

# Takeovers Panel *Annual Report*

*For the year ended 30 June*

2008

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*[www.takeovers.govt.nz](http://www.takeovers.govt.nz)*

# Takeovers Panel

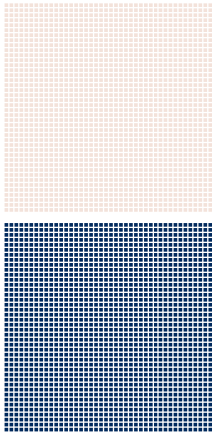
## *Annual Report*

*For the year ended 30 June*  
**2008**

*Laid before the House of Representatives pursuant  
to sections 150-157 of the Crown Entities Act 2004.*

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## FUNCTIONS AND POWERS OF THE PANEL

The functions of the Takeovers Panel are set out in section 8 of the Takeovers Act 1993 and section 14 of the Crown Entities Act 2004. In summary, the Panel's functions are:

- > To keep under review the law relating to takeovers of specified companies and to recommend to the Minister any changes to that law it considers necessary;
- > For the purposes of its review of the law, to keep under review practices relating to takeovers of specified companies;
- > To investigate any act or omission or practice for the purpose of exercising its powers under the enforcement provisions of the Act;
- > To make determinations and orders and make applications to the Court under the enforcement provisions of the Act;
- > To co-operate with any overseas regulator and for that purpose to communicate to that regulator information obtained by the Panel in the performance of its functions and powers which the Panel considers may assist that regulator in the performance of its functions;
- > To promote public understanding of the law and practice relating to takeovers;
- > Any functions that are incidental and related to, or consequential on, the other functions set out above.

In exercising its functions and powers the Panel must comply with the principles of natural justice.

The Panel is a body corporate and is a separate legal entity from its members, officers, employees and the Crown (section 15 Crown Entities Act).

The Panel's main powers are set out in Parts 3 and 4 of the Takeovers Act 1993 and section 17 of the Crown Entities Act. In summary, these powers of the Panel are:

- > To issue summonses and to take evidence on oath;
- > To carry out inspections and obtain evidence at the request of overseas regulators;
- > To make confidentiality orders;
- > To accept undertakings that are enforceable by the Courts;
- > To inspect documents, and to authorise the Registrar of Companies or any other person to undertake inspections;
- > To grant exemptions from the Code;
- > To enforce the Takeovers Code by:
  - making determinations on whether a person is complying with the Code;
  - issuing restraining orders and compliance orders; and
  - applying for Court orders;
- > To do anything that a natural person of full age and capacity may do, for the purpose of performing the Panel's functions (e.g. making applications to Court in respect of matters that are relevant to its functions and powers).

The main statutory powers dealing with the Panel's governance, operation, reporting and financial obligations are set out in the Crown Entities Act.

Under the Takeovers Code the Panel has powers to approve independent advisers and appoint independent experts.

**THIS ANNUAL REPORT WAS APPROVED BY THE TAKEOVERS PANEL ON 18 AUGUST 2008**

D. O. Jones  
*Chairman*

A. R. Lawrence  
*Deputy Chairman*

# Chairman's Review

This has been another busy year for the Panel. In addition to its day-to-day operational duties, including enforcement activities, the Panel has made recommendations to the Minister for changes to the law in relation to schemes of arrangement affecting Code companies; made recommendations for further changes to the Code and the Act; given guidance to the market on a number of important Code-related issues; and undertaken a review of its own governance arrangements.

## SCHEMES OF ARRANGEMENT

The most significant of the Panel's policy work during the year has been the review of the provisions of the Companies Act 1993 governing changes of control of Code companies and the interaction of those provisions with the Code. This work was carried out at the invitation of the Minister and against the background that schemes of arrangement under Part 15 of the Companies Act are a legitimate and flexible legal vehicle for complex transactions.

Following intensive work and public consultation on an options paper prepared by the Panel, after input from the New Zealand Institute of Economic Research and consideration of the approach of overseas jurisdictions to schemes (particularly in Australia), the Panel has provided recommendations to the Minister for her consideration.

## ENFORCEMENT ACTIONS

Enforcement work is the largest of the Panel's outputs. Major enforcement activity during the year concerned:

- > Kerifresh Limited - in relation to the actions of certain of its shareholders;
- > Auckland International Airport Limited - in relation to the proposed takeover by the Canada Pension Plan Investment Board;
- > Abano Healthcare Limited - in relation to the unsuccessful takeover bids made to its shareholders and a dispute over the recovery of costs incurred by Abano in responding to the bid made by Crescent Capital Partners Limited.

### *Kerifresh*

In October and November 2007 the Panel held two meetings under section 32 of the Takeovers Act 1993 in relation to Kerifresh. The Panel determined that various persons were associates who had not complied with, were not complying with, or did not intend to comply with, the Code.

The Panel sought a solution that was appropriate and fair to the shareholders and to the company, and would resolve the matter quickly without recourse to Court. The commercial solution agreed to, included the sale by auction of Kerifresh shares acquired in breach of the Code totalling some 23% of the voting rights in Kerifresh. The auction was conducted by an independent broker appointed by the Panel. The outcome was a successful auction and ultimately the takeover of Kerifresh by Turners & Growers Limited.

### *Auckland International Airport (AIAL)*

A number of issues arose in the course of the bid by the Canada Pension Plan Investment Board (CPPIB) for AIAL which engaged the Panel and the Panel executive over several months. These included interpretative matters around the rules for partial takeovers and issues over the payment of broker handling fees by CPPIB and in response by AIAL.

DAVID JONES - CHAIRMAN



### *Abano Healthcare Limited*

Interpretative issues also arose in the bid by Crescent Capital Partners for Abano. The final issue arising out of that bid concerned issues of alleged non-compliance by Crescent with rule 49(2) of the Code in relation to the recovery of takeover expenses properly incurred by Abano. The Panel convened a section 32 meeting to determine the issues, but without making a formal determination on the point as the parties reached a private settlement. The Panel intends to issue a guidance note to the market on its interpretation of rule 49(2) of the Code.

