

# **IRISH TAKEOVER PANEL**

## **Report for the year ended 30 June 2023**

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

**ANNUAL REPORT 2023**

# **IRISH TAKEOVER PANEL**

**Report for the year ended 30 June 2023**

# Contents

	Page
Members of the Panel, Directors and Director General	2
Introduction	3
Chairperson's Statement	4
Director General's Report	6
Directors' Report	8
Statement on System of Internal Control	12
Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements	16
Independent Auditor's Report	18
Financial Statements	21
Appendix 1 - Administrative Appendix	35
Appendix 2 - Takeovers supervised by the Irish Takeover Panel 1 July 2022 to 30 June 2023	40
Appendix 3 - Exercise of powers by the Irish Takeover Panel	41

## **Members of the Panel**

Irish Association of Investment Managers

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	James Doherty S.C.	Appointed by the Governor of the Central Bank of Ireland
Deputy Chairperson	Paul D'Alton	Appointed by the Governor of the Central Bank of Ireland
	Maurice Crowley	Appointed by the Banking & Payments Federation Ireland
	Michael D'Arcy	Appointed by the Irish Association of Investment Managers
	Hugh McCutcheon	Appointed by the Irish Stock Exchange
	Justin McKenna (Alternate: Lorcan Tiernan)	Appointed by the Law Society of Ireland
	Kevin O'Donovan	Appointed by the Consultative Committee of Accountancy Bodies - Ireland

## **Director General**

**(and Secretary of the Panel)**

John Frain

## **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**

This is the twenty sixth Annual Report of the Irish Takeover Panel (the "Panel"). It is with pleasure that I submit it to the Minister for Enterprise, Trade and Employment, in accordance with the Act.

I was honoured to be appointed Chairperson of the Panel in September 2022 and would like to acknowledge the excellent work done by Mr. Justice Cian Ferriter, my predecessor, in this role until September 2021 and by Mr. Paul D'Alton who served as Acting Chairperson in the intervening period.

The financial year to June 2023 saw a significant decline in the level of M&A activity, both in Ireland and globally, reflecting the more difficult economic environment and challenging financing markets.

Although the past year has been relatively quiet in terms of the level of takeover activity, it has been a busy year for the Panel in other areas.

In July 2022 the Panel published Revised Rules: the Irish Takeover Panel Act 1997, Takeover Rules, 2022; and the Irish Takeover Panel Act 1997, Substantial Acquisition Rules, 2022. The Panel welcomes any comments from stakeholders on the Rules and their application.

During the year, the Panel undertook a review of its governance arrangements generally and to ensure continued compliance with the revised Code of Practice for the Governance of State Bodies. The Board is satisfied that it is either applying the relevant provisions of the Code in line with the Panel's statutory requirements and the scale and nature of its activities. Arising from its review, the Panel introduced a number of changes to governance practices including the establishment of a Nominations, Performance and Remuneration Committee in October 2023 and the appointment of an outsourced internal audit function.

The Panel continues to be an active participant in the European Securities and Markets Authority's Shareholder Transactions Working Group (previously titled "the Takeover Bids Network") and participated in an online meetings for the purpose of discussing current regulatory and supervisory issues relevant to the Takeover Bids Directive 2004/25/EC and to the EU national competent authorities.

## **Chairperson's Statement (continued)**

There were no changes to the Panel membership during the year. The Panel recognises the importance of diversity and the benefits of achieving greater gender balance. As directors' terms come to an end, the Panel intends to notify the nominating bodies of the importance of achieving gender balance and the Panel will invite nominating bodies to consider these matters in their next appointments.

Finally, I would like to thank the Executive and the staff of the Panel for their professional and effective contribution throughout the year and to acknowledge my fellow Panel members for their commitment and extremely valuable insight and expertise on M&A activities and the securities market generally.

James Doherty

Chairperson

18 October 2023

## **Director General's Report**

In line with international markets, M&A activity in Ireland during the year ended June 2023 was at a relatively low volume of activity when compared to record levels of post pandemic M&A activity throughout 2021 and into the first half of 2022. A single firm offer with a value of US\$27.8 billion was announced in the financial year 2023, as compared to three takeovers having been completed in the previous year.

