



# The Takeover Panel

2023 - 2024 ANNUAL REPORT

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## INTRODUCTION TO THE TAKEOVER PANEL

The Takeover Panel is an independent body whose main functions are to issue and administer the Takeover Code (the “Code”) and to supervise and regulate takeovers and other matters to which the Code applies in accordance with the rules set out in the Code.

The Panel regulates takeover bids and merger transactions (however effected) for companies which have their registered offices in the UK, the Channel Islands or the Isle of Man if any of their securities are admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man. The Panel also regulates offers for certain other public companies and private companies which have their registered offices in the UK, the Channel Islands or the Isle of Man.

The Code is designed principally to ensure that shareholders in an offeree company are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders in the offeree company of the same class are afforded equivalent treatment by an offeror. The Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

The Code is not concerned with the financial or commercial advantages or disadvantages of a takeover. These are matters for the offeree company and its shareholders. In addition, it is not the purpose of the Code either to facilitate or to impede takeovers. The Code is also not concerned with wider questions of public interest, including competition policy and national security, which are the responsibility of government and other bodies.

The essential characteristics of the Panel system are flexibility, certainty and speed in response to issues arising during a takeover, enabling parties to know where they stand under the Code in a timely fashion. These characteristics are important in order to avoid overly rigid rules and the risk of takeovers becoming delayed by litigation of a tactical nature, which may frustrate the ability of offeree company shareholders to decide the outcome of an offer.

The Panel seeks to avoid problems arising during takeovers and other relevant transactions by encouraging, and in some cases requiring, early consultation. In the event of a breach of a provision of the Code, the Panel focuses on providing suitable remedies in addition to taking appropriate disciplinary action. Such action may include private censure; public censure; the suspension, withdrawal or imposition of conditions on the terms of any exemption, approval or other special status granted by the Panel; or reporting the offender’s conduct to another regulatory authority or professional body. The Panel can also implement “cold-shouldering” procedures such that persons authorised by the Financial Conduct Authority (the “FCA”) or certain other professional bodies will not be permitted to act for an individual in a transaction subject to the Code for a specified period.

Under the Companies Act 2006 (the “Act”), the Panel also has powers to require documents and information, to make compensation rulings in certain circumstances and to seek enforcement of its rulings through the Courts.

## THE PANEL

The Chair, Deputy Chairs and up to 20 other members are appointed by the Panel on the recommendation of the Nomination Committee. In addition, ten members are appointed by major financial and business institutions, thus ensuring a spread of expertise in takeovers, securities markets, industry and commerce.

Each member of the Panel is designated on appointment as a member of either the Panel’s Hearings Committee or its Code Committee. The Chair, at least one Deputy Chair and the members appointed by the major financial and business institutions are designated as members of the Hearings Committee. Of the possible 20 other members appointed by the Panel, up to eight may be designated as members of the Hearings Committee and up to 12 as members of the Code Committee. No person who is or has been a member of the Code Committee may be a member of the Hearings Committee.

## THE HEARINGS COMMITTEE

The principal function of the Hearings Committee is to review rulings of the Panel Executive (the “**Executive**”). The Hearings Committee also hears disputed disciplinary proceedings instituted by the Executive when it considers that there has been a breach of the Code. The Hearings Committee can be convened at short notice, where appropriate. The quorum for proceedings before the Hearings Committee is five members.

Any party to a hearing or prospective hearing of the Hearings Committee (or any person denied permission to be a party to a hearing) may appeal to the Takeover Appeal Board against any ruling of the Hearings Committee or of the chair of the hearing. The Takeover Appeal Board is an independent body which hears appeals against such rulings. Further information regarding the Takeover Appeal Board, its membership and the Rules of the Takeover Appeal Board are available at [www.thetakeoverappealboard.org.uk](http://www.thetakeoverappealboard.org.uk).

## THE CODE COMMITTEE

The Code Committee carries out the rule-making functions of the Panel and is solely responsible for keeping the Code (other than certain matters that are reserved to the Panel itself) under review and for proposing, consulting upon, making and issuing amendments to the Code. The Code Committee is also responsible, in consultation with the Hearings Committee, for proposing, consulting upon and adopting the Rules of Procedure of the Hearings Committee.

## THE EXECUTIVE

The Panel has delegated the day-to-day work of takeover supervision and regulation to the Executive. In carrying out these functions, the Executive operates independently of the Panel. This includes, either on its own initiative or at the instigation of third parties, the conduct of investigations, the monitoring of relevant dealings in connection with the Code and the giving of rulings on the interpretation, application or effect of the Code. The Executive is available both for consultation and also the giving of rulings on the interpretation, application or effect of the Code before, during and, where appropriate, after takeovers or other relevant transactions.

The Executive is staffed by a mixture of employees and secondees from law firms, investment banks and other organisations. It is headed by the Director General, usually an investment banker on secondment.

Further information on the Panel is available at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

## PANEL MEMBERS

AS AT 4 SEPTEMBER 2024

### CHAIR AND DEPUTY CHAIRS

**Michael Crane KC** Chair

**Justin Dowley** Deputy Chair

**Jessica Ground** Deputy Chair

**Chris Saul** Deputy Chair

The Chair and Deputy Chairs are appointed by the Panel. Each member of the Panel is designated to act as a member of either the Hearings Committee or the Code Committee.

### HEARINGS COMMITTEE

In addition to the Chair and Justin Dowley (Deputy Chair), the membership of the Hearings Committee is as follows:

**Claudia Arney**  
Chair  
Deliveroo

**Susan Kilsby**  
Senior Independent Director  
Diageo

**William Brooks** Appointed by  
Past President the Institute of Chartered  
Institute of Chartered Accountants in England  
Accountants and Wales  
in England and Wales

**Lord Monks**  
Former General Secretary  
The Trades Union Congress

**James Brotherton** Appointed by  
CFO the Quoted Companies  
Breedon Group Alliance

**Barry O'Dwyer** Appointed by  
Group CEO the Association of British  
Royal London Insurers

**Lord Deben** Appointed by  
Chairman the Personal Investment  
Personal Investment Management and  
Management and Financial Advice  
Financial Advice Association Association

**Stuart Ord** Appointed by  
Co-Head of M&A UK Finance  
Deutsche Numis Corporate Finance  
Committee

**Liv Garfield**  
CEO  
Severn Trent

**Mark Sorrell** Appointed by  
Co-Head of Global M&A the Association for  
Goldman Sachs Financial Markets  
in Europe

**Michael Hatchard**  
Retired Partner  
Skadden, Arps, Slate,  
Meagher & Flom

**Patrick Thomson** Appointed by  
Chair the Investment Association  
Investment Association

**Cressida Hogg**  
Chair  
BAE Systems

**Victoria Whyte** Appointed by  
Company Secretary the Confederation of  
GSK British Industry

**Gordon Humphries** Appointed by  
Chair the Association of  
Association of Investment Companies  
Investment Companies

**Robert Wigley** Appointed by  
Chair UK Finance  
UK Finance

**Richard Iferenta**  
Vice Chair  
KPMG UK

Save for the members appointed by major financial and business institutions, the members of the Hearings Committee are appointed by the Panel.

Kay Carberry (former Assistant General Secretary, TUC) has been appointed by the Panel to serve as an alternate for Lord Monks. Adam Signy (Partner, Simpson Thacher & Bartlett) has been appointed by the Panel to serve as an alternate for other members of the Hearings Committee appointed by the Panel. Alternates for those members appointed by major financial and business institutions are listed on the Panel's website.

