employees is safeguarded through strict adherence to health and safety standards. The Safety, Health and Welfare at Work Act, 1989 imposes certain requirements on employees and the company has taken the necessary action to ensure compliance with the Act, including the adoption of a safety statement.

*Auditors*

On 2 September 1997, KPMG, Chartered Accountants were appointed first auditors of the company by the directors in accordance with section 160 (6) of the Companies Act, 1963.

On behalf of the board

D. O’Keeffe  
*Chairperson*

W. M. McCann  
*Deputy Chairperson*

28 September 1998

## Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the income and expenditure for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 1990 and all Regulations to be construed as one with those Acts. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board

D. O'Keeffe  
*Chairperson*

W. M. McCann  
*Deputy Chairperson*

## **Auditors' Report to the members of the Irish Takeover Panel**

We have audited the financial statements on pages 24 to 29.

### *Respective responsibilities of directors and auditors in relation to the financial statements*

As described on page 21, the directors of the company are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the state of the affairs of the company at 30 June 1998 and of its surplus for the period then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 1990 and all Regulations to be construed as one with those Acts.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report on page 19 is consistent with the financial statements.

KPMG

28 September 1998

*Chartered Accountants*

*Registered Auditors*

5 George's Dock

IFSC

Dublin 1



# **Financial Statements**

## **Statement of accounting policies**

### *Basis of preparation*

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

### *Operating income*

This represents primarily the invoiced value of annual and document charges that the company is entitled to levy and Contract Note levies on dealings in quoted securities of relevant companies collected through brokers on an accruals basis.

### *Tangible fixed assets and depreciation*

Tangible fixed assets are carried at cost less accumulated depreciation. Depreciation is calculated to write off the original cost of tangible fixed assets over their expected useful lives at the following annual rates:-

|                       |         |
|-----------------------|---------|
| Fixtures and fittings | 5 years |
| Computers             | 3 years |

### *Cash flow statement*

The company is exempted from the preparation of a cash flow statement as it qualifies as a small company under the Companies (Amendment) Act, 1986.

## Financial Statements

### **Income and Expenditure account** *for the period from 29 April 1997 to 30 June 1998*

|   |             | <b>14 Months to<br/>30 June 1998</b> |
|---|-------------|--------------------------------------|
|   | <i>Note</i> | <b>IR£</b>                           |
| <b>Operating income</b>                 | <i>1</i>    | 660,474                              |
| <b>Operating expenditure</b>            | <i>2</i>    | 548,529                              |
|   |             | <hr/>                                |
| <b>Operating surplus</b>                |             | 111,945                              |
| Investment income                       |             | 2,726                                |
|   |             | <hr/>                                |
| Interest payable                        | <i>4</i>    | 114,671<br>(4,091)                   |
|   |             | <hr/>                                |
| <b>Operating surplus after interest</b> |             | 110,580                              |
|   |             | <hr/>                                |
| <b>Surplus for the financial period</b> |             | 110,580                              |
|   |             | <hr/> <hr/>                          |

The results derive from continuing operations.

There were no recognised gains or losses in the financial period other than those included above in the Income and Expenditure account.

On behalf of the board

D. O’Keeffe  
*Chairperson*

W. M. McCann  
*Deputy Chairperson*

# Financial Statements

## Balance Sheet

at 30 June 1998

|  | <i>Note</i> | <b>1998<br/>IR£</b> |
|--|-------------|---------------------|
| <b>Fixed assets</b>                            |             |                     |
| Tangible fixed assets                          | 6           | 22,588              |
|  |             | <hr/>               |
| <b>Current assets</b>                          |             |                     |
| Debtors  | 7           | 33,020              |
| Cash at bank and in hand                       |             | 100,525             |
|  |             | <hr/>               |
|  |             | 133,545             |
| <b>Current liabilities</b>                     |             |                     |
| Creditors: amounts falling due within one year | 8           | 45,553              |
|  |             | <hr/>               |
| <b>Net current assets</b>                      |             | 87,992              |
|  |             | <hr/>               |
| <b>Total assets less current liabilities</b>   |             | 110,580             |
|  |             | <hr/> <hr/>         |
| <b>Capital and reserves</b>                    |             |                     |
| Income and Expenditure account                 |             | 110,580             |
|  |             | <hr/> <hr/>         |

