

IRISH TAKEOVER PANEL

Report for the year ended 30 June 2020

This annual report of the Irish Takeover Panel is made to
Leo Varadkar, T.D., Tánaiste, Minister for Enterprise, Trade and Employment as
required by section 19 of the Irish Takeover Panel Act 1997

ANNUAL REPORT 2020

IRISH TAKEOVER PANEL

Report for the year ended 30 June 2020

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Members of the Panel

Irish Association of Investment Managers
Irish Clearing House Limited - Nominated by the Banking & Payments
Federation Ireland

Irish Stock Exchange plc
Law Society of Ireland
Barry Dempsey - Nominated by the Consultative Committee
of Accountancy Bodies - Ireland

Directors of the Panel

Chairperson	Cian Ferriter, S.C.	Appointed by the Governor of the Central Bank of Ireland
Deputy Chairperson	Ann Fitzgerald	Appointed by the Governor of the Central Bank of Ireland
	Maurice Crowley	Appointed by the Banking & Payments Federation Ireland
	Paul D'Alton	Appointed by the Consultative Committee of Accountancy Bodies - Ireland
	Hugh McCutcheon	Appointed by the Irish Stock Exchange
	Regina Breheny	Appointed by the Irish Association of Investment Managers
	Lorcan Tiernan (Alternate: Justin McKenna)	Appointed by the Law Society of Ireland

Director General

(and Secretary of the Panel)

Miceal Ryan

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”) and is incorporated as a company limited by guarantee. The Panel is designated as the competent authority under the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (the “Regulations”) for the purpose of Article 4(1) of the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.

The Panel is responsible for making rules to ensure that takeovers (including takeover bids as defined in the Regulations) 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

On 11 March 2020 the World Health Organisation declared the Covid-19 outbreak a pandemic. This public health crisis is having an unprecedented impact on the lives of individuals as well as the world economy and capital markets. The Panel experienced a very noticeable effect on the level of transaction activity as a result of the Pandemic with a number of potential takeovers quickly falling away. Some of that activity is now beginning to return. In accordance with Government guidelines, for over three months to the end of June 2020 Panel staff were working remotely and, and where necessary, from the office.

The UK formally left the EU on 31 January 2020 with the Withdrawal Agreement providing for a transition period up until the end of 2020 during which EU law still applies in the UK. On 4 March, 2019 the Panel released an announcement (a copy of which may be found on the Panel's website) outlining certain changes to the regulation of takeover bids in respect of certain specified relevant companies as a consequence of the withdrawal of the UK from the EU. The effect of these changes is that the shared jurisdiction regime introduced under article 4 of Directive 2004/25/EC will cease to apply in the UK and the Panel will, pursuant to the Irish Takeover Panel Act 1997, assume full jurisdiction in respect of a takeover bid for DCC plc, Grafton Group plc, Greencore Group plc, UDG Healthcare plc and IMC Exploration Group plc. These changes will come into effect on 1 January 2021.

The Executive's comprehensive review of the Takeover Rules is ongoing with the expectation that a public consultation paper will be published next year.

The Panel continues to be an active participant at meetings of ESMA's Takeover Bids Network for the purpose of discussing current regulatory and supervisory issues relevant to the EU national competent authorities.

I would like to welcome Hugh McCutchen on his appointment as a director of the Panel on 5 June 2020. Hugh, who was an alternate director for a number of years, replaced Danny Kitchen as the nominee of the Irish Stock Exchange. Danny served as a director of the Panel for nearly eighteen years as the nominee of the Consultative Committee of Accountancy Bodies – Ireland and latterly, as the nominee of the Irish Stock Exchange. I would like to sincerely thank him for his very significant contribution to, and support of, the Panel throughout his long tenure and to express our appreciation to him for the valuable expertise provided by him during this time.