## CODE COMMITTEE

The membership of the Code Committee is as follows:

<b>Chris Saul</b>	Chair
<b>Mark Armour</b> Former CFO RELX	
<b>Joao Freitas</b> Senior Advisor HBK	
<b>Richard Godden</b> Partner Linklaters	
<b>Jessica Ground</b> Global Head of ESG Capital Group	
<b>Robert Hingley</b> Chairman Law Debenture	
<b>Moni Mannings</b> Non-Executive Director Hargreaves Lansdown	
<b>Rosemary Martin</b> Senior Advisor Deloitte Legal	
<b>Jean Roche</b> Fund Manager Schroders	
<b>Tim Waddell</b> Non-Executive Director Mizuho International	
<b>Emma Watford</b> Partner Bridgepoint	

The members of the Code Committee are appointed by the Panel.

## CHAIR'S STATEMENT

The first half of the year was characterised by the lower deal volumes seen in the second half of 2022-23. However, the end of the year to 31 March 2024 saw a pick-up in activity which has continued into the new financial year, as set out in the Director General's report. In total, 61 firm offers were announced (2022-23: 48), of which seven were valued at greater than £1 billion.

A number of important changes were made to the Code during the year, particularly in relation to Rule 21.1, which places restrictions on actions by the board of an offeree company which may frustrate the making of an offer or possible offer. These changes are covered in the report from the Chair of the Code Committee. The Executive also issued a new [Practice Statement 34](#), setting out its practice in relation to Rule 21.1, and updated [Practice Statement 5](#) (Rule 13.5 - Invoking conditions and pre-conditions). Following the financial year end, [Practice Statement 31](#) was also updated, incorporating new guidance in relation to private sale processes.

### MWB GROUP

As explained in my report as Chair of the Hearings Committee, the Panel's proceedings in relation to the breaches of Rule 9 and other important provisions of the Code by certain members of the management team of MWB Group Holdings plc ("MWB Group"), together with persons connected with them, have recently concluded.

The case, after a complex and lengthy investigation, involved two substantive hearings before the Hearings Committee and an appeal in relation to one aspect of the case being maintained to the Takeover Appeal Board. The conclusion of these proceedings was that members of an undisclosed concert party, centred on the company's senior management team and including a number of other market participants, had breached Rule 9 of the Code in January 2010 by acquiring control over additional shares to their disclosed shareholdings. This increased the aggregate percentage of voting rights controlled by the relevant individuals, and persons acting in concert with them, through the 30% threshold and to more than 50%, without a general offer being made to the remaining shareholders in the company.

In cases involving a breach of Rule 9, the Panel normally requires an offer to be made at the time that the breach is established. This was not possible because MWB Group went into administration in 2012 and was dissolved in 2018. In view of this, the Hearings Committee exercised for the first time the power in section 10(c) of the Introduction to the Code (the "Introduction") to require a person who has breached certain specified Rules of the Code (including Rule 9) to pay compensation (plus interest) to the holders or former holders of shares in the offeree company in an amount which it considers is just and reasonable with the object of ensuring that such holders receive what they would have been entitled to receive if the relevant Rule had been complied with.

In addition to the remedial ruling, the Hearings Committee exercised its disciplinary powers to cold-shoulder three members of the management team for the breach of Rule 9, and to cold-shoulder them and seven other individuals connected with them for misleading the Panel in breach of section 9(a) of the Introduction ("Section 9(a)"). These cold-shoulderings are for periods ranging between one and five years. A cold-shouldering is the publication of a Panel Statement that the offender is someone who, in the Hearings Committee's opinion, is not likely to comply with the Code and is the most serious sanction available to the Panel. Under the FCA Handbook, firms authorised by the FCA are not permitted to act for a person who is subject to a cold-shouldering sanction in connection with a transaction to which the Code applies.

### PANEL MEMBERSHIP

There have been several changes, both during the year ended March 2024 and immediately following it, to the membership of the Panel. Stuart Chambers, who was a member of the Hearings Committee and the Nomination Committee, stepped down from the Panel in December 2023 after more than seven years of service. At the end of April 2024, James Laing and Michael Herzog left the Panel, having served on the Code Committee since November 2015 and February 2016, and John Reizenstein stepped down from the Panel and the

Code Committee after serving for six years. Emma Douglas also stepped down as a member of the Panel and the Hearings Committee in April 2024 as The Pensions and Lifetime Savings Association ceased to be a nominating body.

With respect to new members, Cressida Hogg has been appointed to the Panel as a member of the Hearings Committee, and Jean Roche and Joao Freitas have been appointed to the Panel as members of the Code Committee. Cressida is Chair of BAE Systems and also Senior Independent Director of London Stock Exchange Group. Jean is a Fund Manager at Schroders, where she is lead manager of Schroder UK Mid Cap Fund plc. Joao is a Senior Advisor at HBK, focused on European special situations equities and merger arbitrage situations in Europe and Asia.

We owe all of those who have stepped down our thanks for their service and counsel over their time on the Panel. I would like to extend a warm welcome to our new Panel members in anticipation of the contribution they will bring to the role.

I am delighted to report that Jessica Ground, a member of the Code Committee, has agreed to accept an additional appointment as a Deputy Chair of the Panel with effect from 1 May 2024.

Ian Hart ended his term as Director General after nearly three years. I am grateful to Ian for his truly outstanding work, with notable achievements including guiding the Executive back to an office-based environment following the COVID pandemic, navigating several important changes to the Code and bringing the MWB Group case before the Hearings Committee following a complex and lengthy investigation. He returns to UBS with our thanks and best wishes for the future.

I am delighted to welcome Omar Faruqui who succeeded Ian as Director General on 1 May 2024 on secondment from Barclays, where he was Co-Head of EMEA M&A and Co-Head of UK Advisory. With over 25 years as an investment banker working for a number of leading firms, Omar has extensive advisory and public M&A experience to bring to the role.

Finally, I have to report the sad and untimely death of Jonathan Bloomer and his wife Judy in tragic circumstances last month. Having served on the Executive as a seconded Assistant Secretary in the 1980s, Jonathan went on to have a distinguished career in the City and served on the Code Committee for five years until 2017.

**Michael Crane KC**

4 September 2024



## HEARINGS COMMITTEE CHAIR'S REPORT

During the year, two very different cases were brought before the Hearings Committee.

### MWB GROUP

The first case related to MWB Group. Two separate hearings of the Hearings Committee were held, the first from 30 October to 17 November 2023 and the second on 31 January 2024.

The Hearings Committee ruled that certain former members of the management of MWB Group, specifically Mr Richard Balfour-Lynn (former chief executive) (“**Mr Balfour-Lynn**”), Mr Jagtar Singh (former joint finance director) (“**Mr Singh**”) and Mr Richard Aspland-Robinson (former executive director of MWB Business Exchange plc, a quoted subsidiary of MWB Group) (“**Mr Aspland-Robinson**”), who, together with persons acting in concert with them, originally held approximately 29.7% of the shares carrying voting rights in MWB Group, breached Rule 9 on 12 January 2010. This was on the basis that, with the assistance of certain other parties, they acquired interests in further MWB Group shares which increased the aggregate percentage of shares carrying voting rights in MWB Group in which they, together with persons acting in concert with them, were interested through the 30% threshold and to more than 50%, without making an offer to other shareholders. Their interests in these additional shares were concealed from the other directors of MWB Group and from the market generally, including through a series of sham transactions involving offshore entities. The other directors of MWB Group and the market generally were led to believe that shares comprising approximately 15% of MWB Group’s share capital were independently managed or controlled by Audley Capital Advisors LLP, when they were in fact controlled by Messrs Balfour-Lynn and Singh. The Hearings Committee also ruled that Messrs Balfour-Lynn, Singh and Aspland-Robinson, and certain other parties, breached Section 9(a).