On behalf of the board

D. O’Keeffe  
*Chairperson*

W. M. McCann  
*Deputy Chairperson*

# Financial Statements

## Notes

### 1 Operating income

**14 Months to  
30 June 1998  
IR£**

|                                 |             |
|---------------------------------|-------------|
| Relevant Company annual charges | 388,247     |
| Document charges                | 184,989     |
| Contract Note levies            | 80,109      |
| Other                           | 7,129       |
|                                 | <hr/>       |
|                                 | 660,474     |
|                                 | <hr/> <hr/> |

### 2 Operating expenditure

**IR£**

|                                 |             |
|---------------------------------|-------------|
| Operating expenditure includes: |             |
| Pre-incorporation expenditure   | 248,552     |
| Depreciation                    | 6,298       |
| Auditors' remuneration          | 2,000       |
|                                 | <hr/> <hr/> |

### 3 Employees

The average number of persons employed by the company and the employee costs during the period were as follows:

|         |                         |       |
|---------|-------------------------|-------|
| Number: | Administration          | 3     |
|         | Non-executive directors | 7     |
|         |                         | <hr/> |

**14 Months to  
30 June 1998  
IR£**

|        |                               |             |
|--------|-------------------------------|-------------|
| Costs: | Salaries                      | 120,663     |
|        | Non-executive directors' fees | 72,800      |
|        | Social insurance costs        | 12,087      |
|        |                               | <hr/>       |
|        |                               | 205,550     |
|        |                               | <hr/> <hr/> |

## Financial Statements

### Notes (continued)

**4 Interest payable** **14 Months to  
30 June 1998  
IR£**

|                            |                   |
|----------------------------|-------------------|
| Interest on bank overdraft | 4,091             |
|                            | <u>          </u> |

**5 Taxation**

Under the provisions of the Finance Act, 1997 the company is exempt from Corporation Tax on its income.

**6 Tangible fixed assets**

|                         | Fixtures and<br>fittings<br><b>IR£</b> | Computers<br><b>IR£</b> | Total<br><b>IR£</b> |
|-------------------------|--|-------------------------|---------------------|
| <i>Cost</i>             |  |                         |                     |
| Acquisitions            | 25,744                                 | 3,906                   | 29,650              |
| Write off               | (764)                                  | -                       | (764)               |
|                         | <u>          </u>                      | <u>          </u>       | <u>          </u>   |
| <b>At 30 June 1998</b>  | <b>24,980</b>                          | <b>3,906</b>            | <b>28,886</b>       |
|                         | <u>          </u>                      | <u>          </u>       | <u>          </u>   |
| <i>Depreciation:</i>    |  |                         |                     |
| Charged in period       | 4,996                                  | 1,302                   | 6,298               |
|                         | <u>          </u>                      | <u>          </u>       | <u>          </u>   |
| <b>At 30 June 1998</b>  | <b>4,996</b>                           | <b>1,302</b>            | <b>6,298</b>        |
|                         | <u>          </u>                      | <u>          </u>       | <u>          </u>   |
| <i>Net book amount:</i> |  |                         |                     |
| <b>At 30 June 1998</b>  | <b>19,984</b>                          | <b>2,604</b>            | <b>22,588</b>       |
|                         | <u>          </u>                      | <u>          </u>       | <u>          </u>   |

## Financial Statements

### Notes (continued)

|   |                     |
|---|---------------------|
| <b>7 Debtors</b>  | <b>1998<br/>IR£</b> |
| Debtors   | 10,000              |
| Prepayments and accrued income                          | 23,020              |
|   | <hr/>               |
|   | 33,020              |
|   | <hr/> <hr/>         |
| <b>8 Creditors: amounts falling due within one year</b> | <b>1998<br/>IR£</b> |
| PAYE and social insurance                               | 23,851              |
| Accrued expenses  | 21,702              |
|   | <hr/>               |
|   | 45,553              |
|   | <hr/> <hr/>         |

### 9 Approval of financial statements

The board of directors approved these financial statements on 28 September 1998.