During the first half of the year ended June 2023, deal activity was hindered by uncertainties arising from macro environment challenges with volatile capital markets, elevated inflation and the rising interest rate environment significantly impacting deal financing. In the second half of the year, while the overall level of activity remained muted, the underlying level of engagement which the Executive had with relevant companies, shareholders and M&A practitioners was strong. The new financial year has seen an increase in the level of potential takeovers and other relevant transactions discussed with the Executive.

In July 2022, the Irish Takeover Panel Act 1997, Takeover Rules, 2022 came into effect following an extensive review and consultation process. The new Rules contain a number of significant changes, the primary purpose of which is to take into account developments in international takeover practice and changes in relevant legislation that had occurred since the last review in 2012/2013. Through the Panel's subsequent engagement with stakeholders we are satisfied that the changes to the Rules are working as envisaged. The Executive will continue to engage widely to ensure awareness and knowledge of the impact of the new Rules.

The Panel will continue to keep developments in international M&A practice under review and will consider amendments to the Rules if they are deemed necessary or appropriate. The Executive maintains strong working relationships with international takeover authorities including our colleagues on the European Securities and Markets Authority's Shareholder Transactions Working Group and the UK Takeover Panel.



## **Director General's Report (Continued)**

### **Financial Statements**

The Panel does not receive funds from the exchequer and finances all its activities through charges on the listed companies which it regulates, by levies on trading in such listed companies and transaction fees.

The surplus for the financial year ended 30 June 2023 was €225,287, an increase of 70% compared to the previous year.

Operating income increased by approximately 2% to €1,276,450 due to an increase in relevant company annual charges and contract note levies offsetting a reduction in transaction fees arising from a lower volume of M&A activity throughout the year. Operating expenses were €1,086,201, a reduction of 2.6% compared to the previous year.

Cash and investments as at 30 June 2023 were €5,188,246 and the Contingency reserve, which was established by the company for the purpose of creating and maintaining adequate resources to meet any unforeseen increase in legal and operating expenditure, has been increased to €3.6 million.

John Frain

Director General

18 October, 2023

## **Directors' Report**

The directors present their annual report and audited financial statements for the year ended 30 June 2023.

### **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 confirms that it has complied with its obligations under Irish tax law.

### **Corporate Governance**

The directors are responsible for ensuring that the Panel meets its principal objects of monitoring and supervising takeovers and other relevant transactions and making rules to ensure that takeovers and other relevant transactions comply with the General Principles. The directors also exercise a governance role having regard to the Panel's status as a company limited by guarantee to which the Code of Practice for the Governance of State Bodies (2016) (the "Code") also applies. In fulfilment of these responsibilities, the Panel met on 13 occasions to consider takeover rule and other matters and on 3 occasions to consider governance matters. The Audit and Risk Committee met on 2 occasions to consider audit and risk related matters.

The Panel is committed to implementing good corporate governance standards guided by the principles set out in the Code. During the year, the Panel undertook a review of its governance arrangements generally and to ensure continued compliance with the Code. The Board is satisfied that it is either applying the relevant provisions of the Code or adapting the provisions as permitted to take account of the Panel's statutory requirements and the scale and nature of its activities.

## **Directors' Report (continued)**

Arising from its review, the Panel introduced a number of changes to governance practices including the establishment of a Nominations, Performance and Remuneration Committee in October 2023 and the appointment of an outsourced internal audit function.

During the year, the Board engaged an adviser to undertake an external board assessment and is implementing a number of recommendations made in their report.

The Code requires specific disclosures on the following matters:

- (i) Travel & subsistence
- (ii) Hospitality expenditure
- (iii) Legal costs & settlements
- (iv) Consultancy costs
- (v) Remuneration and fees to directors/Panel members
- (vi) Key management compensation
- (vii) Analysis of wages and salaries by bands

The relevant disclosures are included in Notes 3 and 4 to the financial statements.

