

THE TAKEOVER PANEL
REPORT AND ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2011

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PANEL MEMBERS

AS AT 13 JULY 2011

CHAIRMAN AND DEPUTY CHAIRMEN

	SIR GORDON LANGLEY	CHAIRMAN Appointed by the Panel	
ANTONY R BEEVOR FORMER SENIOR ADVISER, INVESTMENT BANKING, SOCIETE GENERALE	DEPUTY CHAIRMAN Appointed by the Panel	DAVID J CHALLEN CHAIRMAN, EMEA GOVERNANCE COMMITTEE, CITI	DEPUTY CHAIRMAN 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.

THE HEARINGS COMMITTEE

In addition to the Chairman and the Deputy Chairmen, the membership of the Hearings Committee is as follows:

BARONESS HOGG CHAIRMAN, FINANCIAL REPORTING COUNCIL	Appointed by the Panel	SARAH BATES NON EXECUTIVE DIRECTOR, WITAN PACIFIC INVESTMENT TRUST	Appointed by the Association of Investment Companies
SIR DAVID LEES CHAIRMAN OF THE COURT OF THE BANK OF ENGLAND	Appointed by the Panel	JOHN P HALL FORMER CHIEF EXECUTIVE OFFICER, BREWIN DOLPHIN HOLDINGS	Appointed by the Association of Private Client Investment Managers and Stockbrokers
LORD MORRIS OF HANDSWORTH FORMER GENERAL SECRETARY, THE TRANSPORT AND GENERAL WORKERS UNION	Appointed by the Panel	MARCUS AGIUS GROUP CHAIRMAN, BARCLAYS	Appointed by the British Bankers' Association
SIR IAN ROBINSON NON EXECUTIVE DIRECTOR, COMPASS GROUP	Appointed by the Panel	ALAN F PORTER GROUP GENERAL COUNSEL, TESCO	Appointed by the Confederation of British Industry
TIM J BREEDON GROUP CHIEF EXECUTIVE, LEGAL & GENERAL	Appointed by the Association of British Insurers	CLIVE PARRITT CHAIRMAN, BARONSMOOR VCT2	Appointed by the Institute of Chartered Accountants in England and Wales
MARK WARHAM CO-HEAD EMEA M&A, BARCLAYS CAPITAL	Appointed by the Association for Financial Markets in Europe	DOUGLAS FERRANS EXECUTIVE CHAIRMAN, INVISTA REAL ESTATE INVESTMENT MANAGEMENT	Appointed by the Investment Management Association
CHARLES G WILKINSON CO-HEAD OF CORPORATE BROKING, DEUTSCHE BANK	Appointed by the Association for Financial Markets in Europe representing its Corporate Finance Committee	RAY MARTIN VICE PRESIDENT UK PENSIONS, DHL UK	Appointed by the National Association of Pension Funds
JIM HAMILTON INVESTEC BANK	Appointed by the Association for Financial Markets in Europe representing its Securities Trading Committee		

Sir Brian Stewart, former Chairman of Scottish & Newcastle, and Nigel Rich, Chairman of SEGRO, have been appointed by the Panel to serve as alternates for Baroness Hogg, Sir David Lees and Sir Ian Robinson. Dr Campbell Christie has been appointed by the Panel to serve as an alternate for Lord Morris of Handsworth. Alternates for those members appointed by the major financial and business institutions are listed on the Panel's website.

THE CODE COMMITTEE

The membership of the Code Committee is as follows:

	LINDSAY P TOMLINSON CHAIRMAN, NATIONAL ASSOCIATION OF PENSION FUNDS	Chairman, Appointed by the Panel	
JAMES D AGNEW MANAGING DIRECTOR, CHAIRMAN OF UK CORPORATE BROKING, DEUTSCHE BANK	Appointed by the Panel	ALAN D PAUL PARTNER, ALLEN & OVERY	Appointed by the Panel
PHILIP A J BROADLEY GROUP FINANCE DIRECTOR, OLD MUTUAL	Appointed by the Panel	JOY SEPPALA CHIEF EXECUTIVE OFFICER, SISU CAPITAL	Appointed by the Panel
ALISTAIR N C DEFRIEZ FORMER MANAGING DIRECTOR, UBS	Appointed by the Panel	CHRISTOPHER SMITH FORMER MANAGING DIRECTOR, CORPORATE FINANCE, JP MORGAN CAZENOVE	Appointed by the Panel