Cian Ferriter
Chairperson

19 October, 2020

Director General's Report

The takeovers of Allergen plc, Scisys Group plc and Green REIT plc were all completed during the year while the proposed acquisition of Willis Towers Watson plc by Aon plc was announced on 9 March 2020. As a consequence, the Panel has had a reasonably busy year. However, as noted by the Chairperson takeover activity was noticeably affected by the Covid-19 pandemic with a number of potential transactions falling away in March 2020 although, there is evidence of a pick-up in activity in the last couple of months. Details of the takeovers completed during the year are set out in Appendix 2.

Rule 2.8 - Entering into talks during a restricted period

Rule 2.8 prohibits a person who makes a statement that they do not intend to make an offer in respect of a relevant company from engaging in certain specified actions (as set out in Rule 2.8(c)(i)) for a period of 12 months from the date of that statement [the "Restricted Period"]. These prohibited actions include taking *"any steps in connection with a possible offer in respect of the relevant company where knowledge of the possible offer might be extended beyond a very restricted number of people in the offeror and its immediate advisors."* [the "Prohibition"]

Rule 2.8(c)(ii) sets out specific circumstances in which the prohibitions in Rule 2.8(c)(i) may be set aside. One such circumstance, which requires Panel confirmation, is where the board of the relevant company agrees to the statement being set aside [the "Exemption"]. Rule 2.8 is an extension of General Principle 6 i.e. an offeree must not be hindered in the conduct of its affairs for longer than is reasonable by an offer for its securities. The Rule also provides a level of certainty to the market that an offer will not be made by the person who has made the Rule 2.8 statement for the duration of the Restricted Period, except in those circumstances set out in Rule 2.8(c)(ii).

Notwithstanding the Exemption, the Panel considers that making an approach to the offeree would be restricted by the Prohibition during the Restricted Period.

However, where a person has made a statement to which Rule 2.8 applies and which may be set aside with the agreement of the board of the offeree, the Panel will normally consent to a relaxation of the strict requirements of the Prohibition in order to enable a potential offeror or its adviser to make a single confidential approach (which may or may not include a discussion of terms) to the board of the offeree during the Restricted Period in order to ascertain whether the board would be interested in entering into talks with regard to a possible offer. Such a person must consult the Panel in order to obtain such consent.

If a single confidential approach is made but is rejected by the board of the offeree, the person will not normally be permitted by the Panel to make any further approach to the board of the offeree for the remainder of the Restricted Period, in accordance with the Prohibition. Only the board of the offeree will be permitted to initiate any further contact between the parties during the remainder of the Restricted Period.

Transaction Agreements

It is now common practice in recommended takeovers for the offeree and the offeror to enter into an agreement setting out inter alia the obligations and commitments of each of the parties in relation to the implementation of the transaction, including provisions in relation to the conduct of the offeree's business during the period in which the transaction is being implemented. Usually, these agreements are appended to the firm intention announcement and the offer document.

Subject to the exception referred to below, the Panel's standard and long-established practice is that such agreements are not within its scope when determining whether the Takeover Rules have been complied with. These agreements are negotiated and agreed as between the parties to a proposed transaction and are not an agreement with or a set of representations to shareholders or investors generally. The Panel does not regulate these agreements, their negotiation or their contents. Rather the Panel regulates the information provided to shareholders in connection with the discharge of the obligations of the offeror and the offeree under the Takeover Rules to provide timely and relevant information to allow an informed decision to be taken by an offeree shareholder on the transaction on which it is being asked to accept or vote. The exception to the Panel's practice in this area is that if it is a condition to an offer that the Transaction Agreement not have been terminated, the termination events prescribed in that agreement (i.e. the circumstances specified in the agreement in which the agreement may be terminated by the parties) should be expressly included as conditions to the offer and stated in terms compliant with Rule 13.1, as set out in The Panel's Practice Statement of 14 February 2017.