MWB Group went into administration in November 2012 and was dissolved in 2018. The Hearings Committee concluded, exercising the power under section 10(c) of the Introduction, that these three individuals should be required to compensate MWB Group shareholders who were on the register on 12 January 2010 for the breach of Rule 9 by paying them 40 pence per share (being the price at which the mandatory offer should have been made) if they remained shareholders until administration or, if they sold their shares in the meantime, 40 pence per share less the sale proceeds, in each case plus interest.

In addition, for breaching Rule 9, and for misleading the Executive in breach of Section 9(a), Mr Balfour-Lynn and Mr Singh were cold-shouldered for five years and Mr Aspland Robinson was cold-shouldered for four years. Seven other individuals were also cold-shouldered for misleading the Executive in breach of Section 9(a) and a public statement of censure was issued in relation to the failure by a further individual to consult the Panel about the composition of the disclosed concert party. The rulings of the Hearings Committee are annexed to [Panel Statement 2024/16](#), which was published on 30 July 2024.

None of the parties maintained an appeal to the Takeover Appeal Board against the Hearings Committee’s rulings that they should be cold-shouldered. Mr Balfour-Lynn (but neither Mr Singh nor Mr Aspland-Robinson) appealed against the Hearings Committee’s ruling that he (and Messrs Singh and Aspland-Robinson) should be required to pay compensation to the former MWB Group shareholders. The Takeover Appeal Board dismissed this appeal, as set out in [Statement 2024/1](#), which was also published on 30 July 2024.

In the light of the above, the Panel’s proceedings in relation to MWB Group have concluded as follows:

- (a) Messrs Balfour-Lynn, Singh and Aspland-Robinson are required under section 954 of the Act and section 10(c) of the Introduction to pay compensation in the sum of 40 pence per share (being the price at which the mandatory offer should have been made) to the shareholders of MWB Group who were on the register as at 12 January 2010 (less any sale proceeds or other compensation received by those shareholders after 12 January 2010), amounting to a maximum of approximately £33 million, plus interest;

- (b) the following persons have been cold-shouldered under section 11(b)(v) of the Introduction for the periods stated:
- (i) Mr Balfour-Lynn: five years for breaching Rule 9 and Section 9(a);
  - (ii) Mr Singh: five years for breaching Rule 9 and Section 9(a);
  - (iii) Mr Aspland-Robinson: four years for breaching Rule 9 and Section 9(a);
  - (iv) Mr Julian Treger (founding partner of Audley Capital Advisors LLP): four years for breaching Section 9(a);
  - (v) Mr Camille Froidevaux (former senior partner of Budin Associés, a Swiss law firm): three years for breaching Section 9(a);
  - (vi) Mr Patrice Huguenin (a senior lawyer with Budin Associés): three years for breaching Section 9(a);
  - (vii) Mr Jean-Daniel Cohen (chairman of Hoche Partners, a French investment advisory firm): two years for breaching Section 9(a);
  - (viii) Mr Jeffrey Eker (uncle of Mr Balfour-Lynn): one year for breaching Section 9(a);
  - (ix) Mr Shaoul Hourri (principal of a number of businesses based in London): one year for breaching Section 9(a); and
  - (x) Mr Keval Pankhania (former finance director of MWB Business Exchange plc): one year for breaching Section 9(a); and
- (c) Mr Andrew Blurton (former joint finance director of MWB Group) has been made the subject of a public statement of censure under section 11(b)(ii) of the Introduction for breaching section 6(b) of the Introduction by not consulting the Panel when he was in any doubt as to whether a proposed course of action was in accordance with the Code.

## ONTHEMARKET PLC

The second case related to OnTheMarket plc in which, in my capacity as Chair of the Hearings Committee, I summarily dismissed a request that the Hearings Committee be convened to consider, among other matters, a complaint that the offeror, CoStar Group Inc., had breached General Principle 1(1) by failing to reflect in its offer certain contractual arrangements, including bespoke fee arrangements, which OnTheMarket had concluded with shareholders who were also estate agents in exchange for agreeing to list properties on the OnTheMarket portal. On the basis that such contractual arrangements were rights of a personal nature and did not attach to the estate agents' shares, I concluded that General Principle 1(1) would be complied with provided all shareholders were granted equivalent treatment with regard to their shares and, accordingly, received the offer consideration of 110 pence per share.

In addition, I concluded that the complainant lacked standing to request that the Hearings Committee be convened. This was on the basis that, although the complainant had written open letters expressing opposition to CoStar's proposed acquisition of OnTheMarket, he was not a shareholder in either company and neither the outcome of his complaint nor the transaction generally would directly affect him.

**Michael Crane KC**

4 September 2024

## CODE COMMITTEE CHAIR'S REPORT

During the period ended 4 September 2024, the Code Committee met three times and published one Public Consultation Paper ("PCP"), one Response Statement ("RS") and two rule-making Instruments.

In October 2023, the Committee published [RS 2023/1](#), which set out the final amendments to the Code adopted following the consultation in [PCP 2023/1](#) in relation to Rule 21 (Restrictions on frustrating action) and other matters (as referred to in last year's report). The Committee adopted the amendments substantially as proposed in the PCP, although it made certain minor modifications following consideration of the responses to the proposals. The amendments were formally made by [Instrument 2023/3](#) and came into effect on 11 December 2023. The Committee is most grateful to respondents for their valuable contributions to the consultation process.

In December 2023, the Committee published [Instrument 2023/4](#), which introduced a new paragraph (b) to Note 18 on Rule 9.1. In summary, the new paragraph (b) provides that the requirement for a mandatory offer is disappplied in certain circumstances where resolution tools are used in relation to a central counterparty company to which the Code applies. As the amendment was a consequence of changes to legislation, it was made without formal consultation. Instrument 2023/4 came into effect on 31 December 2023.

In April 2024, the Committee published [PCP 2024/1](#), which proposed a new and simpler jurisdictional framework under which (subject to transitional arrangements) the Code will apply to a company which has its registered office in the UK, the Channel Islands or the Isle of Man and either:

- any of the company's securities are admitted to trading on a UK regulated market, a UK multilateral trading facility, or a stock exchange in the Channel Islands or the Isle of Man (i.e. the company is "UK-listed"); or
- the company was UK-listed at any time during the three years prior to the relevant date.

If implemented, the proposals will narrow the scope of the companies to which the Code applies and refocus the application of the Code on companies which are registered and listed (or were recently listed) in the UK, the Channel Islands or the Isle of Man. The consultation period in relation to PCP 2024/1 ended on 31 July 2024.

During the year, the Committee considered alternative approaches to the framework in Rule 19.3(b), which provides that an offeror must not make a statement to the effect that it may improve its offer, or that it may make a change to the structure, conditionality or the non-financial terms of the offer, without committing itself to doing so and specifying the improvement or change. The Committee concluded that Rule 19.3(b) should be retained in its current form.