THE FINANCE AND AUDIT COMMITTEE

The membership of the Finance and Audit Committee is as follows:

ANTONY R BEEVOR Chairman

DAVID J CHALLEN

HUW M JONES
DIRECTOR,
CORPORATE FINANCE,
M&G INVESTMENT MANAGEMENT

JIM HAMILTON

THE NOMINATION COMMITTEE

The membership of the Nomination Committee is as follows:

SIR GORDON LANGLEY Chairman

ANTONY R BEEVOR

DAVID J CHALLEN

SIR DAVID LEES

ALAN D PAUL

PAUL M W TUCKER
DEPUTY GOVERNOR,
FINANCIAL STABILITY,
BANK OF ENGLAND

MARK WARHAM

THE REMUNERATION COMMITTEE

The membership of the Remuneration Committee is as follows:

G MARK POWELL Chairman
FORMER CHAIRMAN,
RATHBONE INVESTMENT
MANAGEMENT

ANTONY R BEEVOR

DAVID J CHALLEN

JIM HAMILTON

HUW M JONES

THE PANEL EXECUTIVE

AS AT 13 JULY 2011

*ROBERT A J GILLESPIE DIRECTOR GENERAL
EVERCORE PARTNERS

ANTHONY G B PULLINGER DEPUTY DIRECTOR GENERAL

CHRISTOPHER H JILLINGS DEPUTY DIRECTOR GENERAL

CHARLES M CRAWSHAY DEPUTY DIRECTOR GENERAL

SECRETARIES

*MARK P BARDELL SECRETARY
HERBERT SMITH

BARBARA A MUSTON SECRETARY

JOHN A DOVEY SECRETARY

JEREMY D EVANS SECRETARY

MARKET SURVEILLANCE

ROSALIND M GRAY MANAGER

CRAIG G ANDREWS DEPUTY MANAGER

CLIVE W DAVIDSON

JAMES R DONOVAN

JESSICA M BONNER

ASSISTANT SECRETARIES

DIPIKA SHAH SENIOR ASSISTANT SECRETARY

*RICHARD J BUTTERWICK ASSISTANT SECRETARY
LATHAM & WATKINS

*ROWLAND T PHILLIPS ASSISTANT SECRETARY
KPMG

*ALEX M THOMAS ASSISTANT SECRETARY
INVESTEC BANK

*JADE E FINNEGAN ASSISTANT SECRETARY
HAWKPOINT

EXEMPT GROUPS

SUSAN POWELL MANAGER

NADIR M DOCTOR

ADMINISTRATION AND SUPPORT

JACK W KNIGHT OFFICE MANAGER

JANE M TAYLOR MANAGER, SUPPORT GROUP

* SECONDED

INTRODUCTION TO THE TAKEOVER PANEL

The 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 Code is designed principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders 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 company and its shareholders. Nor is the Code concerned with those issues, such as competition policy, which are the responsibility of government and other bodies.

The Panel was established as a non-statutory body in 1968, since when its composition and powers have evolved as circumstances have changed. On 20 May 2006, the Panel was designated by the Secretary of State for Trade and Industry as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC). Its statutory functions are set out in and under Chapter 1 of Part 28 of the Companies Act 2006 (the “Act”).

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

The Panel focuses on the consequences of rule breaches, rather than simply on disciplinary action, with the aim of providing appropriate redress. Where there has been a breach, the Panel may have recourse to private censure, to public censure, to suspension, withdrawal or amendment to the terms of any exemption, approval or other special status granted by the Panel, or to 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 Services Authority or certain other professional bodies will not be permitted to act for an individual in a transaction subject to the Code.