Rule 21.2 – Expense Reimbursement Agreements

The Panel's practice to date in granting consent under Rule 21.2 to permit the board of an offeree to enter into an expense reimbursement agreement ("ERA") with an offeror has been to inter alia review the ERA in detail prior to granting consent. Following a review of this practice the Panel has taken a policy decision not to review ERA's prior to granting consent but will instead seek to address the key issues of concern to the Panel by way of confirmations from the board of the offeree and/or its advisers, as appropriate. It should be noted that following this decision the Panel will no longer be consenting to the specific terms of an ERA but merely granting consent under Rule 21.2 to the board of the offeree to enter into the agreement.

Financial Statements

Operating income in the twelve months ended 30 June 2020 was €1,213,399, a decrease of 15.7% on the previous year. The primary reason for the decrease in income was a substantial reduction in the annual relevant company charge applied by the Panel for the year commencing 1 July 2019, although this was partly off-set by increases in income from document charges and contract note levies. Expenditure for the year amounted to €891,410, a 4.1% increase on the previous year. The Panel's cash balances as at 30 June 2020 amounted to €4.78 million.

Miceal Ryan
Director General

19 October, 2020

Directors' Report

The directors present their annual report and audited financial statements for the year ended 30 June 2020.

Principal activities, review of operations and future developments

The Irish Takeover Panel (the "Panel") is a company limited by guarantee registered under Part 18 of the Companies Act 2014. The company was incorporated on 29 April 1997.

The Panel is the statutory body responsible for monitoring and supervising takeovers and other relevant transactions in Ireland. The Panel is designated as the competent authority under the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 for the purpose of Article 4(1) of the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.

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.

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

The Panel met on twenty seven occasions to consider regulatory matters. The Audit and Risk Committee met on two occasions to consider audit and risk related matters.

Corporate Governance

The Panel has adopted the Code of Practice for the Governance of State Bodies (2016) (the "Code"), adapted in some instances to take account of the Panel's particular governance framework and the statutory requirements of the Irish Takeover Panel Act 1997 and the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006. The Panel has put procedures in place to ensure the application of relevant provisions of the Code. In that context, each provision has been assessed and, where applicable, the Panel is either applying the provision or adapting the provision to take account of the Panel's statutory requirements. Under the Code, the Panel is required to provide certain confirmations with regard to inter alia its system of internal control for the annual reporting period ended 30 June 2020. These confirmations are set out below.

Directors' Report (continued)

The Panel's system of internal control comprises certain policies, procedures, and management and oversight activities. It aims to ensure proportionate measures are in place to manage the risks which inevitably arise in the fulfilment of its statutory mandate. The Panel has established an Audit and Risk Committee (the "Committee") to support the Panel in its responsibilities for issues of risk, control and governance. The responsibilities of the Committee include advising the Panel on the financial statements, the results of the external audit, financial risk management, and internal control matters. The Committee is also responsible for reviewing the Panel's risk management strategy and monitoring of the internal control environment. The Panel confirms that there was an appropriate system of internal and financial control in place for the financial year ended 30 June 2020. Furthermore, the Panel confirms that it has reviewed, and is satisfied with, the effectiveness of the systems of internal control for the financial year ended 30 June 2020.

The Panel has carried out an assessment of the principal risks which it faces. The principal risks and uncertainties which the Panel faces are a significant reduction in the income from relevant company charges and/or contract note levies and litigation risk.

The Panel's objective is to maintain adequate resources to meet any unforeseen substantial reduction in income and any substantial increase in expenditure.

The Panel confirms that it has complied with its obligations under Irish tax law.

Results for the year

The results for the year are set out in the Income and Expenditure Account on page 17. There was no transfer from the Income and Expenditure Account to the Contingency Reserve (2019: €Nil).

Accounting records

The directors believe that they have complied with the requirements of section 281 to 285 of the Companies Act 2014 with regard to accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at 76 Merrion Square, Dublin 2.

Directors' Report (continued)

Post balance sheet events

No material events effecting the financial statements have occurred since the end of the financial year.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditors are aware of that information. Insofar as they are aware, there is no relevant audit information of which the company's statutory auditors are unaware.