### **Gender balance and diversity**

As detailed in Appendix 1, the five members of the Panel have each appointed a director to the Board and the Governor of the Central Bank of Ireland has appointed the Chairperson and Deputy Chairperson to the Board. The Board is comprised of members from diverse professions and disciplines who contribute their expertise gained from experience working with a broad range of stakeholders. Given the statutory nature of this appointment process, the nominating bodies and the Governor retain sole responsibility for nominating and appointing directors and on the composition of the Board including the gender balance of its membership.

As at 30 June 2023, the Board had seven (100%) male members, with no positions vacant. The composition of the Board therefore, did not meet the Government target of a minimum of 40% representation of each gender.

## **Directors' Report (continued)**

The Executive of the Panel has a small number of employees with three (60%) being female and two (40%) being male.

The Board recognises the benefits of gender balance and as directors' terms comes to an end the Panel will notify nominating bodies of the importance of achieving gender balance and will invite them to consider this in their next appointments.

### **Results for the year**

The results for the year are set out in the Income and Expenditure Account on page 21. €500,000 was transferred from the Income and Expenditure Account to the Contingency Reserve (2022: €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.

### **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 information relevant or potentially relevant to the audit 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.

## **Directors' Report** (continued)

### **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

James Doherty  
*Chairperson*

Paul D'Alton  
*Director*

*18 October, 2023*

## **Statement on System of Internal Control**

### **Scope of responsibility**

On behalf of the Irish Takeover Panel, I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies. In discharging its responsibilities, the Board has delegated clearly defined authority levels to the Director General while reserving certain matters for its own decision.

### **Purpose of the system of internal control**

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 system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system therefore seeks to provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way. The system requires that the Director General exercise stringent control and report any significant control failures to the Board.

The system of internal control has been in place in the Irish Takeover Panel for the year ended 30 June 2023 and up to the date of approval of the financial statements. The System of Internal Control is built on a framework of:

- Regular financial information;
- An annual budgeting system, including approval of the Panel's budget by the Board;
- Regular reviews by the Board of financial reports and key performance activity; and
- An internal audit programme overseen by the Audit and Risk Committee.

### **Capacity to handle risk**

The Panel has an Audit and Risk Committee (the "ARC") comprising two board members. The purpose of the ARC is to support the Panel in its responsibilities for issues of risk, control, and governance. The responsibilities of the ARC include advising the Panel on the financial statements, the results of external and internal audits, financial risk management, and internal control matters. The ARC is also responsible for reviewing the Panel's risk management strategy and monitoring of the internal control environment.

## **Statement on System of Internal Control (continued)**

The ARC Committee has defined Terms of Reference which set out the responsibilities of the committee.

The Panel appointed an Internal Auditor in 2023, on an outsourced basis, to support the ARC and its relevant activities.

### **Risk and internal control framework**

The Panel acts in accordance with its risk appetite statement to achieve its statutory obligations. The Panel has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

The Panel has nominated the Director General as Chief Risk Officer. The Board and the ARC provide independent oversight and review of the effectiveness of the Panel's risk management.

A risk register is in place which identifies the key risks facing the Panel undertaking its statutory mandate and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated if necessary by the ARC at each meeting. Moderate and significant risks are also reported to the Board at Panel governance meetings. The risk register details the controls and actions in place to mitigate risks.

The Panel has a relatively straightforward internal control framework, proportionate to the nature of the Panel, its size and complexity and having regard to its challenge on segregation of duties due to the small number of employees.

I confirm that an appropriate control environment containing the following elements is in place:

- Clearly defined and documented management responsibilities and authority with clear lines of accountability;
- Procedures to monitor the activities and safeguard the assets of the organisation;
- Procedures for reporting significant control failures and ensuring appropriate corrective action is taken;
- Adopting as appropriate and adhering to the Code of Practice for the Governance of State Bodies;
- Reviewing the effectiveness of the Board; and
- Ensuring the control environment includes an active ARC, an Internal Audit function and the Director General's regular reports to the Board of activity and financial results.