## LEGISLATIVE ENVIRONMENT

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### *New Law*

Rule 64 of the Code, which prohibits misleading or deceptive conduct in Code-regulated transactions, came into force on 29 February 2008. The rule applies to any person who engages in misleading or deceptive conduct relating to a Code-regulated transaction or event, not just to bidders or target companies or major shareholders. The December 2007 issue of the Panel's *Code Word* explained the new law in detail and signalled to market participants that the Panel will protect the interests of the market by insisting that participants adhere to unequivocal statements they have made.

The Panel has not yet taken any formal enforcement action in relation to non-compliance with rule 64 of the Code.

### *Review of Law*

One of the functions of the Panel is to keep the law under review. At a policy level the Panel's review of schemes of arrangement is an example. At a technical level the Panel is keen to ensure that any anomalies or areas of uncertainty which may arise in relation to the Code are addressed. For this purpose it is currently working on a range of technical amendments to the law, the need for which has come to light in the course of Code transactions over the last few years.

## GUIDANCE

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Improving public understanding of takeovers law is an important function of the Panel. The Panel achieves this through engaging with market participants in person, participating in industry seminars, the publication of *Code Word* on a regular basis, the maintenance of an up-to-date and comprehensive website and the publication of guidance notes. In the last year the Panel has published a number of guidance notes:

- In August 2007 the third edition of the Panel's guidance note for approved independent advisers was published. This edition highlighted the undesirable concentration by advisers on the "fairness" of transactions at the expense of a balanced consideration of the merits of a transaction;
- In December 2007 a guidance note was published stating the Panel's view that *shareholders* means each shareholder named in the company share register. Another guidance note dealt with conditional acceptance facilities under which acceptances are held by a third party until certain conditions (e.g. an acceptance threshold) are met which trigger the actual acceptance;
- In June 2008 a guidance note was published on the increasingly common practice of takeover offerors paying broker fees for handling target company shareholders' acceptances.

## ARRANGEMENTS WITH SECURITIES COMMISSION

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The Panel has contracted with the Securities Commission to provide a number of the Panel's operational resources including the Panel's dedicated staff and premises. Following an internal governance review undertaken during 2007, the Panel is in the process of becoming the employer of all its dedicated staff. Ultimately the Panel intends to move to its own premises. The Panel continues to enjoy the support of the Commission under its Memorandum of Understanding and records its gratitude to the Commission for its assistance and support over this period.

## EXECUTIVE TEAM

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Following the staff restructuring, the appointments of Kerry Morrell as the Chief Executive Officer, and Margaret Bearsley as General Counsel, were formalised.

Kerry is a chartered accountant who was employed by the Securities Commission for 17 years, for the last seven of which he was the Senior Executive Officer of the Panel. Before that he was employed by the Reserve Bank in various senior positions.

Margaret Bearsley was appointed as the Panel's first General Counsel. Margaret was also employed by the Securities Commission for several years as a Senior Lawyer for the Panel, prior to accepting the new position. Margaret had previously spent several years at the Ministry of Economic Development after some time in private practice.

During the year, and before the restructuring, Marion Hemphill, Counsel to the Panel for some three years, resigned her position with the Panel to pursue her legal career overseas. The Panel is grateful to Marion for her commitment to the Panel and for her contribution to many facets of the Panel's legal work.

## PANEL MEMBERS

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The Panel is a committee of the market. The Panel has provision for 11 members who must be qualified or experienced in business, law or accounting. Members are variously lawyers, company directors, sharebrokers, merchant bankers, accountants or financial advisers. Included in that number is provision for the appointment of a member of the Australian Takeovers Panel under a reciprocal arrangement made between the Governments of Australia and New Zealand. Under that arrangement, the Chairman of the New Zealand Panel sits as a member of the Australian Takeovers Panel.

The term of office of Kevin O'Connor expired during the year and he was reappointed for a period of two years. The term of office of the Panel's Deputy Chairman, Alastair Lawrence, expires later in 2008. Mr Lawrence has been a Panel member since 1993 and is not seeking reappointment to the Panel. Current member, Colin Giffney, has been appointed to succeed Mr Lawrence as Deputy Chairman. Peter Scott was appointed as the Australian Panel's representative on the New Zealand Panel with effect from 10 July 2008.

## RELATIONSHIP WITH AUSTRALIAN PANEL

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The reciprocal arrangement with the Australian Panel has been very beneficial once more. The Panel has been able to draw on Australian experiences when looking at cross-border consequences of takeovers affecting Code companies, and in developing its own policies on misleading and deceptive behaviour. Additionally the Panel has been able to consult with the Australian Panel in developing its consultation paper on schemes.

## APPRECIATION

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My thanks go to the members of the Panel for their dedication, skills and willingness to take part in Panel work, often at very short notice. I congratulate Kerry Morrell and Margaret Bearsley on their recent appointments and thank them and the other staff members for their commitment and highly professional work during the past year. I also acknowledge and thank the Minister and the Ministry for their constructive support of the Panel during the year.

I believe 2007-2008 has been a year when the Panel has proved itself responsive to the market environment and has kept market participants well informed on matters which affect them, including on the Panel's views on takeovers law. We will continue to do so in future.



D. O. Jones  
*Chairman*

# Members of the Takeovers Panel



## CHAIRMAN DAVID JONES

Lawyer. Partner of Jones Young, Barristers and Solicitors, Auckland, specialising in mergers and acquisitions and corporate law. Personal adviser to the Minister of Justice on the company law reform programme 1991. Member of the Company Law Monitoring Group 1993. Member of the Panel from its inception as an advisory group. Member of the Australian Takeovers Panel.



## DEPUTY CHAIRMAN ALASTAIR LAWRENCE

Investment Banker. Principal of Antipodes, an Auckland-based private investment bank which provides specialist mergers and acquisitions advice, in addition to private equity for emerging New Zealand companies. Director of Landcare Research, and a number of private companies. Member of the Panel since 1993.



## COLIN GIFFNEY

Specialist corporate adviser. Principal of Giffney & Jones. NZX Adviser, and a founding Member of the Market Surveillance Panel. Appointed to the Panel in 2001.