Auditor

In accordance with section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board

C. Ferriter
Chairperson

P. D'Alton
Director

19 October, 2020

Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company and of its profit or loss for that year. 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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. Such internal controls can provide only reasonable and not absolute assurance against material error. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements (continued)

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

C. Ferriter
Chairperson

P. D'Alton
Director

19 October, 2020

Independent Auditor's Report to the members of Irish Takeover Panel

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Irish Takeover Panel ('the Company') for the year ended 30 June 2020 set out on pages 17 to 25, which comprise the income and expenditure account, the balance sheet, the statement of changes in equity, the cash flow statement and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ((ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' Report, Director's General's Report, and Chairperson's Statement. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Independent Auditor's Report to the members of Irish Takeover Panel

(continued)

Report on the audit of the financial statements *(continued)*

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the Directors' Report;
- in our opinion, the information given in the Directors' Report is consistent with the financial statements;
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on pages 12 and 13, the Directors are responsible for the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of Irish Takeover Panel (continued)

Respective responsibilities and restrictions on use (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Conall O'Halloran
for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

19 October, 2020

Financial Statements

Income and Expenditure Account

For the year ended 30 June 2020

		30 June 2020	30 June 2019
		€	€
	<i>Notes</i>		
Operating income	2	1,213,399	1,440,131
Operating expenditure	3	(891,410)	(856,486)
		<hr/>	<hr/>
Operating surplus		321,989	583,645
Interest income		600	956
Profit on sale of asset		-	9,500
		<hr/>	<hr/>
Surplus for the financial year		322,589	594,101
		<hr/> <hr/>	<hr/> <hr/>

The results derive from continuing operations.

There were no other amounts of comprehensive income recognised in the current or the preceding financial year.

Financial Statements

Balance sheet

as at 30 June 2020

		30 June 2020	30 June 2019
	<i>Notes</i>	€	€
Fixed assets			
Tangible assets	7	24,975	37,463
		<hr/>	<hr/>
Current assets			
Debtors and prepayments	8	182,695	165,358
Cash at bank		4,780,876	4,454,038
		<hr/>	<hr/>
		4,963,571	4,619,396
Creditors: amount falling due within one year	10	(63,466)	(54,368)
		<hr/>	<hr/>
Net current assets		4,900,105	4,565,028
		<hr/>	<hr/>
Total assets less current liabilities		4,925,080	4,602,491
		<hr/> <hr/>	<hr/> <hr/>
Accumulated surplus and reserve			
Contingency reserve		3,100,000	3,100,000
Income and Expenditure account		1,825,080	1,502,491
		<hr/>	<hr/>
		4,925,080	4,602,491
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of the financial statements.

On behalf of the Board

C. Ferriter
Chairperson

P. D'Alton
Director

19 October, 2020

Financial Statements
Statement of Changes in Equity

For the year ended 30 June 2020

	Contingency reserve €	Retained earnings €	Total €
At 1 July 2018	3,100,000	908,390	4,008,390
Profit for the year	-	594,101	594,101
Other comprehensive income	-	-	-
Transfer from Income & Expenditure Account	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 June 2019	3,100,000	1,502,491	4,602,491
	<hr/>	<hr/>	<hr/>
At 1 July 2019	3,100,000	1,502,491	4,602,491
Profit for the year	-	322,589	322,589
Other comprehensive income	-	-	-
Transfer from Income & Expenditure Account	-	-	-
	<hr/>	<hr/>	<hr/>
Balance 30 June 2020	3,100,000	1,825,080	4,925,080
	<hr/>	<hr/>	<hr/>