At the end of April 2024, Michael Herzog, James Laing and John Reizenstein retired as members of the Committee. I am very grateful to them for their excellent services to the Committee. In May 2024, the Committee welcomed Joao Freitas and Jean Roche as new members.

I would like to thank all members of the Committee for their contributions to its work over the last year. I am also grateful to the Executive for the support which it continues to provide for the Committee's work, including assistance in drafting the papers which the Committee publishes.

**Chris Saul**

4 September 2024

## FINANCE, AUDIT AND RISK COMMITTEE CHAIR'S REPORT

**Justin Dowley**      Chair

**Mark Armour**

**Rosemary Martin**

**Stuart Ord**

**Emma Watford**

The Finance, Audit and Risk Committee reviews the financial statements of the Panel and recommends them for adoption by the Panel; monitors internal controls and the external audit process; reviews the Panel's exposure to financial, operational and reputational risks and the strategy for mitigation; reviews income and expenditure and the management of the Panel's reserves; and reviews and recommends the annual budget for adoption by the Panel. The Committee gives regular reports to the Panel.

The Finance, Audit and Risk Committee met three times during the course of the year. It considered reforecasts of the Panel's expected results for the 2023-24 year, the full year results and audit for 2023-24 and the budget for 2024-25. It also reviewed the Panel's risk register, the Panel's deposits profile and the Panel's insurance cover.

The Committee reviews the scale of document charges. This year, it recommended a reversal of the previous reduction (implemented in August 2021), in the interests of long-term financial viability, which was accepted by the Panel with the new scale coming into force from 1 June 2024. In addition, the Committee recommended, and the Panel agreed, an increase in the charges for the granting of exempt principal trader, exempt fund manager and recognised intermediary status, broadly maintaining their level in line with inflation.

The Committee also considered the rate of the PTM levy, which has been unchanged since 2002 at 100p per contract of value greater than £10,000. Following the year end, the Committee recommended, and the Panel accepted, that this rate be increased to 150p per contract of value greater than £10,000. The new rate will become effective in respect of trades from 2 December 2024.

John Reizenstein left the Committee at the year end and we are grateful for his services to the Committee.

**Justin Dowley**

4 September 2024

## NOMINATION COMMITTEE CHAIR'S REPORT

**Michael Crane KC**      Chair

**Justin Dowley**

**Liv Garfield**

**Jessica Ground**

**Chris Saul**

**Mark Sorrell**

**Emma Watford**

The Nomination Committee monitors the size, composition and balance of the Panel. In particular, it makes recommendations to the Panel in relation to the appointment (and any renewal of appointment) of the Chair and Deputy Chairs and of other Panel members (and their alternates) but not those members appointed by major financial and business institutions. It also makes recommendations to the Panel in relation to the appointment of the Director General.

During the course of the year, the Committee met twice and considered and recommended to the Panel the appointment of three new members and the renewal of the appointments of five members of the Panel whose terms of appointment were due to expire. The Committee also considered and recommended to the Panel the appointment of the new Director General, Omar Faruqui.

Stuart Chambers left the Committee during the year. Since the year end, Jessica Ground has joined the Committee.

**Michael Crane KC**

4 September 2024

## REMUNERATION COMMITTEE CHAIR'S REPORT

**Susan Kilsby**      Chair

**Claudia Arney**

**Justin Dowley**

**Jessica Ground**

**Chris Saul**

The Remuneration Committee applies a formal and transparent procedure for determining the salary or fees payable to, and the policy on the reimbursement of expenses of, members of the Panel. In particular, it considers and determines the remuneration of the Chair, the Deputy Chairs and the other members of the Panel, and of the Director General and the Deputy Directors General.

The Committee met once during the year and discussed the remuneration of eligible Panel members, the remuneration of the Director General in the context of his appointment and the remuneration of the Deputy Directors General.

**Susan Kilsby**

4 September 2024

## PANEL EXECUTIVE

AS AT 4 SEPTEMBER 2024

<b>*Omar Faruqui</b> Barclays	Director General
<b>James Arculus</b>	Deputy Director General
<b>Charlie Crawshay</b>	Deputy Director General
<b>Chris Jillings</b>	Deputy Director General
<b>John Dovey</b>	Assistant Director General
<b>Jeremy Evans</b>	Assistant Director General
<b>Rosalind Gray</b>	Assistant Director General
<b>*Hemita Sumanasuriya</b> Slaughter and May	Secretary

### CASE OFFICERS

**Dipika Shah** Head of Case Officer Group

**\*Gabrielle Bush**  
Deutsche Bank

**\*Tom Grace**  
Simmons & Simmons

**\*Chloe Liddle**  
Citigroup

**\*David Woodcock**  
Baker McKenzie

### POLICY AND REVISION

**Amy Ruprai**

**Justine Usher**

### MARKET SURVEILLANCE

**Craig Andrews** Deputy Head of Market  
Surveillance

**Harry Hiley**

**Peter Margetts**

**Jack Sanderson**

**Alia Wahab**

### ADMINISTRATION AND SUPPORT

**Alex Tetley** Chief Operating Officer

**Sasha Hill** Head of Support Group

**Theresa Scott**

**Ann Snaith**

### EXEMPT GROUPS

**Ian Ripley** Head of Exempt Groups

**Sara Leighton**

\* Seconded

## DIRECTOR GENERAL'S REPORT

### OVERVIEW OF ACTIVITY

There was a gradual rebound in M&A volumes over the course of the year to 31 March 2024. 61 firm offers were announced, with an aggregate offer value of approximately £28.5 billion. This was an increase from the 48 firm offers announced in the prior year and was also the highest number of firm offers seen since 2019-20. Seven offers were valued at greater than £1 billion; of these larger deals, five were announced in the final four months of the year.

In the first quarter of the new financial year, 19 firm offers were announced with an aggregate offer value of approximately £16.9 billion. Five of these offers were valued at greater than £1 billion.

Aside from regulating takeovers (including a large number of possible offers which never become public), the Executive also undertakes a substantial volume of work in respect of Rule 9 waivers (of which there were 47 in 2023-24, compared with 41 in 2022-23), concert party queries, re-registrations and other general enquiries relating to the application of the Code. Significant time and resources are also spent on investigations into the alleged existence of undisclosed concert parties and on investigating and, where appropriate, applying sanctions in respect of breaches of the Code. In 2023-24, the Executive issued two letters of private censure and one educational/warning letter.

### MWB GROUP

As set out in the report of the Chair of the Hearings Committee, the Panel's proceedings in relation to the breaches of Rule 9 and other important provisions of the Code by certain members of the management team of MWB Group, together with persons connected with them, have recently concluded. This was by far the most complex investigation that the Executive has ever undertaken. The investigation was made more challenging by the great lengths to which the parties went to conceal the breaches of Rule 9, using multiple layers of offshore companies and misleading the Executive throughout the investigation. The co-operation of authorities in a number of overseas jurisdictions, including most significantly FINMA in Switzerland, was critical to the success of the investigation and the Executive is grateful for their support.

It is testament to the efforts of the Executive's enforcement team that such a complicated and challenging investigation has been brought to a successful completion. Ten individuals have been cold-shouldered, for periods ranging between five years and one year. In addition, in the first exercise of the Panel's compensation powers under section 10(c) of the Introduction, three individuals have been required to compensate MWB Group shareholders who were on the register on 12 January 2010. This case evidences the assiduous approach that the Executive takes in its investigation into alleged serious breaches of the Code.