## PIP GREENWOOD

Lawyer, Partner of Russell McVeagh, and Chair of the Auckland Corporate Advisory Group. Specialises in securities offerings, mergers and acquisitions, takeovers and general corporate advisory work. Former member of the NZX Legal & Regulatory Advisory Board and Chairperson of NZX Unit Trust and Managed Fund Working Group. Appointed to the Panel in 2006.



## KEVIN O'CONNOR

Company Director, Wellington based. Director of Utilico Emerging Markets Limited, and a range of private companies and charitable organisations. Former Chairman of the Market Surveillance Panel of the New Zealand Stock Exchange. Member of the Panel since 1994.





### DAVID QUIGG

Lawyer. Partner of Quigg Partners, Barristers and Solicitors of Wellington, specialising in mergers and acquisitions, takeovers and corporate law. Lecturer in takeovers and mergers and acquisitions law for the Institute of Directors. Member of the Wellington Committee of the Institute of Directors. Appointed to the Panel in 2001.



### PETER SCOTT

Investment banker, based in Melbourne. Vice Chairman, Investment Banking, of UBS AG in Australia and a Member of the Australian Takeovers Panel since 2002. Appointed to the Panel as the Australian Panel's representative in 2008.



### SUE SUCKLING

Independent company director and business consultant. South Island based. Chair of the National Institute of Water & Atmospheric Research, New Zealand Qualifications Authority, Barker Fruit Processors Limited, HSR Governance Limited, and a director of Restaurant Brands Limited. Appointed to the Panel in 2002.



### KEITH TAYLOR

Director and consultant. Wellington based. Former Group Managing Director of Tower Limited. Director of the Earthquake Commission, New Zealand Qualifications Authority, Gough Gough & Hamer Limited and a range of private companies and charitable organisations. Appointed to the Panel in 2006.



### JOHN WALLER

Chartered Accountant. Partner of PricewaterhouseCoopers based in Auckland. Specialises in corporate restructuring and general corporate advisory work. Director of Bank of New Zealand. Appointed to the Panel in 2006.

# Chief Executive Officer's Report

The Panel's overall objective is that of being an effective and efficient regulator of the takeovers market, respected by market participants and enforcing a Takeovers Code that provides for equal treatment of shareholders and a transparent takeover process, and to foster confidence in the integrity of our markets. The Panel believes it has achieved that objective in 2007/2008 by its performance in the areas described below.

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## ACHIEVEMENT OF THE PANEL'S NON-FINANCIAL GOALS

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### *Framework of the Code and Review of Market Practices*

The impact the Panel is seeking to achieve by its policy review work is to improve the relevance and effectiveness of the Code.

Improvements to the Code took effect when a large number of technical amendments to the Code came into force on 1 July 2007. Further improvements were achieved with the coming into force of new powers for the Panel and the extension of the scope of takeovers law to specifically deal with misleading and deceptive conduct in takeovers. The Panel has now started working on a further set of technical amendments to the Code.

At the request of the Minister the Panel undertook a further review of the law governing schemes of arrangement and amalgamations under the Companies Act as it applies to the change of control of Code companies. The Panel issued a consultation paper in December 2007 and made recommendations to the Minister of Commerce in May 2008. The Panel retained the New Zealand Institute of Economic Research to assist with the preparation of its consultation document and to prepare a draft Regulatory Impact Statement to support its recommendations to the Minister.

At the time of completion of this report the Panel's recommendations for changes to the law were under consideration by the Government. As a result there was no objective measure available of the Panel's achievement of this goal for the year.

### *Enforcement of the Code*

The intended impact of the Panel's work on enforcement of the Code is the overall improvement in the level of market compliance with the Code. The purpose of this activity is so that market participants can be confident that they are operating in a well-regulated market. The Panel's main enforcement powers are under section 32 of the Takeovers Act.

The Panel held three section 32 meetings during the year. Two related to transactions in Kerifresh shares. The third section 32 meeting related to takeover costs in the Crescent/Abano takeover. In other cases issues were resolved without the need for the Panel to exercise its formal powers.

There were no court challenges to the Panel's enforcement actions.

At a detailed level the Panel aims to review all formal takeover documents, often at a draft stage, which contributes to a high level of compliance with the law by the time documents are formally sent to shareholders. The Panel was also actively involved in the review of notices of meeting and reports where Code transactions were being put to a company meeting for approval by shareholders under the Code.

There was a reduced number of takeover notices received during the year (12) compared to last year (23). Because of other pressures during the second quarter of the year the Panel was not able to review all takeover documents, in particular not all independent adviser reports, for a short period.

In the broader field of enforcement the Panel has a policy to intervene where a scheme of arrangement involving the change of control of Code companies comes before the Courts. However, there were no known instances of such a scheme during the year.

The new rule 64 on misleading and deceptive conduct came into force on 29 February 2008. The Panel published a guidance note on this rule in December 2007 and to date no formal enforcement action has been required by the Panel. A number of informal actions were taken with satisfactory results. We are pleased that market participants are making efforts to comply with this law.

The Panel is confident that its enforcement activities are resulting in improved levels of compliance with takeovers law.

### *The granting of exemptions*

The intended impact of the Panel's exemption function is the improvement in the functioning of the takeovers market by alleviating unintended or unreasonable consequences arising from strict application of the Code, or by allowing otherwise legitimate, but Code non-compliant, transactions to proceed in ways that are consistent with the objectives of the Code.

The Panel has granted a range of exemptions during the year. It has also declined a number of exemptions, although fewer than in some previous years.

In exercising its exemption function the Panel aims to meet the timing needs of the market. In the past year it achieved this in most instances. Some exemption applications are processed within one week. Other applications may take many weeks to process, often because of their complexity and the need to obtain additional information from applicants.

Twenty-five applications for individual exemption were processed during the year, plus two applications for class exemptions (29 and three in 2006/2007). The slightly reduced number of exemption applications reflects the lower level of takeover activity during the latter part of the year.

Overall the Panel is of the view that the responsible exercise of its exemption powers is contributing to a more efficient market.

### *The approval function*

The Panel is required to approve the appointment of independent advisers for takeovers and other transactions effected under the Code. The intended impact of the Panel's approval function is the improvement in the quality of advice given to recipients of takeover offers and to shareholders entitled to vote to approve Code-related acquisitions and allotments.