Under 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 Chairman, the Deputy Chairmen and up to 20 other members are appointed by the Panel. In addition, 11 members are nominated 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 to act as a member of either the Panel's Hearings Committee or its Code Committee. The Chairman, the Deputy Chairmen and all of the members nominated by the major financial and business institutions are designated as members of the Hearings Committee. Of the possible 20 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 Executive. It also hears disputed disciplinary cases. The Hearings Committee can be convened at short notice, where appropriate.

THE CODE COMMITTEE

The Code Committee carries out the rule-making functions of the Panel and is solely responsible for keeping under review and, where appropriate, proposing, consulting upon and making and issuing amendments to the substantive provisions (in the Introduction, the General Principles and Rules) of the Code and the Rules of Procedure of the Hearings Committee.

THE EXECUTIVE

The day-to-day work of takeover supervision and regulation is carried out by 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 Panel encourages, and in some cases requires, early consultation so that problems can be avoided; a major part of the Executive's role is to provide guidance.

The Executive is headed by the Director General, usually an investment banker on secondment. Some of the Executive's staff are permanent, providing an essential element of continuity. They are joined by lawyers, accountants, corporate brokers, investment bankers and others on two-year secondments.

Further information on the Panel is available on its website at www.thetakeoverpanel.org.uk.

CHAIRMAN'S STATEMENT

My first full year as Chairman of the Panel has been a challenging and interesting time for the Panel. During the course of the year, the Panel and the role that it performs has come under detailed scrutiny from market participants and other interested parties. This has meant that, notwithstanding that the market for publicly announced mergers and acquisitions remains relatively subdued, the past 12 months have been busy.

Perhaps the most significant matter undertaken during the past year has been the Code Committee's review of certain aspects of the Code, initiated by the wide ranging consultation published in June 2010. That exercise occasioned considerable interest and drew a large number of responses, including from institutions and individuals who do not normally respond to consultations on the Code, for which we are most grateful. The Code Committee published the outcome of that general consultation in October 2010 and set out the ensuing detailed proposed rule changes in March 2011. Following that detailed consultation, the Code Committee expects to publish shortly its Response Statement setting out the final amendments to the Code. I would like to acknowledge the considerable and sustained work by the Code Committee and the Executive in this process.

In Europe, the European Securities and Markets Authority ("ESMA") was established in January 2011. As we hoped, the Takeovers Directive did not ultimately fall within the scope of ESMA's powers and so it has had no practical impact on takeover regulation in the UK. I am pleased to report, however, that the informal network of European takeover regulators, which was set up under the aegis of the Committee of European Securities Regulators ("CESR"), ESMA's predecessor body, continues under the auspices of ESMA. The review of the Takeovers Directive by the European Commission, which was originally expected to take place in 2011, has been delayed as a consequence of the many other issues for European financial regulation arising from the banking and credit crisis.

I would like to record my thanks to Philip Remnant, who became Director General, between March and September, for his wise guidance of the Executive during this period. I am also delighted to welcome Robert Gillespie as his successor as Director General from September 2010. Robert is a senior figure with vast investment banking experience and is a great asset for the Executive.

In conclusion, I welcome Mark Warham, a former Director General and a member of the Panel, as an additional member of the Nomination Committee. I also extend great thanks to Ian Salter, who is retiring after giving nearly twenty years' service and sound advice on the Finance and Audit Committee and latterly also on the Remuneration Committee, and welcome Jim Hamilton's appointment to those committees in his stead.

A handwritten signature in black ink, appearing to read "Gordon Langley". The signature is written in a cursive, flowing style.

SIR GORDON LANGLEY
13 July 2011

CODE COMMITTEE CHAIRMAN'S REPORT

The Code Committee's work in the past year was taken up almost entirely by its review of certain aspects of takeover regulation. That review was initiated in the light of widespread commentary and public discussion on various aspects of the regulation of takeover bids for UK companies which followed the takeover of Cadbury plc by Kraft Foods Inc. in early 2010. The Committee met three times during the year and published two Public Consultation Papers ("PCPs") and one Response Statement.