Financial Statements

Cash Flow Statement

For the year ended 30 June 2020

		30 June 2020	30 June 2019
	<i>Notes</i>	€	€
Cash flows from operating activities			
Profit for the year		322,589	594,101
Depreciation	7	12,488	12,778
Increase in trade and other debtors	8	(17,337)	(2,607)
Increase in trade and other creditors	10	9,098	13,596
Profit on disposal of fixed assets		-	(9,500)
		<hr/>	<hr/>
Net cash inflow from operating activities		326,838	608,368
		<hr/>	<hr/>
Cash flows from investing activities			
Acquisition of tangible fixed assets	7	-	(49,950)
Disposal of tangible fixed assets		-	9,500
		<hr/>	<hr/>
Net cash inflow from investing activities		-	-
		<hr/>	<hr/>
Cash flows from financing activities			
		-	-
		<hr/>	<hr/>
Net increase in cash and cash equivalents		326,838	567,918
Cash and cash equivalents, start of year	9	4,454,038	3,886,120
		<hr/>	<hr/>
Cash and cash equivalents, end of year	9	4,780,876	4,454,038
		<hr/> <hr/>	<hr/> <hr/>

Financial Statements

Notes forming part of the financial statements

1 Accounting policies

Basis of preparation of financial statements

Irish Takeover Panel (the “company”) is a company limited by guarantee and incorporated and domiciled in Ireland.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”)* as issued in August 2014. The presentation currency of these financial statements is Euro.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on the going concern basis in accordance with generally accepted accounting principles under the historical cost convention. The financial reporting framework that has been applied in the preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued by the Financial Reporting Council, 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.

Interest receivable

Interest receivable and similar income include interest receivable on funds invested. Interest income is recognised in profit or loss as it accrues, using the effective interest rate method.

Contingency reserve

The Contingency Reserve was established by the company for the purpose of creating and maintaining adequate resources to meet any unforeseen increase in expenditure. Transfers from the Income and Expenditure Account to the Contingency Reserve are made at the discretion of the directors of the company.

Financial Statements Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated to write off the original cost of tangible fixed assets over their expected useful lives. A full year's depreciation is charged in the year of acquisition.

Depreciation is applied at the following annual rates:

- | | |
|-------------------------|-----|
| • computers | 33% |
| • motor vehicles | 25% |
| • fixtures and fittings | 20% |

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Impairment

Financial assets (including trade and other debtors)

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Impairment losses are recognised in the Income and Expenditure Account.

Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. Impairment losses are recognised in the Income and Expenditure Account.

Employee benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The annual charge is calculated as a percentage of pensionable payroll and is charged to the Income and Expenditure Account on an accruals basis.

Financial Statements Notes (continued)

2	Operating Income	30 June 2020 €	30 June 2019 €
	Relevant company annual charges	589,270	961,455
	Document charges	227,561	125,000
	Contract note levies	395,848	352,343
	Other	720	1,333
		<hr/>	<hr/>
		1,213,399	1,440,131
		<hr/> <hr/>	<hr/> <hr/>
3	Operating expenditure	30 June 2020 €	30 June 2019 €
	Operating expenditure includes:		
	Depreciation	12,488	12,778
	Auditor's remuneration	7,260	7,380
		<hr/>	<hr/>
4	Employees		
	The average number of persons employed by the company and the employee costs during the year was as follows:		
		30 June 2020 Number	30 June 2019 Number
	Number:		
	Administration	4	4
	Directors	7	7
		<hr/>	<hr/>
		11	11
		<hr/> <hr/>	<hr/> <hr/>
	Costs:	30 June 2020 €	30 June 2019 €
	Salaries	307,437	290,329
	Directors' remuneration	208,075	193,518
	PRSI costs	37,143	32,163
	Pension costs (note 5)	95,637	124,842
		<hr/>	<hr/>
		648,292	640,852
		<hr/> <hr/>	<hr/> <hr/>

Financial Statements Notes (continued)

5	Pension costs	30 June 2020	30 June 2019
		€	€
	Pension charge	95,637	124,842
		<u> </u>	<u> </u>

The company makes contributions to a defined contribution scheme for certain employees, the assets of which are vested in independent trustees for the benefit of members and their dependants. The contributions for the year totalling €95,637 (2019: €124,842) are included within operating expenditure. At 30 June 2020 €15,406 (2019: €14,673) was prepaid within debtors in relation to this scheme.