The Panel applies criteria relating to both competence and independence to its decisions as to whether to approve advisers to prepare reports under the Code. The Panel's objective is to review all adviser reports in draft form before they are sent to shareholders, to assess their quality and to see if they adequately address relevant Code and merits issues.

During the year the Panel processed 37 applications for approval as independent advisers, of which two were declined. This was a lower number of applications than the previous year (56), reflecting the reduced level of takeover activity in the final months of the financial year. The Panel had anticipated processing 40 applications.

The Panel aims to process 80% of these applications within three working days of receiving a complete application. It achieved this in 73% of cases through the year. This reflected the pressures on the Panel executive during the second quarter of the financial year when the Panel executive was below establishment at the same time that the Panel was engaged in two section 32 meetings.

The Panel also processed (and declined) two applications from target companies for approval under rule 39 of the Code to undertake defensive tactics during the course of a takeover.

The Panel published the third edition of its guidance note about the role of independent advisers for the purposes of the Code in August 2007. It is available on the Panel's website.

One of the Panel's important objectives is to improve the quality of information given to shareholders involved in Code takeovers and transactions. The Panel measures its impact on the quality of adviser reports by tracking the number of comments it makes on each draft adviser report. The aim is to reduce the number of comments to two per report. In the 2007/2008 year the average number of comments on each report was 3.3 comments per report, up from 2.4 comments in 2006/2007. Only 47% of draft reports reviewed by the Panel executive had two or fewer comments made on them, compared to 55% the previous year. This was disappointing. In our view it reflects the complexity of a number of transactions commented on during the year, rather than on any reduction in the standard of performance of the advisers.

#### *Promoting public understanding of the law and practice relating to takeovers*

The intended impact of the Panel's function of promoting public understanding of takeovers law is the improvement in public understanding of takeovers law over time.

In the past year the Panel has published three editions of its newsletter *Code Word*. The September 2007 issue explained the Panel's thinking behind the third edition (published in August) of its guidance note about the role of independent advisers for the purposes of the Code. *Code Word* No 22 published in December 2007 covered three topics – the new rule 64 about misleading or deceptive conduct; requirements for facilities for shareholders to conditionally accept a takeover offer; and a guidance note on the term “50 or more shareholders” in the definition of Code company. The June 2008 *Code Word* covered the Kerifresh matter providing guidance on the application of the Code, the Panel's approach to enforcement and its interpretation of various aspects of the “associates” concept. It also commented on the payment of broker handling fees by takeover offerors, a practice which is becoming more common in New Zealand and is relatively common in Australia.

The Panel aims to publish information about significant changes to the law within a month of those changes occurring and has met that objective in the past year.

The Panel also keeps its website up to date with a complete record of all its exemptions, policies, publications and important enforcement decisions.

The Panel is continuing its practice of seeking feedback from the market about its performance. Over the past year the Panel has adopted the practice of inviting market participants to join Panel members during breaks in their regular meetings. This has proved a very successful means of keeping in touch with different areas of the market.

The Panel is confident that the resources it is putting into promoting public understanding of takeovers law is improving the public's knowledge of takeovers law.

#### *International liaison*

The intended impact of the Panel's international activities is the improvement in the level of co-operation and understanding between international takeovers regulators.

The Panel's Chairman is a member of the Australian Takeovers Panel and Peter Scott, a member of the Australian Panel, has been appointed a member of the New Zealand Panel from July 2008. In addition, the Panel's Chief Executive participated in an international conference of takeovers regulators hosted by the Securities and Exchange Commission in Washington DC in May 2008.

These arrangements and visits help promote a greater level of understanding between the trans-Tasman takeovers regulators.

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## ACHIEVEMENT OF THE PANEL'S FINANCIAL GOALS

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The main measure by which the Panel's financial performance can be judged was described in last year's Statement of Intent as the achievement of ongoing financial viability.

For the year ended 30 June 2008 the Panel recorded an operating deficit of \$45,510, leaving operating reserves of \$298,211 at year end. This is a viable position. It excludes the moneys in the litigation fund, which are not available to meet the Panel's operating needs. The Panel has therefore met its main financial objective for the year.

The financial outcome for the year was an operating deficit that was very close to \$100,000 less than that expected, coinciding with the amount of additional government funding provided during the year. However, both operating income and operating expenditure (not including the extra government cash appropriation) were nearly \$204,000 higher than forecast. The main contributor to the increased revenue was higher than expected cost recovery from enforcement action. In the case of expenditure the largest contributor was expenditure on legal and other experts resulting from the level of enforcement action as well as unbudgeted policy work.

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## CONCLUSION

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This has been a challenging year for the Panel and the executive team. In general terms the Panel has met its financial and non-financial objectives. I am grateful for the dedication and support of the executive team, who have frequently worked under extreme pressure during this year. We have all appreciated the leadership and support of the Panel during the year.



K.G. Morrell  
*Chief Executive Officer*

# *Additional Disclosures*

## **DIRECTIONS ISSUED BY THE MINISTER**

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The Panel has not been given any directions under any enactment by the Minister of Commerce during the course of the past year. Because the Panel is an independent Crown entity for the purposes of the Crown Entities Act the Minister is constrained in her ability to give the Panel any formal directions.

## **OBLIGATIONS TO BE A GOOD EMPLOYER**

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Between 2000 and 2008 all professional and support staff working for the Panel have been employees of the Securities Commission. Readers are therefore referred to the Annual Report of the Commission for reference to how the Commission, as employer of Panel staff, has met its good employer obligations. The Panel has now decided to employ its own staff and has appointed a Chief Executive Officer, a General Counsel and a senior lawyer. Other staff appointments will be made shortly. The Panel will establish its own programme to be a good employer.

## **PERMISSION TO ACT WHEN INTERESTED**

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There were no occasions during the year when the Chairman of the Panel gave permission to a Member, in terms of section 68(6) of the Crown Entities Act, to act in a matter despite being interested in that matter.

## FINANCIAL REPORT

### SOURCES OF FUNDING

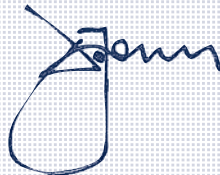
The Panel is funded by the appropriation of money by Parliament and the payment of fees by the users of its services, and parties to its enforcement actions. It is responsible for the allocation of the money. It sets priorities with care and reviews them continually to ensure that the money is used to best advantage.