In June 2010, the Code Committee published PCP 2010/2 in which a number of proposals for change were discussed. In this PCP, the Committee broke with its usual practice and, rather than putting forward specific proposals for change, sought to provide a forum in which suggestions for change could be debated. The size of the response to PCP 2010/2 was unprecedented; 97 formal responses were received from a broad range of respondents representing industry, investors, academics, practitioners, trades unions and individuals. It also occasioned a great deal of discussion among market participants and other interested constituencies.

Having considered the responses the Code Committee concluded that hostile offerors had in recent times been able to obtain a tactical advantage over offeree companies which operated to the detriment of offeree companies and their shareholders. In October 2010, the Committee published a Response Statement to PCP 2010/2 in the form of a Panel Statement, Statement 2010/22, in which it stated that it intended to bring forward proposals to amend the Code with a view to reducing this tactical advantage and redressing the balance in favour of the offeree company. In addition, the Code Committee concluded that a number of other changes should be proposed to the Code to improve the offer process and to take more account of the position of persons who are affected by takeovers in addition to offeree company shareholders.

The Code Committee's detailed proposals were published in PCP 2011/1 in March 2011. They fell broadly under four headings:

- (i) increasing the protection for offeree companies against protracted "virtual bid" periods by requiring potential offerors to clarify their position within a short period of time;
- (ii) strengthening the position of the offeree company by prohibiting deal protection measures and inducement fees, other than in certain limited cases, and clarifying that offeree company boards are not limited in the factors that they may take into account in giving their opinion on an offer;
- (iii) increasing transparency and improving the quality of disclosure by requiring the disclosure of offer-related fees and the disclosure of the same financial information

in relation to an offeror and the financing of an offer irrespective of the nature of the offer; and

- (iv) providing greater recognition of the interests of offeree company employees by improving the quality of disclosure by offerors and offeree companies in relation to the offeror's intentions regarding the offeree company and its employees and by improving the ability of employee representatives to make their views known.

The consultation period ended on 27 May 2011 and the Code Committee expects to publish shortly its Response Statement setting out the final amendments to the Code.

In this year in which the Code Committee has been addressing some significant reforms, it has particularly appreciated the contribution made by all those who have helped it in formulating its ideas.

David Hager stood down from the Committee in July having been a member for the last three years. I would like to thank him for his contribution and also extend my thanks to all the members of the Committee for their continuing application to the task in hand. My thanks also go to the Executive whose support and diligence ensures that the Committee is able to carry out its work effectively.



LINDSAY TOMLINSON
13 July 2011

DIRECTOR GENERAL'S REPORT

MARKET ACTIVITY

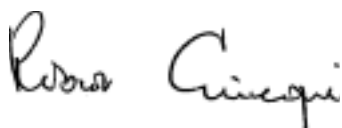
The past 12 months have been a challenging and busy time for the Executive. Although market activity remains at low levels when compared to previous years, the Executive has been instrumental in assisting the Code Committee to respond to the public consultation exercises referred to in the report of the Chairman and the Code Committee Chairman. The Executive also continues to see increased numbers of concert party enquiries and disciplinary matters, some of which take up considerable amounts of time but do not necessarily lead to a public announcement being made.

During the year, 94 takeover proposals became unconditional, were withdrawn or lapsed. This was in line with last year's figure of 90.

ACCOUNTS

Operating income rose slightly from £11,245,322 to £11,959,206. This was largely attributable to an increase in the income derived from document charges by comparison with the previous year.

Expenditure fell from £11,174,586 to £9,709,844. This was on account of a reduction in personnel costs, reflecting the current low level of seconded and permanent staff. After taking into account net interest of £297,140, a net surplus of £2,546,502 was recorded, compared with £289,815 in the previous year.