### PRACTICE STATEMENTS AND BULLETINS

As stated in the report from the Chair of the Code Committee, in October 2023 the Code Committee published [RS 2023/1](#), which completed its review of Rule 21 (Restrictions on frustrating action), with the amendments to the Code coming into effect in December. At the same time, the Executive published [Practice Statement 34](#), which provides guidance on the Executive's practice in relation to the application of the updated Rule 21.1.

The Executive also updated two existing Practice Statements. [Practice Statement 5](#) (Rule 13.5 - Invoking conditions and pre-conditions) was amended in October 2023 to clarify the Executive's approach to the invocation of conditions relating to there being no phase 2 reference by the Competition and Markets Authority ("CMA"), and/or no "phase 2" or similar "in-depth" review by another antitrust or other governmental or regulatory body, and to set out in greater detail its approach to the invocation of conditions generally.

[Practice Statement 31](#) (Formal sale processes, private sale processes, strategic reviews and public searches for potential offerors) was amended in April 2024 to set out a new practice under which, where an offeree company is genuinely initiating a private sale process, the



Executive will normally grant dispensations from Rules 2.4(a) or (b) such that a potential offeror with which the offeree company is in discussions will only be required to be identified in an announcement made by the offeree company if the potential offeror has been specifically identified in any relevant rumour or speculation.

The Executive published [Panel Bulletin 6](#) (Rule 20.1 and representative directors) in January 2024, reminding practitioners of the importance of considering the application of Rule 20.1 (regarding the requirement for information relating to an offer or a party to an offer to be made equally available to all offeree company shareholders at the same time and in the same manner) where a director of the offeree company has been appointed by (or otherwise represents the interests of) a shareholder in the offeree company.

[Panel Bulletin 7](#) (Offeror intention statements), published in May 2024, emphasised the Executive's expectation that, in complying with the requirements of Rule 2.7(c) and Rule 24.2 to disclose its intentions regarding the offeree company and its business, an offeror will have developed specific intentions in relation to the matters referred to in those provisions, and those intentions must therefore be disclosed in the firm offer announcement and offer document respectively. Accordingly, generic disclosures, for example, to the effect that the offeror intends only to undertake a strategic review following completion of the offer, are not sufficient.

## DIGITAL CODE

The Executive completed its project to launch a digital version of the Code in October 2023. The digital Code provides functionality including navigation between provisions of the Code, popup boxes for defined terms, and tabs linking rules with related Practice Statements. It can be accessed from the Takeover Panel website and directly at <https://code.thetakeoverpanel.org.uk>.

## EXTERNAL RELATIONSHIPS

The Executive has continued to build on the Panel's external relationships, including with other UK regulators, relevant government departments and takeover regulators in other jurisdictions. Over the last year, the Executive has engaged with, amongst others, the FCA and the CMA, including in the Panel's capacity as a member of the UK Regulators' Network. We have also liaised on various issues with the Department for Business and Trade, HM Treasury and the City of London Corporation, as well as with the relevant authorities in Guernsey, the Isle of Man and Jersey.

In May 2024, members of the Executive participated in the 7th International Takeover Regulators' Conference, which was hosted by the Canadian Securities Administrators in Toronto. This, together with our associate membership of the Asia Pacific Takeovers Regulators Forum, has facilitated the Panel's ability to maintain a strong bond with our fellow regulators around the world.

The Executive continues to engage widely with representatives of shareholders and companies, with members of the advisory community with which it interacts most frequently on a day-to-day basis and with other interested parties. Ensuring that our stakeholders understand the role of the Panel and are able to share their views on our work is an important and ongoing component of the Executive's activity.

## EXECUTIVE STAFF

The Executive saw a number of staff changes during the year. Tamara Young returned to Freshfields Bruckhaus Deringer, having completed her two-year secondment as Secretary. Valentina Proverbio (RBC Capital Markets), Sam Cann (Peel Hunt) and Emmett Saigal (Cleary Gottlieb) returned to their firms following their secondments as case officers. Imogene Inge left the Executive after 10 years as Head of Records Management to take up a role at the Bank of England. I would like to thank each of them for their contribution to the Executive.

The Executive welcomed several new secondees. Hemita Sumanasuriya (Slaughter and May) joined as Secretary, while Gabrielle Bush (Deutsche Bank), Chloe Liddle (Citigroup) and Tom Grace (Simmons & Simmons) joined as case officers.

## ACCOUNTS

The Panel's income in 2023-24 was £11.9 million, compared with £11.4 million in 2022-23, an increase of approximately 5% but still materially below income of prior years (2021-22: £15.0 million; 2020-21 £15.3 million).

Following two years of reduced income from document charges and the PTM levy, the Finance, Audit and Risk Committee proposed an increase in the scale of document charges, restoring them to the level they were at in 2021, as well as an increase in the charges payable for services provided by the Executive's Exempt Groups Unit. The new charges became payable from 1 June 2024.

The Finance, Audit and Risk Committee also proposed an increase in the PTM levy. The rate was last changed in 2002 from 25p to 100p per contract where the total consideration of the relevant trade is greater than £10,000. The new PTM levy rate will be 150p per contract where the total consideration of the relevant trade is greater than £10,000 (or the equivalent in any other currency). The new rate will become effective in respect of trades from 2 December 2024.

The costs related to the MWB Group case are shown separately as an exceptional item in the 2023-24 accounts owing to their unusual size and incidence. Pre-exceptional expenditure in 2023-24 was £14.0 million compared with £13.5 million (also excluding costs related to MWB Group) in 2022-23.

Before exceptional items, interest receivable and taxation, the Panel incurred a deficit of £2.1 million in 2023-24 (compared with a deficit of £2.2 million in 2022-23). Interest receivable increased to £1.4 million (compared with £0.8 million in 2022-23).

Exceptional expenditure in 2023-24 was £4.9 million (2022-23 £2.2 million) and comprised the Panel's legal fees and the costs of the Hearings Committee in relation to MWB Group.

After exceptionals, interest receivable and taxation, the deficit for the year was £5.9 million (2022-23: deficit of £3.8 million).

The accumulated surplus at 31 March 2024 was £27.6 million, reduced from £33.5 million at 31 March 2023. When considering the Panel's levels of charges and costs, the Panel's objective is to maintain reserves, across the cycle, broadly of the order of two years' expenditure.

The Panel's cash position, including term deposits, decreased by £6.4 million to £25.8 million.

**Omar Faruqi**

4 September 2024

## STATISTICS

The following sets out some of the key statistics relating to transactions regulated by the Panel in the year ended 31 March 2024. In each case, the equivalent statistics are provided for the year ended 31 March 2023 for comparative purposes.

### OFFER PERIODS COMMENCING DURING THE YEAR

During the year ended 31 March 2024, an offer period commenced in respect of 87 offeree companies (year ended 31 March 2023 – 74). Of these offer periods:

- 38 (26) commenced with the announcement of a firm offer by an offeror;
- 34 (34) commenced with the announcement of a possible offer, of which 32 (32) identified one potential offeror and 2 (2) identified more than one potential offeror;
- 8 (10) commenced with the announcement of a formal sale process (as described in Note 2 on Rule 2.6);
- 5 (3) commenced because a company announced a strategic review (without a formal sale process);
- none (1) commenced following an announcement that a purchaser was being sought for an interest in shares carrying more than 30% of the voting rights of a company; and
- 2 (none) commenced because a company announced a reduction in capital and tender offer to purchase its own shares.