### STATEMENT OF RESPONSIBILITY

We acknowledge responsibility for the preparation of these financial statements and Statement of Service Performance and for the judgements used in them.

We acknowledge responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Panel's financial reporting.

In our opinion these annual financial statements and Statement of Service Performance fairly reflect the financial position as at 30 June 2008 and the operations of the Takeovers Panel for the year ended 30 June 2008.



D.O. Jones  
*Chairman*

19 August 2008



K.J. O'Connor  
*Chairman, Audit Committee*

19 August 2008

**STATEMENT OF FINANCIAL PERFORMANCE***for the year ended 30 June 2008*

Budget 2008 \$		Note	Actual 2008 \$	Actual 2007 \$
<b>OPERATING INCOME</b>				
1,344,000	Government grant – baseline funding		1,444,000	1,344,000
26,500	Interest		21,715	27,415
364,000	Application fees and costs recoverable	5	571,986	290,139
–	KiwiSaver Employer Tax Credits		788	–
<u>1,734,500</u>	Total operating income		<u>2,038,489</u>	<u>1,661,554</u>
<b>LITIGATION FUND INCOME</b>				
–	Government grant		–	49,669
–	Recovery of costs		–	55,000
44,900	Interest		58,722	45,629
<u>44,900</u>	Total litigation fund income		<u>58,722</u>	<u>150,298</u>
<u>\$1,779,400</u>	Total income		<u>\$2,097,211</u>	<u>\$1,811,852</u>
<b>OPERATING EXPENDITURE</b>				
11,000	Audit fees		11,099	10,455
–	Audit fees – NZ IFRS transition		5,500	–
18,700	Communication charges		35,285	22,912
380,000	Members' fees	22	397,275	335,473
30,300	Printing and stationery		34,351	32,022
101,000	Consultants and legal		320,384	48,598
34,500	Services and supplies		32,259	36,153
62,700	Travel and accommodation		71,105	64,265
–	Personnel costs	11	149,963	–
1,242,000	Securities Commission services	3	1,026,778	1,124,316
<u>1,880,200</u>	Total operating expenditure		<u>2,083,999</u>	<u>1,674,194</u>
70,000	Litigation fund expenditure	4	–	92,263
<u>1,950,200</u>	Total expenditure		<u>2,083,999</u>	<u>1,766,457</u>
<u>\$(170,800)</u>	Net surplus (deficit)		<u>\$13,212</u>	<u>\$45,395</u>
<b>THIS IS COMPRISED OF</b>				
(145,700)	Operating surplus (deficit)		(45,510)	(12,640)
(25,100)	Litigation fund surplus (deficit)		58,722	58,035
<u>\$(170,800)</u>			<u>\$13,212</u>	<u>\$45,395</u>

*The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements.*



TAKEOVERS PANEL

STATEMENT OF FINANCIAL POSITION

as at 30 June 2008

Budget 2008 \$		Note	Actual 2008 \$	Actual 2007 \$
<b>CURRENT ASSETS</b>				
194,767	Cash and cash equivalents – operations		174,624	222,736
76,390	Cash and cash equivalents – litigation fund		461,044	425,464
–	Term deposits – operations		107,979	100,000
591,279	Term deposits – litigation fund		290,770	269,031
1,441	Interest receivable – operating		947	1,570
5,369	Interest receivable – litigation fund		3,740	2,337
59,286	Trade and other receivables	14	168,862	60,068
43,107	Prepayments		18,516	21,930
<u>971,639</u>	Total current assets		<u>1,226,482</u>	<u>1,103,136</u>
<u>\$971,639</u>	Total assets		<u>\$1,226,482</u>	<u>\$1,103,136</u>
<b>CURRENT LIABILITIES</b>				
86,115	Trade and other payables	16	132,393	61,500
–	Employee entitlements	15	28,552	–
11,761	GST payable		11,772	1,083
<u>97,876</u>	Total current liabilities		<u>172,717</u>	<u>62,583</u>
<b>EQUITY</b>				
200,726	Operating funds		298,211	343,721
673,037	Litigation fund	4	755,554	696,832
<u>873,763</u>	Total equity		<u>1,053,765</u>	<u>1,040,553</u>
<u>\$971,639</u>	Total equity and liabilities		<u>\$1,226,482</u>	<u>\$1,103,136</u>

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements.

**STATEMENT OF MOVEMENTS IN EQUITY***for the year ended 30 June 2008*

<i>Budget</i> 2008 \$		<i>Note</i>	<i>Actual</i> 2008 \$	<i>Actual</i> 2007 \$
346,426	Operating funds		343,721	356,361
698,137	Litigation fund		696,832	638,797
<u>1,044,563</u>	Equity at start of year		<u>1,040,553</u>	<u>995,158</u>
(145,700)	Operating surplus (deficit)		(45,510)	(12,640)
(25,100)	Litigation fund surplus (deficit)		58,722	58,035
<u>(170,800)</u>	Total recognised revenues and expenses		<u>13,212</u>	<u>45,395</u>
<u>(170,800)</u>	Increase (reduction) in equity		<u>13,212</u>	<u>45,395</u>
<u>\$873,763</u>	Equity at end of year		<u>\$1,053,765</u>	<u>\$1,040,553</u>
	<b>COMPRISING:</b>			
200,726	Operating funds		298,211	343,721
673,037	Litigation fund		755,554	696,832
<u>\$873,763</u>	Equity at end of year		<u>\$1,053,765</u>	<u>\$1,040,553</u>

*The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements.*

TAKEOVERS PANEL

**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2008

Budget 2008 \$		Actual 2008 \$	Actual 2007 \$
	Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was provided from:			
1,344,000		1,444,000	1,344,000
–		–	84,669
354,000		463,192	365,970
71,400		79,657	73,254
–		788	–
–		10,689	36,523
Cash was disbursed to:			
(1,935,199)		(1,859,729)	(1,766,709)
–		(121,411)	–
(165,799)	7	17,186	137,707
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was provided from:			
210,054		–	–
Cash was applied to:			
–		(29,718)	(369,031)
210,054		(29,718)	(369,031)
44,255		(12,532)	(231,324)
226,902		648,200	879,524
<u>\$271,157</u>	8	<u>\$635,668</u>	<u>\$648,200</u>

The Statement of Accounting Policies and Notes form an integral part of, and should be read in conjunction with, these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

### NOTE 1 STATEMENT OF ACCOUNTING POLICIES

#### REPORTING ENTITY

The Takeovers Panel is a body corporate established by the Takeovers Act 1993. The financial statements presented here are prepared pursuant to section 154 of the Crown Entities Act 2004.