ROBERT GILLESPIE
13 July 2011

STATISTICS

There were 94 (year ended 31 March 2010 — 90) resolved takeover or merger proposals (i.e. proposals announced under Rule 2.5 which subsequently became wholly unconditional, lapsed or were withdrawn), of which 91 (88) reached the stage where formal documents were sent to shareholders. These proposals were in respect of 91 (87) offeree companies.

16 (25) offers were not recommended at the time of the firm offer announcement made under Rule 2.5 of the Code and 9 (21) of these were not recommended at the time the offer document was published. 7 (15) of these remained unrecommended at the end of the offer period, of which 2 (4) lapsed.

9 (10) offers were, at the time of their announcement under Rule 2.5, mandatory bids under Rule 9.

A further 13 (12) proposals announced under Rule 2.5 were still open at 31 March 2011, and are not included in these figures.

	2010-2011	2009-2010
OUTCOME OF PROPOSALS		
Successful proposals involving control	71	74
Unsuccessful proposals involving control	6	6
Proposals involving control withdrawn before publication of documents	2	2
Proposals involving minorities, etc.	15	8
	<hr/>	<hr/>
	94	90
	<hr/> <hr/>	<hr/> <hr/>

There were 37 (44) offeree companies in an offer period as at 31 March 2011 and 134 (162) offeree companies went into an offer period during the year.

93 (82) whitewash circulars were published during the year (i.e. documents seeking a waiver from existing shareholders of an obligation to make a mandatory offer under Rule 9 following an issue of new shares).

26 (20) Code waivers were granted during the year (i.e. dispensations from the application of the Code to offers or proposals for companies with a very limited number of shareholders).

The Executive issued 1 (0) statement of public criticism during the year and 5 (9) letters of private criticism of which 2 (2) were market related, 3 (6) related to the conduct of the parties involved and none (1) related to a failure to consult.

The Hearings Committee met once to consider disciplinary action in respect of Messrs Brian Myerson, Brian Padgett and Daniel Posen as a result of trading in shares in Principle Capital Investment Trust plc. The Hearings Committee decided that each of Messrs Myerson, Padgett and Posen should be “cold-shouldered” for a period of three years from the publication of its decision. Following an unsuccessful appeal to the Takeover Appeal Board, Takeover Appeal Board Statement 2010/1, which attached the decision of the Hearings Committee, was published on 14 July 2010.

ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2011

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	NOTE	2011 £	2010 £
INCOME			
PTM levy		6,569,614	6,843,381
Document fees		4,637,500	3,526,500
Code sales		186,401	175,316
Exempt fees		335,000	465,000
Recognised Intermediary fees		230,000	235,000
Other income		691	125
		<u>11,959,206</u>	<u>11,245,322</u>
EXPENDITURE			
Personnel costs		6,221,120	7,529,120
Accommodation costs		1,089,870	990,211
Other expenditure		2,398,854	2,655,255
		<u>9,709,844</u>	<u>11,174,586</u>
SURPLUS BEFORE INTEREST AND TAXATION		2,249,362	70,736
Interest receivable		384,003	277,315
Taxation	2	(86,863)	(58,236)
		<u>2,546,502</u>	<u>289,815</u>
SURPLUS FOR THE YEAR		<u>2,546,502</u>	<u>289,815</u>
ACCUMULATED SURPLUS AT BEGINNING OF YEAR		<u>21,416,379</u>	<u>21,126,564</u>
ACCUMULATED SURPLUS AT END OF YEAR		<u><u>23,962,881</u></u>	<u><u>21,416,379</u></u>

All activities are regarded as being continuing.

The Panel has no recognised gains and losses other than the income and expenditure shown above and therefore no statement of total recognised gains and losses has been presented.