6 Taxation

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

7	Tangible assets	Motor vehicle	Fixtures and fittings	Computers	Total
		€	€	€	€
	<i>Cost:</i>				
	At 1 July 2019	49,950	70,867	23,009	143,826
	Additions	-	-	-	-
	Disposals	-	-	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 30 June 2020	49,950	70,867	23,009	143,826
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<i>Depreciation:</i>				
	At 1 July 2019	12,487	70,867	23,009	106,363
	Charge for year	12,488	-	-	12,488
	Disposals	-	-	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 30 June 2020	24,975	70,867	23,009	118,851
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<i>Net book value:</i>				
	At 30 June 2020	24,975	-	-	24,975
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 30 June 2019	37,463	-	-	37,463
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

Financial Statements Notes (continued)

8 Debtors and prepayments	30 June 2020	30 June 2019
	€	€
Debtors	10,612	6,264
Prepayments and accrued income	172,083	159,094
	<hr/>	<hr/>
	182,695	165,358
	<hr/> <hr/>	<hr/> <hr/>

Trade debtors are stated net of a provision for impairment of €Nil (2019 €Nil).

9 Cash and cash equivalents	30 June 2020	30 June 2019
	€	€
Cash at bank and in hand	4,780,876	4,454,038
	<hr/>	<hr/>
Cash and cash equivalents per cash flow statements	4,780,876	4,454,038
	<hr/> <hr/>	<hr/> <hr/>

10 Creditors: amounts falling due within one year	30 June 2020	30 June 2019
	€	€
Accrued expenses	19,480	12,494
PAYE and Social Welfare insurance	43,102	41,124
Public Service Withholding Tax	750	750
Trade Creditors	134	-
	<hr/>	<hr/>
	63,466	54,368
	<hr/> <hr/>	<hr/> <hr/>

11 Approval of financial statements

The Board of Directors approved these financial statements on 19 October, 2020.

Appendices

The following appendices do not form part of the audited financial statements

Appendix 1

Administrative Appendix

Relevant Companies

The Irish Takeover Panel, established pursuant to the Irish Takeover Panel Act, 1997 (the “Act”), is the body responsible for monitoring and supervising takeovers and other relevant transactions in relation to securities in relevant companies in Ireland. For the purposes of the Act a relevant company includes 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 the Irish Stock Exchange, the London Stock Exchange, the New York Stock Exchange and Nasdaq but excluding those companies whose only securities authorised to be traded on one or more of those markets during the relevant period are debentures or bonds or other securities in the nature of debentures or bonds that do not confer voting rights in the company.

On 20 May 2006 the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (the “Regulations”), which transposed the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids into Irish Law, came into effect. Under the Regulations those companies a bid in respect of which the Panel has jurisdiction by virtue of Regulation 6 to supervise, are deemed to be relevant companies under the Act.

The Rules

In addition to its supervisory function, the Panel is also entrusted under the Act with a rulemaking function. The Irish Takeover Panel Act, 1997, Takeover Rules, 2013 came into effect on 6 January 2014. In addition, the Irish Takeover Panel Act, 1997, Substantial Acquisition Rules, 2007 came into effect on 19 December 2007. These Rules have been made principally to ensure that takeovers (including takeover bids) and other relevant transactions comply with 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. Neither are the Rules concerned with issues such as competition and merger policies, which are regulated under different legislation.

Members of the Panel and Board of Directors

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:

Consultative Committee of Accountancy Bodies -Ireland

Law Society of Ireland

Irish Association of Investment Managers

Banking & Payments Federation Ireland

Irish Stock Exchange plc

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 five nominating bodies to designate one or more alternates for each director appointed by them, and one of the nominating bodies has 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. The Board is often required to meet at short notice in order to consider issues requiring urgent decisions.

The day-to-day operations of the Panel are carried out by the Executive through the office of the Director General. The Executive deals with the general administration of the Panel. The Board of the Panel has delegated to the Executive certain specific powers in order to enable the Executive to consider certain queries and submissions in relation to takeovers and other relevant transactions. Queries and submissions which fall outside the Executive's delegated powers are referred to, and considered by, the Board of the Panel. The frequency of Panel board meetings is determined in large part by the level of takeover activity.