## **Statement on System of Internal Control (continued)**

### **Ongoing monitoring and review**

Procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for the purposes of taking corrective action, and to the ARC or Board, where relevant, in a timely way.

I confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- responsibility for financial management has been assigned to the Director General; and
- there are regular reviews by the ARC and Board of quarterly and annual performance and financial reports which indicate performance against budgets/forecasts.

### **Procurement**

The Panel has in place an appropriate procurement policy to enable it comply with its obligations in this regard.

### **Review of effectiveness**

The Board's monitoring and review of the effectiveness of the System of Internal Control is informed by the work of the Director General, who has responsibility for the development and maintenance of the financial control framework, the outsourced internal audit function, and the ARC.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2023, finalised at its meeting of 18 October 2023.

I confirm that this Statement on System of Internal Control has been reviewed by the ARC who are satisfied it accurately reflects the control system in operation during the reporting period.

No material breaches in internal control, material losses or frauds were identified during the course of the year.



## **Statement on System of Internal Control (continued)**

The review was coordinated by the ARC and included a review by the Board of:

- The Review of the System of Internal Control completed by internal audit;
- The results of the internal audit programme which audited financial and other controls; and
- The annual report by the ARC to the Board.

Signed on behalf of the Board:

James Doherty

Chairperson

18 October, 2023

## **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

James Doherty  
*Chairperson*

Paul D'Alton  
*Director*

18 October, 2023

## **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 June 30, 2023 set out on pages 21 to 33, which comprise the Balance Sheet, the Profit and Loss Account, the Statement of Other Comprehensive Income, 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 issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at June 30, 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements 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.

#### ***Conclusions relating to going concern***

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

### ***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. 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.

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 undertaken during the course of the audit, we report that:

- 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; and
- 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.

Under the Code of Practice for the Governance of State Bodies ("the Code") we are required to report to you if the statement regarding the system of internal financial control required under the Code as included in the Directors' Report on page(s) 8 to 14 does not reflect the Group's compliance with paragraph 1.9 (iv) of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not.

### **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 16 to 17, 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



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

**Respective responsibilities and restrictions on use (continued)**

***Responsibilities of Directors for the financial statements (continued)***

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.

***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://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

***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.

*Brian Kane*

**for and on behalf of KPMG**  
**Chartered Accountants, Statutory Audit Firm**  
*1 Stokes Place*  
*St. Stephen’s Green*  
*Dublin 2*

19 October 2023

## Financial Statements

### Income and Expenditure Account

*For the year ended 30 June 2023*

		30 June 2023	30 June 2022
		€	€
	<i>Notes</i>		
<b>Operating income</b>	2	<b>1,276,450</b>	1,248,054
<b>Operating expenditure</b>	3	<b>(1,086,201)</b>	(1,115,642)
<b>Operating surplus</b>		<b>190,249</b>	132,412
Interest income		<b>38</b>	76
Gain on disposal of fixed asset		<b>35,000</b>	-
<b>Surplus for the financial year</b>		<b>225,287</b>	132,488

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 2023

		30 June 2023	30 June 2022
	Notes	€	€
<b>Fixed assets</b>			
Tangible assets	7	6,442	2,727
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors and prepayments	8	281,672	228,816
Investments	9	1,729,087	1,729,282
Cash at bank	9	3,459,159	3,204,793
		<hr/>	<hr/>
		5,469,918	5,162,891
<b>Creditors:</b> amount falling due within one year	10	(190,321)	(104,866)
		<hr/>	<hr/>
<b>Net current assets</b>		5,279,597	5,058,025
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		5,286,039	5,060,752
		<hr/> <hr/>	<hr/> <hr/>
<b>Accumulated surplus and reserve</b>			
Contingency reserve		3,600,000	3,100,000
Income and Expenditure account		1,686,039	1,960,752
		<hr/>	<hr/>
		5,286,039	5,060,752
		<hr/> <hr/>	<hr/> <hr/>