The Panel is an independent Crown entity for legislative purposes and a public benefit entity for the purposes of complying with Generally Accepted Accounting Practices in New Zealand (NZ GAAP).

The financial statements of the reporting entity, the Panel, for the year ended 30 June 2008 were authorised for issue by the Panel on 18 August 2008.

The Panel's primary function is the regulation of corporate takeovers in New Zealand.

#### BASIS OF PREPARATION

##### *Statement of compliance*

These financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

##### *Basis of measurement*

The accounting principles recognised as appropriate for the measurement and reporting of results and financial position on an historical cost basis have been applied.

##### *Functional and presentational currency*

These financial statements are presented in New Zealand dollars (\$) which is the entity's functional currency.

##### *Use of estimates and judgements*

The process of applying accounting policies requires the Panel to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

##### *Standards, amendments and interpretations issued that are not yet effective and have not been early adopted*

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Panel, include:

NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with the Crown in its capacity as "owner". The revised standard gives the Panel the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The Panel intends to adopt this standard for the year ending 30 June 2010, and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.

##### *First year of preparation under NZ IFRS*

This is the first set of financial statements prepared using NZ IFRS, and comparatives for the year ended 30 June 2007 have been restated to NZ IFRS accordingly. Reconciliations of equity and surplus/(deficit) for the year ended 30 June 2007 under NZ IFRS to the balances reported in the 30 June 2007 financial statements are detailed in note 12.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS Statement of Financial Position as at 1 July 2006.

## TAKEOVERS PANEL

### *Significant accounting policies*

Significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, held in bank accounts and short term deposits that form part of the Panel's day-to-day cash management. They are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values. They are held for the purpose of meeting short term cash commitments and have short maturities of three months or less.

b Term deposits

This category only includes term deposits with maturities greater than three months. These deposits are loans and receivables under NZ IFRS. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

c Trade and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

d GST

All items in financial statements are exclusive of GST with the exception of trade and other receivables and trade and other payables which are stated with GST included.

The statement of cash flows has been prepared on a net GST basis. That is, cash receipts and payments are presented exclusive of GST. A net GST presentation has been chosen to be consistent with the presentation of the Statement of Financial Performance and Statement of Financial Position. The net GST component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST component has been presented on a net basis as the gross amounts would not provide meaningful information for financial statement purposes.

e Trade and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

f Financial instruments

A financial instrument is recognised when the Panel becomes party to a financial contract. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Financial instruments comprise trade and other receivables, cash and cash equivalents, term deposits and trade and other payables.

g Income tax

The Panel is exempt from income tax under the Income Tax Act 2004.

h Revenue recognition

Government grant is recognised as revenue when earned and is reported in the financial period to which it relates. Revenue from application fees and costs recoverable is recognised when the relevant services are provided or when the Panel has made the relevant determination under section 32 of the Takeovers Act 1993.

Interest income is recognised as it accrues, based on the effective interest rate inherent in the respective financial instrument. The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

i Cost allocation policy

For the purposes of the Statement of Service Performance direct costs are charged directly to outputs. Indirect costs are allocated on the basis of direct labour hours spent on each output.

## TAKEOVERS PANEL

### j Litigation fund

Interest income and expenditure on approved litigation fund matters are reported as income and expenditure of the Panel in the financial period in which they were derived or incurred. Reimbursements from the Crown to top up the fund are reported as income in the period to which the Panel's claim for reimbursement relates. The balance of the fund is disclosed as a component of equity in the statement of financial position.

### k Impairment

At each balance date financial assets such as receivables are assessed for impairment. Trade and other receivables are individually assessed for impairment. This assessment is also made with reference to previous experience with debtors. The recoverable amount is the present value of the estimated future cash flows. An impairment loss is recognised in the Statement of Financial Performance whenever the carrying amount of an asset exceeds its recoverable amount. Any reversal of impairment losses is also recognised in the income statement.

### l Short term employee benefits

Employee entitlements represent the Panel's liability for employee annual leave entitlements and salaries accrued up to balance date. This has been calculated on an accrued entitlement basis which involves recognising the undiscounted amount of short term employee benefits expected to be paid in exchange for service that an employee has already rendered. This is calculated at current remuneration rates.

### m Contingent assets and contingent liabilities

Contingent assets are disclosed if it is probable that the benefits will be realised. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote.

### n Changes in accounting policy

There have been no changes in accounting policies since the date of the last audited financial statements.

## NOTE 2 BUDGET FIGURES

The budget figures are those approved by the Panel on 31 May 2007 and published in the Panel's Statement of Intent 2007-2010. The budget figures are prepared in accordance with Generally Accepted Accounting Practice and are consistent with the accounting policies adopted by the Panel for the preparation of the financial statements.

## NOTE 3 SECURITIES COMMISSION SERVICES

Although the Panel is an independent Crown entity it does not yet have its own premises or equipment and up until April 2008 did not employ any of its own staff. Instead these services have been provided by the Securities Commission in terms of an agreement negotiated between the Panel and the Commission on an arm's length basis. The Panel pays the Commission on the basis of the hours worked by Commission staff on Panel business. Payments are at a rate that covers the cost of salaries and overheads including the use of premises and equipment and totalled \$1,026,778 for the year (2007 \$1,124,316).

During April and May 2008 the Panel became the employer of its three senior staff. From 1 September 2008 the Panel will be the employer of all its dedicated staff. The Panel pays the Commission only an overhead contribution in respect of the staff the Panel employs.