BALANCE SHEET
AT 31 MARCH 2011

	NOTE	2011 £	2010 £
FIXED ASSETS	3	175,469	96,531
CURRENT ASSETS			
Debtors and prepayments	4	2,578,708	2,692,644
Debtors — Amounts due after one year:			
Rent deposit		469,914	469,914
		3,048,622	3,162,558
Cash and short term deposits		21,936,300	20,347,521
		24,984,922	23,510,079
CURRENT LIABILITIES			
Creditors and accruals	5	1,110,647	2,131,995
Corporation tax		86,863	58,236
		1,197,510	2,190,231
NET ASSETS		23,962,881	21,416,379
Representing			
ACCUMULATED SURPLUS		23,962,881	21,416,379

The accounts on pages 16-20 were approved by the Finance and Audit Committee on 13 July 2011 and signed on behalf of the Panel members by:

SIR GORDON LANGLEY
Chairman, Panel on Takeovers and Mergers

ANTONY BEEVOR
Chairman, Finance and Audit Committee

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011

	NOTE	2011 £	2010 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	6	1,435,635	(159,634)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest receivable		384,003	277,315
TAXATION			
UK corporation tax paid		(58,236)	(270,741)
CAPITAL EXPENDITURE		(172,623)	(68,496)
		<u> </u>	<u> </u>
INCREASE/(DECREASE) IN CASH	7	1,588,779	(221,556)
		<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS

1. BASIS OF PREPARATION OF ACCOUNTS AND ACCOUNTING POLICIES

- (a) These accounts have been prepared under the historical cost basis of accounting.
- (b) Income comprises the PTM levy, Document fees, Code sales, Exempt fees, Recognised Intermediary fees and other income and is accounted for on an accruals basis.
- (c) Expenditure is accounted for on an accruals basis.
- (d) Interest receivable arises wholly in the UK and relates to interest receivable on deposits held and is recognised on an accruals basis.
- (e) 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.

A full year of depreciation is provided on fixed assets in the year of acquisition whilst no depreciation is provided in the year of disposal.

Depreciation is calculated to write down the cost of all tangible fixed assets on a straight-line basis over their estimated useful economic lives. The periods generally applicable are:

Fixtures and fittings	4 years
Motor vehicles	4 years

	2011 £	2010 £
2. TAXATION		
UK Corporation tax payable:		
Current tax payable	86,863	58,236
	<u> </u>	<u> </u>
Tax charge for the year	86,863	58,236
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS *continued*

In agreement with HM Revenue & Customs, 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 2011, Corporation tax was charged at the main rate of 28% which after marginal relief resulted in an effective tax rate of 23%.

	Motor vehicles	Fixtures & fittings	Total
	£	£	£
3. TANGIBLE FIXED ASSETS			
Cost			
At 1 April 2010	39,181	170,012	209,193
Additions	—	172,623	172,623
	<hr/>	<hr/>	<hr/>
At 31 March 2011	39,181	342,635	381,816
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2010	29,385	83,277	112,662
Provided during the year	9,796	83,889	93,685
	<hr/>	<hr/>	<hr/>
At 31 March 2011	39,181	167,166	206,347
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2011	—	175,469	175,469
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2010	9,796	86,735	96,531
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		2011	2010
4. DEBTORS AND PREPAYMENTS		£	£
PTM levy accrued		1,703,860	1,787,230
Document fees accrued		154,500	299,000
Code sales accrued		350	—
Exempt fees accrued		25,000	60,029
Recognised Intermediary fees accrued		35,000	40,000
Other debtors and prepayments		659,998	506,385
		<hr/>	<hr/>
		2,578,708	2,692,644
		<hr/> <hr/>	<hr/> <hr/>
		2011	2010
5. CREDITORS AND ACCRUALS		£	£
Personnel costs		142,626	778,953
Legal and professional fees		227,757	797,093
Other creditors and accruals		740,264	555,949
		<hr/>	<hr/>
		1,110,647	2,131,995
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE ACCOUNTS *continued*

	2011	2010
6. NET CASHFLOW FROM OPERATING ACTIVITIES	£	£
Surplus before interest and taxation	2,249,362	70,736
Depreciation	93,685	52,298
Decrease/(Increase) in debtors and prepayments	113,936	(562,326)
(Decrease)/Increase in creditors	(1,021,348)	279,658
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	1,435,635	(159,634)
	<hr/> <hr/>	<hr/> <hr/>
	2011	2010
7. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS	£	£
Increase/(Decrease) in cash in period	1,588,779	(221,556)
	<hr/>	<hr/>
Change in net funds	1,588,779	(221,556)
Net funds at 1 April 2010	20,347,521	20,569,077
	<hr/>	<hr/>
Net funds at 31 March 2011	21,936,300	20,347,521
	<hr/> <hr/>	<hr/> <hr/>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TAKEOVER PANEL