As at 31 March 2024, there were 25 (27) offeree companies in an offer period.

### FIRM OFFERS ANNOUNCED DURING THE YEAR

During the year, 61 (48) firm offers were announced, of which 10 (10) were structured as a contractual offer and 51 (38) as a scheme of arrangement at the time of the firm offer announcement.

### OFFERS RESOLVED DURING THE YEAR

During the year, 60 (53) offers in respect of 60 (49) offeree companies were resolved as a result of the offer becoming unconditional or the scheme becoming effective, or the offer lapsing or being withdrawn. Of these 60 (53) offers:

- 4 (5) were not recommended by the board of the offeree company at the time of the firm offer announcement;
- 4 (4) remained not recommended at the time that the offer document was published; and
- 4 (3) remained not recommended at the end of the offer period. 3 (2) of these offers became unconditional and 1 (1) lapsed.

At the time of the firm offer announcement, 3 (1) offers were mandatory offers under Rule 9.

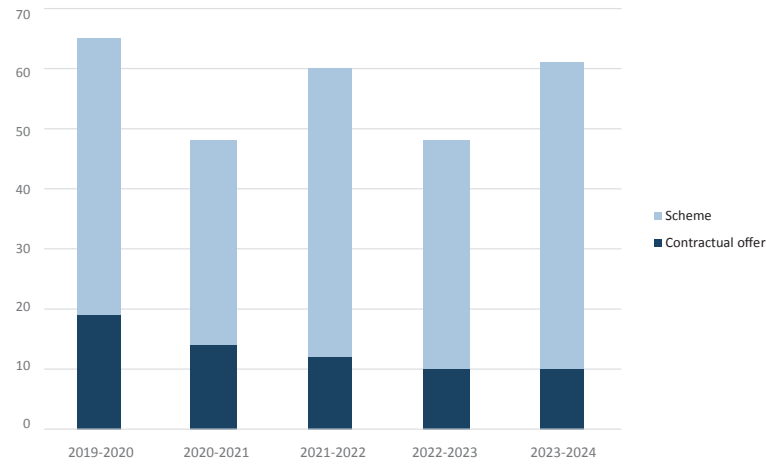
A further 15 (14) offers remained unresolved as at 31 March 2024, and are not included in these figures.

	2023-2024	2022-2023
<b>OUTCOME OF OFFERS</b>		
Offers involving the acquisition of control which became unconditional or the scheme became effective	53	44
Offers involving the acquisition of control which lapsed	4	6
Offers involving the acquisition of control which were withdrawn before an offer document or scheme circular was published	1	2
Offers to minority shareholders etc.	2	1
	<b>60</b>	<b>53</b>

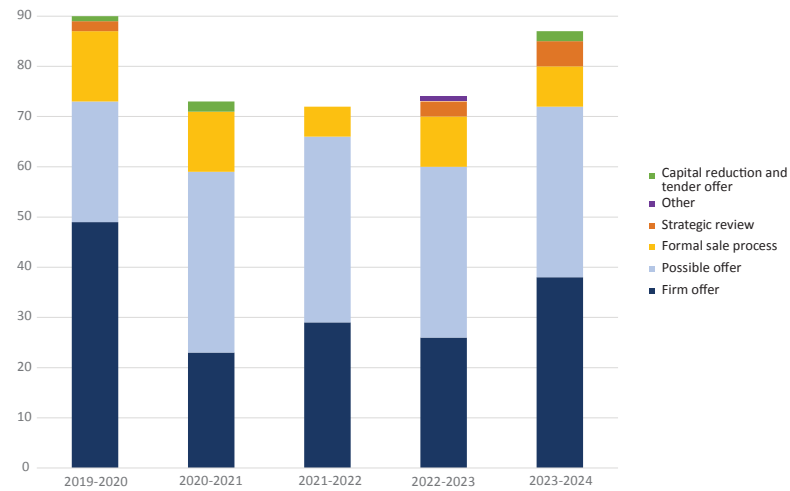
During the year, the Executive granted 47 (41) Rule 9 waivers (i.e. dispensations from the obligation to make a mandatory offer under Rule 9 following an issue of new shares or a repurchase of existing shares) and 9 (8) Code waivers (i.e. dispensations from the application of the Code to offers or proposals in relation to companies with a very limited number of shareholders).

The five year trends in relation to certain key statistics are shown below:

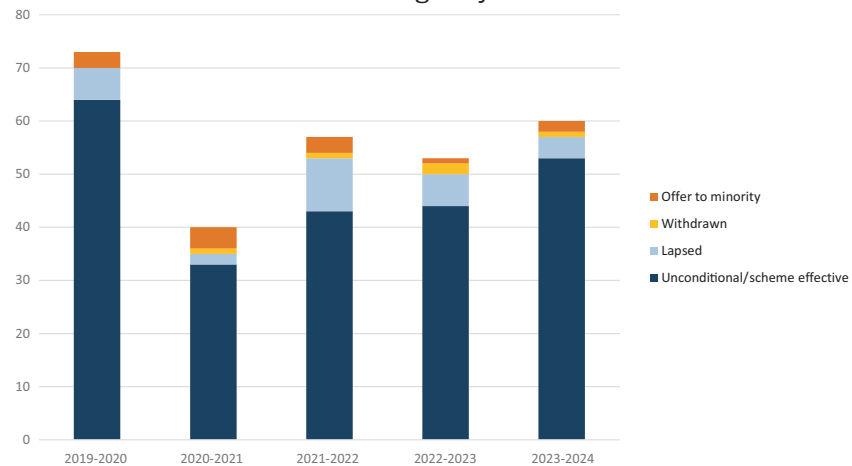
Firm offers announced during the year



Offer periods commenced during the year  
by transaction type



Offers resolved during the year



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TAKEOVER PANEL

## OPINION

We have audited the financial statements of The Takeover Panel ("the Panel") for the year ended 31 March 2024, which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. In our opinion, the financial statements of the Panel for the year ended 31 March 2024 are prepared in all material aspects in accordance with the basis of preparation and accounting policies set out in Note 1.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 Panel in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 members' 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 Panel's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## EMPHASIS OF MATTER – BASIS OF ACCOUNTING

We draw attention to Note 1 to the financial statements which describes the special purpose framework used in the preparation of the financial statements. The financial statements are prepared to assist the members of the Panel to fulfil their stewardship duties in respect of the Panel. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## RESPONSIBILITIES OF MEMBERS

As explained more fully in the statement of Panel members' responsibilities set out on page 29, the members are responsible for the preparation of the financial statements in accordance with the basis of preparation and accounting policies set out in Note 1, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Panel'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 the members either intend to liquidate the Panel 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Panel and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to PAYE and UK tax legislation and UK GAAP, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to misstated revenue.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, enquiries of management, review of minutes, substantive and analytical testing of revenue, and testing of journals and evaluating whether there was evidence of bias by the members that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## USE OF OUR REPORT

This report is made solely to the Panel's members, as a body, in accordance with the terms of our engagement letter dated 1 December 2023. Our audit work has been undertaken so that we might state to the Panel'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 Panel and the Panel's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**UHY Hacker Young LLP**  
**Chartered Accountants**

Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

4 September 2024

## ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2024 £	2023 £ as restated note 1(o)
<b>INCOME</b>			
PTM levy	1(d)	7,104,203	7,109,738
Document charges	1(d)	4,050,500	3,509,750
Code sales	1(d)	70,200	47,550
Exempt charges	1(d)	483,000	450,000
Recognised Intermediary charges	1(d)	225,000	234,000
		<u>11,932,903</u>	<u>11,351,038</u>
<b>EXPENDITURE</b>			
Personnel costs		9,976,816	9,677,403
Legal and professional costs		383,412	405,324
Accommodation costs		1,420,129	1,231,591
Other expenditure		2,262,475	2,235,006
		<u>14,042,832</u>	<u>13,549,324</u>
<b>DEFICIT BEFORE EXCEPTIONAL ITEM</b>		(2,109,929)	(2,198,286)
Exceptional costs	3	(4,859,049)	(2,188,417)
<b>DEFICIT BEFORE INTEREST AND TAXATION</b>		(6,968,978)	(4,386,703)
Interest receivable	1(f)	1,404,206	758,564
Taxation	2	(351,051)	(144,127)
<b>DEFICIT FOR THE YEAR</b>		<u>(5,915,823)</u>	<u>(3,772,266)</u>
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>		33,500,968	37,273,234
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>		<u><u>27,585,145</u></u>	<u><u>33,500,968</u></u>



BALANCE SHEET  
AT 31 MARCH 2024

	NOTE	2024 £	2023 £
<b>FIXED ASSETS</b>	4	1,234,596	1,552,101
<b>CURRENT ASSETS</b>			
Debtors and prepayments	5	3,854,693	3,355,435
Term deposits	1(h)	23,500,000	30,500,000
Cash		2,288,012	1,727,296
		29,642,705	35,582,731
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	6	2,450,443	2,999,075
Corporation tax		351,051	144,127
		2,801,494	3,143,202
<b>NON-CURRENT LIABILITIES</b>			
Provisions	8	490,662	490,662
<b>NET ASSETS</b>		27,585,145	33,500,968
Representing			
<b>ACCUMULATED SURPLUS</b>		27,585,145	33,500,968

The accounts on pages 22 to 28 were approved by Panel members on 4 September 2024 and signed on their behalf by:

**Michael Crane KC**  
Chair  
The Panel on Takeovers and Mergers

**Justin Dowley**  
Chair  
Finance, Audit and Risk Committee

The notes form part of these accounts.

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	2024 £	2023 £
Deficit for the year		(5,915,823)	(3,772,266)
Interest		(1,404,206)	(758,564)
Taxation		351,051	144,127
Depreciation		348,185	420,353
Dilapidation expense		-	9,272
Loss on disposal of fixed assets		209	2,546
(Increase)/Decrease in debtors and prepayments		(368,898)	812,230
(Decrease)/Increase in creditors and accruals		(548,633)	685,993
UK Corporation tax paid		(144,127)	(24,794)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		<b>(7,682,242)</b>	<b>(2,481,103)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		1,273,847	343,154
Capital expenditure		(30,889)	(32,340)
<b>NET CASH INFLOW FROM INVESTING ACTIVITIES</b>		<b>1,242,958</b>	<b>310,814</b>
<b>DECREASE IN CASH AND TERM DEPOSITS</b>	7	<b>(6,439,284)</b>	<b>(2,170,289)</b>

NOTES TO THE ACCOUNTS

**1. BASIS OF PREPARATION OF ACCOUNTS AND ACCOUNTING POLICIES**

- (a) The Panel on Takeovers and Mergers (the “Panel”) is an independent body, established in 1968, whose main functions are to issue and administer the City Code on Takeovers and Mergers (the “Code”) and to supervise and regulate takeovers and other matters to which the Code applies. The address of the Panel is One Angel Court, London, EC2R 7HJ. The functional currency of the Panel is considered to be pounds sterling because that is the currency of the primary economic environment in which the Panel operates.
- (b) The financial reporting framework that has been applied is the United Kingdom Accounting Standards, including the measurement and recognition principles of Financial Reporting Standard FRS 102 – ‘The Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland’ (FRS 102), and disclosures made so as properly to present the position and performance of the Panel. The full disclosure requirements of FRS 102 do not apply to the Panel.
- (c) These accounts have been prepared under the historical cost basis of accounting. The Panel, having made all the necessary enquiries, does not anticipate any changes in the Panel’s activities or circumstances in the foreseeable future. The Panel has concluded, based on these assumptions, that it is appropriate to prepare the financial statements on a going concern basis. The analysis has shown that the Panel has sufficient liquid resources for the foreseeable future.
- (d) Income comprises the PTM levy, Document charges, Code sales, Exempt charges and Recognised Intermediary charges and is accounted for on an accruals basis. Income from Document charges is recognised in full on a firm offer announcement unless, at a period end, it is probable that no offer document will be published (in which case only 50% of the Document charge is payable and recognised).
- (e) Expenditure is accounted for on an accruals basis.
- (f) Interest receivable arises wholly in the UK and relates to interest receivable on deposits held and is recognised on an accruals basis.
- (g) Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.
- (h) Term deposits are amounts held with financial institutions which are not repayable without penalty on notice of withdrawal before maturity date. Term deposits accrue interest which is recognised over the course of the term deposit.
- (i) Current tax is the amount of corporation tax payable in respect of the bank deposit interest received and any profit made on Code sales for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.
- (j) Fixed assets are shown at historical cost net of accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Repairs and maintenance are charged to the income and expenditure account during the financial periods in which they are incurred. Depreciation is charged so as to allocate the cost of the assets less their residual value over their estimated useful lives, using the straight line method. Depreciation is charged in full during the month of purchase. Depreciation is provided on the following basis:
- |                        |                          |
|------------------------|--------------------------|
| Computer equipment     | - 4 years straight line  |
| Leasehold improvements | - 10 years straight line |
| Fixtures and fittings  | - 10 years straight line |

Notes to the Accounts *continued*

- (k) Operating leases: The Panel as lessee.  
Rentals paid under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.  
The Panel signed a ten year lease on 5 September 2018, which included a rent incentive which has been spread over the lease term.
- (l) Financial risk management  
The main financial risk to the Panel is that its income is not sufficient to meet its expenditure. The principal sources of income are inherently uncertain and market dependent and the Panel mitigates this risk by ensuring it has sufficient accumulated funds to meet broadly two years' expenditure.  
The Panel holds significant bank deposits and so there is a counterparty default risk in respect of these deposits. The Panel manages this counterparty risk by spreading the deposits between a number of banks it considers to be low risk based on rating agency ratings.
- (m) Provisions  
A provision is recognised if, as a result of a past event, the Panel has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.
- (n) Critical accounting judgments and key sources of estimation uncertainty  
Whilst the Panel estimates accrued income at each period end, these estimates are normally based upon actual post year end cash flows which are received well ahead of finalisation of the financial statements. Where cash has not been received at that time the Panel considers the likelihood of receipt.  
In relation to Document charges income, where a firm offer has been announced but an offer document has not been issued at the point of approving the financial statements, the Panel considers the likelihood of the document being published. Only 50% of the charge arising is recognised where the Panel considers it probable that the offer document will not be published.  
All legal fees incurred in the year are either paid or accrued. No provision is made in respect of future legal costs in association with cases already commenced before the year end as, in the judgment of the Panel, the level of uncertainty involved in many of these cases means that no reliable estimate can be made of future costs. In addition, these costs are not committed at the year end and so the requirements to record a provision are not met.  
A new property lease was entered into on 5 September 2018 for a period of 10 years. As part of the lease agreement, at the end of the lease the property is required to be returned to its original condition and as such a dilapidations provision is required. The Panel assesses annually the level of provision required and this amount is provided in full to the extent that the events creating the obligation have occurred at the balance sheet date.
- (o) Comparatives  
The comparatives as presented within the income and expenditure account have been restated to conform with the analysis used for the year ended 31 March 2024.