# Appendix 1

## Administrative Appendix

- 14 April 1997 The Irish Takeover Panel Act, 1997 (“the Act”), apart from sections 5(3), 7(1), 7(2) and sections 9-15, was brought into force pursuant to the Irish Takeover Panel Act, 1997 (Commencement) Order 1997 (S.I. No. 158 of 1997).
- 22 April 1997 The Enterprise and Employment (Delegation of Ministerial functions) Order 1997 (S.I. No. 165 of 1997) delegated to Mr. Pat Rabbitte, T.D. certain functions of the Minister under the Act.
- 29 April 1997 The Irish Takeover Panel was registered under the Companies Acts, 1963 to 1990 as a company limited by guarantee (Reg. No. 265647).
- 7 May 1997 The Panel was designated by the Minister pursuant to section 3(1) of the Act. Note: Prior to designating the Panel the Minister approved the Memorandum and Articles of Association of the Panel. If, subsequently, the Panel should seek to alter the Memorandum or Articles of Association, the approval of the Minister to the alteration would be required.
- 13 May 1997 The expenses incurred on behalf of the Panel prior to its formation were ratified by the Panel after its formation in accordance with section 16(3) of the Act.
- 18 May 1997 Consent was given by the Minister to the charges submitted by the Panel under section 16 of the Act. Details of the Panel’s charges are set out below.
- 13 June 1997 The Irish Takeover Panel Act, 1997 (Prescribed Stock Exchange) Regulations 1997 (S.I. No. 256 of 1997) prescribed the Irish Stock Exchange as a recognised Stock Exchange for the purposes of the Act.
- 18 June 1997 The Minister approved the rules submitted to him in accordance with section 8(5) of the Act.
- 23 June 1997 The charges specified were approved by the Panel in accordance with section 16 of the Act.
- 23 June 1997 The Irish Takeover Panel Act, 1997 (Takeover) Rules, 1997 (the “Takeover Rules”) and the Irish Takeover



Panel Act, 1997 (Substantial Acquisition) Rules, 1997 (the “Substantial Acquisition Rules”) were approved and adopted by the Panel under section 8 of the Act.

- 1 July 1997 Sections 5(3), 7(1), 7(2) and sections 9-15 of the Act were brought into force pursuant to the Irish Takeover Panel Act, 1997 (Commencement) (No. 2) Order 1997 (S.I. No. 255 of 1997).
- 5 December 1997 The Irish Takeover Panel Act, 1997 (Takeover) Rules, 1997 and the Irish Takeover Panel Act, 1997 (Substantial Acquisition) Rules, 1997 were published in Iris Oifigiuil in accordance with section 8(8) of the Act.
- 15 December 1997 The Board resolved that functions set out in sections 7(1), 9(5) , 17(2)(b)(v) and 17(2)(b)(vii) of the Act could be performed by Mr. Leo Conway or Mr. David McCabe, as provided in section 6(2) of the Act.

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## Panel Charges

Made under section 16 of the Act.

1. Relevant companies pay an annual charge to the Panel. At present the scale is as follows:

| Market Capitalisation<br>£ million | Annual Charge<br>£ |
|------------------------------------|--------------------|
| 1000 +                             | 15,000             |
| 500 - 1000                         | 10,000             |
| 100 - 500                          | 5,000              |
| 50 - 100                           | 4,000              |
| 25 - 50                            | 3,000              |
| 10 - 25                            | 2,000              |
| Under 10                           | 1,000              |

2. A charge is made on contracts in respect of dealings in securities of relevant companies. This charge amounts to £1 on each contract note in respect of transactions valued at more than £10,000.