We have audited the accounts of the Takeover Panel for the year ended 31 March 2011 which comprise the income and expenditure account, the balance sheet, the statement of cash flows and the related notes 1 to 7. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the Panel members, as a body. Our audit work has been undertaken so that we might state to the Panel members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF PANEL MEMBERS AND AUDITORS

The Panel members' responsibilities for preparing the accounts in accordance with the basis of preparation and accounting policies in note 1 are set out in the Statement of Panel Members' Responsibilities.

Our responsibility is to audit the accounts in accordance with International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts are properly prepared, in all material respects, in accordance with the basis of preparation and accounting policies in note 1.

In addition, we also report to you if, in our opinion, the Panel has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited accounts. The other information comprises only Panel Members and Executive, Introduction to the Takeover Panel, the Chairman's Statement, the Code Committee Chairman's Report, the Director General's Report, the Statistics, Statements issued by the Panel, Statements issued by the Code Committee, the Takeover Appeal Board and Statements issued by the Takeover Appeal Board. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the Panel members in the preparation of the accounts, and of whether the accounting policies are appropriate to the Panel's circumstances, consistently applied and adequately disclosed.

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

OPINION

In our opinion the accounts have been properly prepared in accordance with the basis of preparation and accounting policies in note 1 of the accounts.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

MILTON KEYNES
13 July 2011

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 present fairly 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 2011. 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 ISSUED BY THE PANEL

2010

19 April	2010/11	CODE AMENDMENTS AND TRANSITIONAL ARRANGEMENTS <i>(Code amendments relating to extensions of the Code's disclosure regime and transitional arrangements)</i>
29 April	2010/12	GULFSANDS PETROLEUM PLC <i>(Requirement for potential offeror to make Rule 2.5 announcement or announce no intention to bid by 11 May 2010)</i>
29 April	2010/13	FORTH PORTS PLC <i>(Requirement for potential offeror to make Rule 2.5 announcement or announce no intention to bid by 1 June 2010)</i>
26 May	2010/14	CADBURY PLC <i>(Criticism of Kraft Foods Inc.)</i>
26 May	2010/15	DIRECTOR GENERAL <i>(Secondment of Director General)</i>
30 June	2010/17	SCOTT WILSON GROUP PLC <i>(Deadline set for the clarification of a statement made by Universe Bidco Limited)</i>
9 July	2010/18	NEW DIRECTOR GENERAL FOR THE TAKEOVER PANEL <i>(Panel Executive appointment)</i>
21 July	2010/19	2010 ANNUAL REPORT <i>(Publication of Panel's Annual Report)</i>
24 September	2010/20	SSL INTERNATIONAL PLC <i>(Offer timetable extended)</i>
8 October	2010/21	PANMURE GORDON & CO PLC <i>(Requirement for potential offeror to make Rule 2.5 announcement or announce no intention to bid by 28 October 2010)</i>
17 December	2010/23	CAPITAL SHOPPING CENTRES GROUP PLC <i>(Requirement for potential offeror to make Rule 2.5 announcement or announce no intention to bid by 12 January 2011)</i>