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

On behalf of the Board

James Doherty  
*Chairperson*

Paul D'Alton  
*Director*

18 October, 2023



**Financial Statements**  
**Statement of Changes in Equity**

*For the year ended 30 June 2023*

	<b>Contingency reserve €</b>	<b>Retained earnings €</b>	<b>Total €</b>
<b>At 1 July 2021</b>	3,100,000	1,828,264	4,928,264
Profit for the year	-	132,488	132,488
Other comprehensive income	-	-	-
Transfer from Income & Expenditure Account	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance 30 June 2022</b>	3,100,000	1,960,752	5,060,752
	<hr/>	<hr/>	<hr/>
<b>At 1 July 2022</b>	<b>3,100,000</b>	<b>1,960,752</b>	<b>5,060,752</b>
Profit for the year	-	225,287	225,287
Other comprehensive income	-	-	-
Transfer from Income & Expenditure Account	500,000	(500,000)	-
	<hr/>	<hr/>	<hr/>
<b>Balance 30 June 2023</b>	<b>3,600,000</b>	<b>1,686,039</b>	<b>5,286,039</b>
	<hr/>	<hr/>	<hr/>

# Financial Statements

## Cash Flow Statement

For the year ended 30 June 2023

		<b>30 June 2023</b>	30 June 2022
	<i>Notes</i>	€	€
<b>Cash flows from operating activities</b>			
Operating Surplus		<b>190,249</b>	132,412
Depreciation	7	<b>4,231</b>	15,134
(Increase) / decrease in trade and other debtors	8	<b>(52,856)</b>	47,064
Increase in trade and other creditors	10	<b>85,455</b>	15,701
Interest income		<b>38</b>	76
		<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>		<b>227,117</b>	210,387
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Acquisition of tangible fixed assets	7	<b>(7,946)</b>	-
Disposal of tangible fixed assets	7	<b>35,000</b>	-
		<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>		<b>27,054</b>	-
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Investment income		-	-
Transfer to investments	9	<b>195</b>	-
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>		<b>195</b>	-
		<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>		<b>254,366</b>	210,387
<b>Cash and cash equivalents, start of year</b>	9	<b>3,204,793</b>	2,994,406
		<hr/>	<hr/>
<b>Cash and cash equivalents, end of year</b>	9	<b>3,459,159</b>	3,204,793
		<hr/> <hr/>	<hr/> <hr/>

# **Financial Statements**

## **Notes forming part of the financial statements**

### **1 Accounting policies**

#### **Basis of preparation of financial statements**

The 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”)*. 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.

#### **Operating leases**

Payments made under operating leases are recognised in the income and expenditure account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in income and expenditure account over the term of the lease as an integral part of the total lease expense.

## **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.

##### *Investments*

Amounts classified as investments are deposits which are not readily convertible into cash and cash equivalents.

#### **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.

## Financial Statements Notes (continued)

### 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.

<b>2 Operating Income</b>	<b>30 June 2023</b>	30 June 2022
	€	€
Relevant company annual charges	<b>548,862</b>	386,160
Document charges	<b>83,750</b>	301,193
Contract note levies	<b>642,818</b>	555,894
Other	<b>1,020</b>	4,807
	<hr/>	<hr/>
	<b>1,276,450</b>	1,248,054
	<hr/> <hr/>	<hr/> <hr/>

Depending on the level of cash balances at year end, income from relevant company annual charges may fluctuate from year to year. Where cash balances (net of current liabilities) exceed a specific threshold at year end, that excess is returned on a pro rata basis to relevant companies by way of a reduction in their relevant company annual charge for the following year. The purpose of this mechanism is to avoid the Panel accumulating excess cash balances. The total reduction in relevant company charges for the years commencing 1 July 2021 and 1 July 2022 amounted to €542,178 and €364,544 respectively.

<b>3 Operating expenditure</b>	<b>30 June 2023</b>	30 June 2022
	€	€
Operating expenditure includes:		
Depreciation	<b>4,231</b>	15,134
Consultancy (Legal and professional) fees	<b>54,618</b>	167,200
Hospitality	<b>5,991</b>	1,284
Travel and subsistence	-	65
Auditor's remuneration inclusive of VAT	<b>15,990</b>	7,380
	<hr/>	<hr/>

There were no legal costs or settlements in 2023 or 2022.