The Panel has an Audit and Risk Committee currently comprising two Directors. The responsibilities of the Audit and Risk Committee are set out in its Terms of Reference.

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.

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.

Panel Charges

made under section 16 of the Act and effective from 1 July 2020.

1. *Annual charge payable by relevant companies*

Relevant companies pay an annual charge to the Panel based on Market Capitalisation as at 30 June in each year. This scale is as follows:

Market Capitalisation € Million	Annual Charge €
Over 1,250	18,750
625 - 1,250	12,500
125 - 625	6,250
62 - 125	5,000
31 - 62	3,750
12 - 31	2,500
Under 12	1,250

2. *Charge on transactions in securities of relevant companies*

Charges are made on contracts in respect of dealings in securities of relevant companies. This charge amounts to €1.25 on each contract note in respect of transactions valued at more than €12,500.

3. *Document charges - takeovers and other relevant transactions*

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 scale for these charges is:

Value of the Offer € Million	Charge €
Under 5	2,500
5 - 15	10,000
15 - 35	17,500
35 - 65	35,000
65 - 125	50,000
Over 125	62,500

The charge in respect of "whitewash" waiver applications is €2,500.

4. *Charge on offerors which are not relevant companies*

Where an offeror is not a relevant company or a subsidiary of a relevant company, a charge is made additional to the document charge as set out above. 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. *Document charge - proceedings of the Panel*

The Panel is empowered to charge up to €900 per document in respect of documents furnished to the Panel by a person in relation to proceedings to the Panel.

Appendix 2

Takeovers supervised by Irish Takeover Panel

1 July 2019 to 30 June 2020

- | | |
|----------------------|---|
| (i) Scisys Group plc | Recommended cash offer by CGI Group Holdings Europe Limited, a wholly-owned indirect subsidiary of CGI Inc. |
| (ii) Green REIT plc | Recommended acquisition for cash by HPREF Dublin Office Bidco Limited, an indirect wholly-owned subsidiary of The Henderson Park Funds, by means of a scheme of arrangement |
| (iii) Allergan plc | Recommended acquisition for cash and securities by AbbVie Inc., by means of a scheme of arrangement |

The following company was in an offer period at 30 June 2020:

Willis Towers Watson plc

Appendix 3

Exercise of powers by Irish Takeover Panel

During the course of the year the Panel exercised certain of its powers under the Act as set out below:

Rulings

The Panel issued one hundred and sixteen rulings in respect of the following rules:

Rule	Number of Rulings
2 (confidential information; timing/contents of announcements)	20
9 (the mandatory offer and its terms)	2
16 (special arrangements and management incentivisation)	3
19 (communications)	7
20 (equality of information)	38
21 (frustrating action)	22
23 (general obligation as to information)	1
24 (offeror documents)	1
25 (offeree board circulars)	1
27 (documents subsequently despatched to shareholders)	1
28 (profit forecasts)	2
29 (asset valuations)	1
30 (dispatching, making available the offer document and response circular)	1
Other	16

Exercise of powers by Irish Takeover Panel (continued)

Waivers

Twenty one waivers were granted in respect of the following rules:

Rule	Number of Waivers
9 (the mandatory offer and its terms)	7
28 (profit forecasts)	9
30 (despatching and making available the offer document and first response circular)	2
37 (offer required following the purchase by a company of its own securities)	2
Other	1

Derogations

Eleven derogations were granted in respect of the following rules:

Rule	Number of Derogations
12 (the Competition Act and the European Commission)	1
20 (equality of information)	1
24 (offeror documents)	1
25 (offeree board circulars)	1
26 (documents to be on display)	1
28 (profit forecasts)	5
Other	1

Section 10(1) enquiries

The Panel conducted one enquiry under section 10(1) of the Act.

Censures

The Panel administered one private censure under section 10(2) of the Act.