2011

4 January	2011/1	NORTHERN FOODS PLC <i>(Requirement for potential offeror to make Rule 2.5 announcement or announce no intention to bid by 21 January 2011)</i>
10 January	2011/2	DE LA RUE PLC <i>(Requirement for potential offeror to make Rule 2.5 announcement or announce no intention to bid by 7 February 2011)</i>
11 January	2011/3	CAPITAL SHOPPING CENTRES GROUP PLC <i>(Continued application of Rules 8 and 38)</i>
12 January	2011/4	LAVENDON GROUP PLC <i>(Requirement for potential offeror to make Rule 2.5 announcement or announce no intention to bid by 8 February 2011)</i>
21 January	2011/5	NORTHERN FOODS PLC <i>(Extension of requirement for potential offeror to make Rule 2.5 announcement or announce no intention to bid from 5pm to 7pm on 21 January 2011)</i>
26 January	2011/6	CAPITAL SHOPPING CENTRES GROUP PLC <i>(End of continued application of Rules 8 and 38)</i>
7 February	2011/7	REGAL PETROLEUM PLC <i>(Requirement for potential offeror to make Rule 2.5 announcement or announce no intention to bid by 10 February 2011)</i>

STATEMENTS ISSUED BY THE CODE COMMITTEE

2010

- | | | |
|------------|---------|--|
| 1 June | 2010/16 | CODE COMMITTEE - PUBLIC CONSULTATION PAPER 2010/2
<i>(Issue of Public Consultation Paper 2010/2 (Review of certain aspects of the regulation of takeover bids))</i> |
| 21 October | 2010/22 | CODE COMMITTEE - REVIEW OF CERTAIN ASPECTS OF
THE REGULATION OF TAKEOVER BIDS
<i>(Code Committee response to PCP 2010/2)</i> |

2011

- | | | |
|----------|--------|--|
| 21 March | 2011/8 | CODE COMMITTEE - PUBLIC CONSULTATION PAPER 2011/1
<i>(Issue of Public Consultation Paper 2011/1 (Review of certain aspects of the regulation of takeover bids: proposed amendments to the Takeover Code))</i> |
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THE TAKEOVER APPEAL BOARD

AS AT 13 JULY 2011

LORD STEYN	CHAIRMAN
SIR MARTIN NOURSE	DEPUTY CHAIRMAN
ERIC E ANSTEE	CHIEF EXECUTIVE, CITY OF LONDON GROUP
KENNETH E AYERS	FORMER CHAIRMAN, NATIONAL ASSOCIATION OF PENSION FUNDS INVESTMENT COUNCIL
KAREN R COOK	PRESIDENT, GOLDMAN SACHS EUROPE
JOHN K GRIEVES	FORMER SENIOR PARTNER, FRESHFIELDS BRUCKHAUS DERINGER
DAVID L MAYHEW	CHAIRMAN, JP MORGAN CAZENOVE
JOHN F NELSON	CHAIRMAN, HAMMERSON
SIMON C T ROBey	MANAGING DIRECTOR AND HEAD OF MORGAN STANLEY UK, CO-CHAIRMAN OF GLOBAL M&A
ROBERT W A SWANNELL	CHAIRMAN, MARKS & SPENCER
DAVID WEBSTER	CHAIRMAN, INTERCONTINENTAL HOTELS GROUP

The Takeover Appeal Board (the “Board”) is an independent body which hears appeals against rulings of the Hearings Committee. The Chairman and Deputy Chairman are appointed by the Master of the Rolls and will usually have held high judicial office. The other members are appointed by the Chairman or Deputy Chairman of the Board and will usually have relevant knowledge and experience of takeovers and the Takeover Code. No person who is or has been a member of the Code Committee of the Panel may simultaneously or subsequently be a member of the Board.

Any party to a hearing before the Hearings Committee (or any person denied permission to be a party to a hearing before the Hearings Committee) may appeal to the Board against any ruling of the Hearings Committee or of the chairman of the relevant hearing (including in respect of procedural directions).

The procedures of the Board are set out in its Rules which can be viewed on its website at www.thetakeoverappealboard.org.uk.

The Board met in July 2010 to hear one appeal, which was not successful.

STATEMENTS ISSUED BY
THE TAKEOVER APPEAL BOARD

2010

14 July

2010/1 PRINCIPLE CAPITAL INVESTMENT TRUST PLC
(Decision by the Hearings Committee to cold-shoulder Mr Brian Myerson, Mr Brian Padgett and Mr Daniel Posen for three years affirmed)