## Financial Statements Notes (continued)

### 4 Employees and costs

The average number of persons employed by the company, including directors was as follows:

	<b>30 June 2023</b>	30 June 2022
	<b>Number</b>	Number
<b>Number:</b>		
Administration	<b>5</b>	4
Directors	<b>7</b>	6
	<hr/>	<hr/>
	<b>12</b>	10
	<hr/> <hr/>	<hr/> <hr/>

	<b>30 June 2023</b>	30 June 2022
	<b>€</b>	€
<b>Aggregate Employee Benefits, excluding directors remuneration and fees:</b>		
Staff short term benefits	<b>491,279</b>	387,496
Termination benefits	-	-
PRSI costs	<b>53,624</b>	43,484
Pension costs (note 5)	<b>19,727</b>	71,116
	<hr/>	<hr/>
	<b>564,630</b>	502,096
	<hr/> <hr/>	<hr/> <hr/>

A total of 3 employees (2021: 2) earned remuneration, excluding pension contributions, in excess of €50,000 as follows:

	<b>30 June 2023</b>	30 June 2022
	<b>€</b>	€
€80,000-€89,000	<b>1</b>	1
€160,000-€169,000	<b>1</b>	-
€200,000-€209,000	<b>1</b>	-
€250,000-€259,000	-	1
	<hr/>	<hr/>
	<b>3</b>	2
	<hr/> <hr/>	<hr/> <hr/>

## Financial Statements Notes (continued)

### 4 Employees and costs (continued)

Key management personnel compensation is as follows:

	30 June 2023	30 June 2022
	€	€
Director General's salary and short term employee benefits	201,667	256,086
Directors' remuneration and fees	225,748	206,444
Pension costs	13,750	67,133
	441,165	529,663
	441,165	529,663

The Director General commenced employment on 2 August 2022 and his annual salary is €220,000. He became eligible to join the Irish Takeover Panel Group Retirement Plan on 2 February 2023 and pension contributions made by the Panel are disclosed above. There were no short term employee benefits paid during the year. The Panel set the remuneration of the Director General after taking independent professional advice.

In the year ended 30 June 2022, additional payments were made to the former Director General only relating to contractual pension arrangements and payments made for accrued annual leave upon retirement.

### Directors' Fees and Expenses and Schedule of Attendance

A schedule of attendance at the Board and Committee meetings for the year ended 30 June 2023 is set out below including the fees and expenses received by each Director. Directors may be unable to attend meetings as the Board is often required to meet at short notice in order to consider issues requiring urgent decisions and directors may be unavailable when faced with a potential conflict of interest in relation to a matter under consideration.

Director	Panel Meeting	Governance Meeting	Audit & Risk Committee	Fees €	Expenses
Total number of meetings	13	3	2		
James Doherty	9	3		62,848	0
Paul D'Alton	13	3	2	54,900	0
Maurice Crowley	13	3		24,900	0
Michael D'Arcy	3	0		11,700	0
Hugh McCutcheon	13	3	2	28,200	0
Justin McKenna	7	2		18,300	0
Kevin O'Donovan	13	3		24,900	0

## Financial Statements Notes (continued)

### 4 Employees and costs (continued)

James Doherty was appointed Chair of the Irish Takeover Panel in September 2022 and was available for 9 Panel meetings. His annual salary is €78,400.

Paul D’Alton’s annual salary as Deputy Chair is €54,900.

5 Pension costs	30 June 2023 €	30 June 2022 €
Pension charge	19,727	71,116

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 €19,727 (2022: €71,116) are included within operating expenditure. At 30 June 2023 nil (2022: nil) 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.