Notes to the Accounts *continued*

## 2. TAXATION

	2024 £	2023 £
UK Corporation Tax payable:		
Current tax payable	351,051	144,127
Tax charge for the year	351,051	144,127

The Panel pays Corporation tax on the bank deposit interest it receives and on any profit it makes on Code sales. For the year to 31 March 2024, Corporation tax was charged at the main rate of 25%.

## 3. EXCEPTIONAL ITEM

During the year the Executive brought a long-running investigation to the Hearings Committee. This case is described in the Hearings Committee Chair's report. The costs relating to this case have been presented separately as an exceptional item on the face of the income and expenditure account.

## 4. TANGIBLE FIXED ASSETS

	Computer Equipment £	Leasehold Improvements £	Fixtures & Fittings £	Total £
<b>Cost</b>				
At 1 April 2023	794,895	1,839,487	326,703	2,961,085
Additions	11,701	-	19,188	30,889
Disposals	(8,824)	-	-	(8,824)
At 31 March 2024	797,772	1,839,487	345,891	2,983,150
<b>Depreciation</b>				
At 1 April 2023	541,260	741,892	125,832	1,408,984
Provided during the year	125,106	189,112	33,967	348,185
Depreciation on disposals	(8,615)	-	-	(8,615)
At 31 March 2024	657,751	931,004	159,799	1,748,554
<b>Net book value</b>				
At 31 March 2024	140,021	908,483	186,092	1,234,596
At 31 March 2023	253,635	1,097,595	200,871	1,552,101

## 5. DEBTORS AND PREPAYMENTS

	2024 £	2023 £
PTM levy accrued	1,875,988	1,887,143
Document charges accrued	577,500	144,250
Code sales accrued	1,750	1,000
Exempt charges accrued	12,000	18,000
Recognised Intermediary charges accrued	6,000	6,000
Other debtors and prepayments	1,381,455	1,299,042
	3,854,693	3,355,435

Notes to the Accounts *continued*

## 6. CREDITORS AND ACCRUALS

	2024 £	2023 £
Personnel costs	827,718	1,078,936
Legal and professional fees	331,446	315,586
Trade creditors	379,396	588,864
Other creditors and accruals	911,883	1,015,689
	<u>2,450,443</u>	<u>2,999,075</u>

## 7. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2024 £	2023 £
Decrease in cash and term deposits in period	(6,439,284)	(2,170,289)
Cash and term deposits as at 1 April 2023	32,227,296	34,397,585
Cash and term deposits as at 31 March 2024	<u>25,788,012</u>	<u>32,227,296</u>

## 8. PROVISIONS

	2024 £	2023 £
Balance at 1 April 2023	490,662	380,818
Increase in provision	-	109,844
Balance at 31 March 2024	<u>490,662</u>	<u>490,662</u>

Provisions comprise lease dilapidations which relate to the estimated costs that may be payable in the future. Dilapidations provisions are expected to be utilised in four years.

## 9. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2024 the Panel had future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
<b>Property lease</b>		
Not later than 1 year	853,403	853,403
Later than 1 year and not later than 5 years	2,986,909	3,413,611
Later than 5 years	-	426,701
	<u>3,840,312</u>	<u>4,693,715</u>
<b>Other leases</b>		
Not later than 1 year	60,540	58,286
Later than 1 year and not later than 5 years	100,157	145,715
	<u>160,697</u>	<u>204,001</u>

STATEMENT OF PANEL MEMBERS' RESPONSIBILITIES

Pursuant to section 963 of the Companies Act 2006, the Panel has a duty to include accounts in its Annual Report. The Panel members have determined that these accounts should properly present the state of affairs of the Panel as at the end of the financial year and of its surplus or deficit for that period.

The Panel members confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the accounts for the year ended 31 March 2024. The Panel members also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The Panel members are responsible for keeping proper accounting records and for taking reasonable steps to safeguard the assets of the Panel and to prevent and to detect fraud and other irregularities.

## STATEMENTS PUBLISHED

### 2023

4 April	2023/5	AMENDMENTS TO THE TAKEOVER CODE <i>Publication of Response Statements and Instruments: (1) The offer timetable in a competitive situation, and (2) Miscellaneous Code amendments</i>
21 April	2023/6	NEW PANEL MEMBER <i>Panel appointment</i>
15 May	2023/7	PUBLICATION OF PCP 2023/1 <i>Public Consultation Paper: Review of Rule 21 (Restrictions on frustrating action) and other matters</i>
6 June	2023/8	PANEL EXECUTIVE APPOINTMENT <i>New Secretary for the Takeover Panel</i>
13 July	2023/9	2023 ANNUAL REPORT <i>Publication of the Panel's Annual Report</i>
11 October	2023/10	TAKEOVER CODE WEBSITE <i>Launch of new Takeover Code website</i>
27 October	2023/11	RESTRICTIONS ON FRUSTRATING ACTION <i>Publication of RS 2023/1 (Rule 21 (Restrictions on frustrating action) and other matters) and amendments to the Code</i>
27 October	2023/12	PRACTICE STATEMENT No 5 <i>Publication of amended Practice Statement No 5</i>
1 December	2023/13	ONTHEMARKET PLC <i>Ruling of the Chair of the Hearings Committee</i>
8 December	2023/14	FIREANGEL SAFETY TECHNOLOGY GROUP PLC <i>Offer timetable suspended</i>
11 December	2023/15	FOURTEENTH EDITION OF THE TAKEOVER CODE AND AMENDED PRACTICE STATEMENTS <i>Publication of new edition of the Takeover Code</i>
18 December	2023/16	CENTRAL COUNTERPARTY RECOVERY AND RESOLUTION <i>Publication of Instrument 2023/4</i>

### 2024

15 January	2024/1	PANEL BULLETIN 6 <i>Rule 20.1 and representative directors</i>
25 January	2024/2	NEW PANEL MEMBERS <i>Panel appointments</i>
22 February	2024/3	ABRDN PROPERTY INCOME TRUST LIMITED <i>Urban Logistics REIT plc – deadline for clarification under section 4 of Appendix 7 of the Code</i>



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27 February	2024/4	NEW DIRECTOR GENERAL FOR THE TAKEOVER PANEL <i>Panel Executive appointment</i>
27 February	2024/5	WINCANTON PLC <i>GXO Logistics, Inc – deadline for clarification under section 4 of Appendix 7 of the Code</i>
13 March	2024/6	ABRDN PROPERTY INCOME TRUST LIMITED <i>Urban Logistics REIT plc – extended deadline for clarification under section 4 of Appendix 7 of the Code</i>
14 March	2024/7	ABRDN PROPERTY INCOME TRUST LIMITED <i>Urban Logistics REIT plc – further extension of deadline for clarification under section 4 of Appendix 7 of the Code</i>

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