3. A document charge is made in respect of documents furnished to the Panel under the Rules in connection with takeovers and other relevant transactions. The present scale for these charges is:

| Value of the Offer<br>£ million | Charge<br>£ |
|---------------------------------|-------------|
| 1 - 5                           | 2,000       |
| 5 - 10                          | 8,500       |
| 10 - 25                         | 14,000      |
| 25 - 50                         | 27,500      |
| 50 - 100                        | 40,000      |
| over 100                        | 50,000      |

4. Where an offeror is not a relevant company, or a subsidiary of a relevant company, a charge is made additional to the above document charge. This charge is made for an amount equal to the annual charge payable by a relevant company having a market capitalisation equal to that of the offeree at the offer price.
5. The Panel is empowered to charge up to £750 per document, in respect of documents furnished to the Panel by a person in relation to proceedings of the Panel.

Note: There are provisions for certain of the above charges to be mitigated in certain circumstances. Further details can be obtained from the Panel.

## Appendix 2

### Takeovers supervised by Irish Takeover Panel July 1, 1997 to June 30, 1998

- |       |  |  |
|-------|--|--|
| (i)   | Woodchester Investments plc<br>Capital<br>Corporation) | (Offer by General Electric   |
| (ii)  | New Ireland Holdings plc                               | (Offer by the Governor and<br>Company of the Bank of Ireland)                                  |
| (iii) | Dana Petroleum plc                                     | (Transfer, without change of<br>beneficial interests, to a new UK<br>company of the same name) |
| (iv)  | Lyons Irish Holdings plc                               | (Offer by Unilever Ireland plc)  |
| (v)   | Fitzwilton plc   | (Offer by Stoneworth Investment<br>Limited)  |

## Appendix 3

### List of Relevant Companies under the Irish Takeover Panel Act, 1997 as at June 30, 1998

|                                   |                               |                              |
|-----------------------------------|-------------------------------|------------------------------|
| Abbey plc                         | Gaelic Resources plc          | Navan Resources plc          |
| Adare Printing Group plc          | Glencar Mining plc            | Norish plc                   |
| Allied Irish Banks, plc           | Golden Vale plc               |                              |
| Aminex plc                        | Grafton Group plc             | Oglesby and Butler Group plc |
| Anglo Irish Bank Corporation plc  | Greencore Group plc           | Ormonde Mining plc           |
| Arcon International Resources plc | Green Property plc            | Ovoca Resources plc          |
| Ardagh plc                        |                               |                              |
| Arnotts plc                       | Heiton Holdings plc           | Peterhead Group plc          |
| Athlone Extrusions plc            | Hibernian Group plc           | Providence Resources plc     |
| Avonmore Waterford Group plc      |                               |                              |
|                                   | IAWS Group plc                | Qualceram plc                |
| Bank of Ireland Group             | ICC Bank plc                  |                              |
| Barlo Group plc                   | IFG Group plc                 | Rapid Technology Group plc   |
| Bula Resources (Holdings) plc     | ILP Group plc                 | Readymix plc                 |
|                                   | Independent Newspapers plc    | Reflex Group plc             |
| Celtic Resources Holdings plc     | IONA Technologies plc         | Ryanair Holdings plc         |
| Clondalkin Group plc              | Irish Continental Group, plc  | Ryan Hotels plc              |
| James Crean, plc                  | Irish Life plc                |                              |
| CRH plc                           | Irish Permanent plc           | Seafield plc                 |
|                                   | ITG Group plc                 | Silvermines Group plc        |
| DCC plc                           | Ivernia West plc              | Jefferson Smurfit Group plc  |
| Donegal Creameries plc            | IWP International plc         | SupaRule plc                 |
| Dragon Oil plc                    |                               |                              |
| Dunloe Ewart plc                  | Jones Group plc               | Tullow Oil plc               |
|                                   | Jurys Hotel Group plc         | Tuskar Resources plc         |
| Elan Corporation, plc             |                               |                              |
| Ennex International plc           | Kenmare Resources plc         | Unidare plc                  |
| European Leisure plc              | Kerry Group plc               | United Drug plc              |
|                                   | Kingspan Group plc            |                              |
| FBD Holdings plc                  |                               | Waterford Wedgwood plc       |
| Fishers International plc         | Marlborough International plc |                              |
| Fitzwilton plc                    | McInerney Holdings plc        |                              |
| Fyffes plc                        | Minmet plc                    |                              |