**Financial Statements**  
**Notes (continued)**

<b>7 Tangible assets</b>	<b>Motor vehicle €</b>	<b>Fixtures and fittings €</b>	<b>Computers €</b>	<b>Total €</b>
<i>Cost:</i>				
At 1 July 2022	49,950	70,867	8,020	128,837
Additions	-	-	7,946	7,946
Disposals	(49,950)	-	-	(49,950)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 June 2023</b>	<b>-</b>	<b>70,867</b>	<b>15,966</b>	<b>86,833</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Depreciation:</i>				
At 1 July 2022	49,950	70,867	5,293	126,110
Charge for year	-	-	4,231	4,231
Disposals	(49,950)	-	-	(49,950)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 June 2023</b>	<b>-</b>	<b>70,867</b>	<b>9,524</b>	<b>80,391</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Net book value:</i>				
<b>At 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>6,442</b>	<b>6,442</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 June 2022	-	-	2,727	2,727
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Financial Statements Notes (continued)

8 Debtors and prepayments	30 June 2023 €	30 June 2022 €
Debtors	9,767	4,855
Prepayments and accrued income	271,905	223,961
	281,672	228,816
	281,672	228,816
Trade debtors are stated net of a provision for impairment of €Nil (2021 €Nil).		
9 Cash and cash equivalents and Investments	30 June 2023 €	30 June 2022 €
Cash at bank and in hand	3,459,159	3,204,793
	3,459,159	3,204,793
Cash and cash equivalents per cash flow statements	3,459,159	3,204,793
	1,729,087	1,729,282
	1,729,087	1,729,282
10 Creditors: amounts falling due within one year	30 June 2023 €	30 June 2022 €
Accrued expenses	46,285	16,380
PAYE and Social Welfare insurance	61,027	85,315
Public Service Withholding Tax	105	2,850
Trade Creditors	82,904	321
	190,321	104,866
	190,321	104,866

## Financial Statements Notes (continued)

### 11 Commitments and contingencies 30 June 2023    30 June 2022

#### Operating lease commitments in respect of office premises

Commitments exist under non-cancellable operating leases as follows:

*Expiring:*

Within one year	-	-
Between two and five years	235,238	-
More than five years	-	290,588
	235,238	290,588
	235,238	290,588

The annual lease commitment charge expensed to the profit and loss account during the year was €55,350.

### 12 Approval of financial statements

The Board of Directors approved these financial statements on 18 October, 2023.

## **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, 2022 and the Irish Takeover Panel Act 1997, Substantial Acquisition Rules, 2022 came into effect on 22 July 2022. 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.

In October 2023, the Panel formed a Nominations, Performance and Remuneration Committee comprising two Directors. The responsibilities of this 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 2023.

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 of the Panel.

## **Appendix 2**

### **Takeovers supervised by the Irish Takeover Panel**

**1 July 2022 to 30 June 2023**

- |                              |  |
|------------------------------|--|
| (i) Horizon Therapeutics plc | Recommended cash offer by Amgen Inc. by means of a scheme of arrangement |
|------------------------------|--|

The following company was in an offer period at 30 June 2023:

Horizon Therapeutics plc

## Appendix 3

### Exercise of powers by the 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 forty five rulings in respect of the following rules:

<b>Rule</b>	<b>Number of Rulings</b>
2 (confidential information; timing/contents of announcements)	23
16 (special arrangements and management incentivisation)	3
20 (equality of information)	5
21 (frustrating action)	8
36 (partial offers)	1
37 (offer required following the purchase by a company of its own securities)	1
Other	4

#### *Waivers*

Nine waivers were granted in respect of the following rules:

<b>Rule</b>	<b>Number of waivers</b>
4 (restrictions on dealing in securities)	1
6 (acquisitions resulting in a obligation to offer a minimum level of consideration – voluntary offers)	1
7 (consequences of certain dealings)	1
9 (the mandatory offer and its terms)	2
28 (profit forecasts and quantified financial benefits statements)	2
Other	2

## Exercise of powers by the Irish Takeover Panel (continued)

### *Derogations*

Three derogations were granted in respect of the following rules:

Rule	Number of Derogations
8 (disclosure of dealings and positions)	1
12 (the Competition Act and European Commission)	1
20 (equality of information)	1