The payments to the Commission are paid in advance at the start of each quarter and are reconciled to actual usage at the end of the quarter. The amount due to the Commission at 30 June 2008 was \$6,052 (2007 \$3,413 Credit). This is included in trade and other payables in the Statement of Financial Position.

## NOTE 4 LITIGATION FUND

The Panel operates a litigation fund started with an appropriation of \$675,000 (GST not applicable) made by Parliament several years ago. The fund is to be used for litigation costs that are incurred by the Panel as it enforces compliance with the Takeovers Code or responds to litigation brought against it. In the 2006/07 Output Agreement with the Minister the scope of the litigation fund was widened to include involvement in Court proceedings under the scheme of arrangement or amalgamation provisions of the Companies Act affecting Code companies. It is being held on short term deposit.

## TAKEOVERS PANEL

Parliament made a further appropriation of \$500,000 (GST inclusive) for the year ended 30 June 2008 to top up the fund to the set level of \$675,000. The Panel has not had to draw from this appropriation during the year.

A summary of the movements in the fund during the year is as follows:

	2008	2007
	\$	\$
Government grant received	–	49,669
Recovery of costs	–	55,000
Interest received	54,982	43,292
Interest accrued	3,740	2,337
Expenditure on approved litigation	–	(92,263)
Surplus (deficit ) for the year	58,722	58,035
Opening balance	696,832	638,797
Closing balance	<u>\$755,554</u>	<u>\$696,832</u>

This is comprised of:

Cash and cash equivalents		
- Call account	26,651	24,865
- Short term deposits	434,393	400,599
Term deposits	290,770	269,031
Interest receivable	3,740	2,337
	<u>\$755,554</u>	<u>\$696,832</u>

## NOTE 5 APPLICATION FEES AND COSTS RECOVERABLE

The Takeovers (Fees) Regulations 2001 enable the Panel to recover costs with respect to applications received for various approvals, for exemptions, and for certain enforcement action pursuant to the Takeovers Act. An analysis of the amounts received for the year ended 30 June 2008 is as follows:

	2008	2007
	\$	\$
Exemptions	234,181	193,353
Approvals	78,281	96,786
Enforcement – section 32	259,524	–
Total	<u>\$571,986</u>	<u>\$290,139</u>

## NOTE 6 MANAGEMENT OF EQUITY

The Panel seeks to maintain sufficient equity to enable it to manage its ongoing operations and obligations. Surplus funds are invested having regard to the cash flow profile of future commitments. There have been no material changes in the Panel's management of equity during the period compared with the previous period.

The Panel is not subject to any externally imposed equity requirements.

## NOTE 7 RECONCILIATION OF STATEMENT OF FINANCIAL PERFORMANCE WITH STATEMENT OF CASH FLOWS

	2008	2007
	\$	\$
Net surplus (deficit)	13,212	45,395
Movement in working capital:		
Increase (decrease) in creditors	110,134	(7,984)
(Increase) decrease in receivables and prepayments	(106,160)	100,296
	<u>3,974</u>	<u>92,312</u>
Net cash flows from operating activities	<u>\$17,186</u>	<u>\$137,707</u>

## TAKEOVERS PANEL

### NOTE 8 CASH FLOWS

#### *Investing activities*

Investing activities are those activities relating to the movements in short term deposits. The cash flows relating to the Panel's investing activities are reported on a gross basis in the statement of cash flows. The amounts involved are held in term deposits which are rolled over frequently through the year.

#### *Financing activities*

Financing activities are those activities relating to changes in the equity structure of the Panel.

#### *Operating activities*

Operating activities for the purposes of the Statement of Cash Flows include all activities other than investing and financing activities. Activities funded from the litigation fund are included in this category.

#### *Cash*

This means cash balances on hand, held in bank accounts, and short term deposits in which the Panel invests as part of its day-to-day cash management.

The closing balance of cash reported in the Statement of Cashflows is comprised of:

	2008	2007
	\$	\$
Cash and cash equivalents – operations		
- Cash	174,624	96,357
- Short term deposits	–	126,379
Cash and cash equivalents – litigation fund		
- Cash	26,651	24,865
- Short term deposits	434,393	400,599
Closing cash balance	<u>\$635,668</u>	<u>\$648,200</u>

### NOTE 9 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

	2008	2007
	\$	\$
<b>LOANS AND RECEIVABLES</b>		
Cash and cash equivalents	635,668	648,200
Trade and other receivables	173,549	63,975
Term deposits	398,749	369,031
Total loans and receivables	<u>\$1,207,966</u>	<u>\$1,081,206</u>

#### **FINANCIAL LIABILITIES MEASURED AT AMORTISED COST**

Trade and other payables	132,393	61,500
GST payable	11,772	1,083
Total financial liabilities measured at amortised cost	<u>\$144,165</u>	<u>\$62,583</u>

### NOTE 10 FINANCIAL INSTRUMENTS

#### *Credit risk*

Credit risk represents the risk that a counterparty will default on its contractual obligations to the Panel. Financial instruments which potentially subject the Panel to credit risk consist of bank balances, bank term deposits, interest receivable, and trade and other receivables. The maximum exposure to credit risk at the reporting date is the carrying amount of those instruments as detailed below.

There is limited credit risk for the Panel because most of the financial assets are the Panel's cash or investments. These are deposits with the Bank of New Zealand which is a registered bank in New Zealand and is rated by Moody's Aa2, Standard & Poors AA for its long term senior unsecured obligations payable in New Zealand.

The Panel does not require collateral or security to support financial instruments.

There are no concentrations of credit risk.



## TAKEOVERS PANEL

### Fair values

All financial instruments are recognised in the Statement of Financial Position and are stated at carrying amounts. Given their short term nature, the carrying amounts are considered a reasonable approximation of their fair values. There has been no change from the previous period in the Panel's exposure to risks, how they arise or the Panel's objectives, policies and processes for managing the risk and the methods used to measure the risks.

### Liquidity risk

Liquidity risk represents the Panel's ability to meet its contractual obligations associated with financial liabilities. The Panel evaluates its liquidity requirements on an ongoing basis by preparing quarterly budget analyses which are used to manage the timing of investment maturity with payments due. The Panel's creditors are mainly those reported as trade and other payables. The Panel aims to pay these within normal commercial terms: that is, by the 20th of the month, if not earlier.

