

THE TAKEOVER PANEL

Harrott & Company Limited

The Panel on Take-overs and Mergers considers it desirable to draw the attention of shareholders of the above company to the following features of the offer document dated 26th June 1970 sent to them by Industrial Marketing & Financial Services (Holdings) Limited ("I. M. & F. S. ") of Scottish Life House, Bond Court, Leeds 1, and signed on its behalf by its Chairman, Mr. D. F. Lyons:-

1. I. M. & F. S. has itself given an unequivocal assurance that the necessary financial resources are available to enable it to implement its offer; nevertheless, the confirmation that the necessary financial resources are available is not given by an independent party, as required by Rule 17 of the City Code.

2. Certain statements in the document do not, in the opinion of the Panel, appear to have been treated with the same standards of care as if the document was a prospectus within the meaning of the Companies Act, 1948, as required by Rule 13 of the City Code. The statements referred to are:
 - (a) the table of figures used to estimate net assets available on a liquidation of Harrott, in view of the uncertainty of the status of these figures, and
 - (b) the statement in paragraph 2(a) implying that a possible issue, referred to by the Harrott board, of new shares for cash at par would halve the value of the existing issued Harrott shares.

13th July 1970.