### Currency risk

The Panel does not hold any overseas securities or deposits and is therefore not exposed to any currency risk.

### Market risk

The only market risk that the Panel is subject to is interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As term deposits are at fixed rates and therefore do not fluctuate, the market risk the Panel is exposed to does not impact its reported financial performance and/or equity.

Details are as follows:

	Effective Interest Rate	Total \$	Maturities 3 months or less \$	Maturities greater than 3 months \$
<b>2008</b>				
Cash and cash equivalents – operations	0.00%	70,135	70,135	–
- Current account	4.35%	104,489	104,489	–
- Call account	8.21%	107,979	–	107,979
		<u>\$282,603</u>	<u>\$174,624</u>	<u>\$107,979</u>
Cash and cash equivalents – litigation fund				
- Call account	8.00%	26,651	26,651	–
- Short term deposits	8.09%	434,393	434,393	–
Term deposits	8.27%	290,770	–	290,770
		<u>\$751,814</u>	<u>\$461,044</u>	<u>\$290,770</u>
<b>2007</b>				
Cash and cash equivalents – operations				
- Current account	0.00%	44,163	44,163	–
- Call account	3.85%	52,194	52,194	–
- Short term deposits	7.67%	126,379	126,379	–
Term deposits	7.70%	100,000	100,000	–
		<u>\$322,736</u>	<u>\$322,736</u>	<u>–</u>
Cash and cash equivalents – litigation fund				
- Call account	6.40%	24,865	24,865	–
- Short term deposits	7.77%	400,599	400,599	–
Term deposits	7.65%	269,031	–	269,031
		<u>\$694,495</u>	<u>\$425,464</u>	<u>\$269,031</u>

## TAKEOVERS PANEL

The Panel's interest rate risk is limited to interest on call accounts and term investments, the maturities of which are shown above.

### *Sensitivity analysis*

As at 30 June 2008, if the floating interest rate on call deposits had been 100 basis points higher or lower, with all other variables held constant, the surplus/deficit for the year would have been \$1,311 (2007 \$771) higher or lower.

## NOTE 11 PERSONNEL COSTS

	2008	2007
	\$	\$
Salaries	148,817	–
Employer contributions to defined contribution plans	1,146	–
Total personnel costs	<u>\$149,963</u>	<u>–</u>

## NOTE 12 IMPACT OF ADOPTION OF NZ IFRS

On 1 July 2007 the Panel adopted NZ equivalents to IFRS for the first time. This requires retrospective application of all NZ IFRS to comparative information.

The changes arising from the adoption of NZ IFRS are as follows:

### *Statement of financial performance*

Other than presentational changes, the change to NZ IFRS has not impacted the statement of financial performance.

### *Statement of financial position*

Previously the Panel had created a general provision for bad debts. As there are no current debts that the Panel believes will be uncollectable, the provision of \$10,000 has been removed and credited to Accumulated Funds as at 1 July 2006.

As part of the change to NZ IFRS the Panel now reflects term deposits with maturities less than or equal to three months as part of cash and cash equivalents. Term deposits with maturities greater than three months are classified on their own. Previously all term deposits regardless of their maturity were classified as part of short term deposits. The following is a summary of the changes:

	Previous NZ GAAP	2007 Effect of transition	NZ IFRS
	\$	\$	\$
Cash and cash equivalents – operations	96,257	126,379	222,736
Cash and cash equivalents – litigation fund	24,865	400,599	425,464
Short term deposits – operations	226,379	(126,379)	100,000
Short term deposit – litigation fund	669,630	(400,599)	269,031
Interest receivable – operating	1,570	–	1,570
Interest receivable – litigation fund	2,337	–	2,337
Trade and other receivables	60,068	–	60,068
Less Provision for bad debts	(10,000)	10,000	–
Prepayments	21,930	–	21,930
	<u>\$1,093,136</u>	<u>\$10,000</u>	<u>\$1,103,136</u>
Trade and other payables	61,500	–	61,500
GST payable	1,083	–	1,083
Total current liabilities	<u>\$62,583</u>	<u>–</u>	<u>\$62,583</u>
Operating funds	333,721	10,000	343,721
Litigation fund	696,832	–	696,832
Total equity	<u>\$1,030,553</u>	<u>\$10,000</u>	<u>\$1,040,553</u>
Total equity and liabilities	<u>\$1,093,136</u>	<u>\$10,000</u>	<u>\$1,103,136</u>

**TAKEOVERS PANEL****NOTE 13 INCOME FROM FINANCIAL ASSETS**

	2008	2007
	\$	\$
Loans and receivables		
Interest – operations	21,715	27,415
Interest – litigation fund	58,722	45,629
Total interest income from loans and receivables	<u>\$80,437</u>	<u>\$73,044</u>

**NOTE 14 TRADE AND OTHER RECEIVABLES**

	2008	2007
	\$	\$
Trade receivables	168,862	60,068
Total trade and other receivables	<u>\$168,862</u>	<u>\$60,068</u>

The status of trade and other receivables as at 30 June 2008 is as follows:

	<i>Total</i>	<i>Not past due</i>	<i>Up to 30 days past due</i>	<i>Over 30 days past due</i>
	\$	\$	\$	\$
<b>2008</b>				
Gross receivables	168,862	73,141	57,709	38,021
Impairment	–	–	–	–
	<u>\$168,862</u>	<u>\$73,141</u>	<u>\$57,709</u>	<u>\$38,012</u>
<b>2007</b>				
Gross receivables	60,068	35,892	17,615	6,561
Impairment	–	–	–	–
	<u>\$60,068</u>	<u>\$35,892</u>	<u>\$17,615</u>	<u>\$6,561</u>

**NOTE 15 EMPLOYEE ENTITLEMENTS**

	2008	2007
	\$	\$
Accrued salaries and wages	5,944	–
Annual leave	22,608	–
Total employee entitlements	<u>\$28,552</u>	<u>–</u>

**NOTE 16 TRADE AND OTHER PAYABLES**

	2008	2007
	\$	\$
Trade payables	90,342	53,545
Securities Commission services	6,052	–
Accrued expenses	35,999	7,955
Total trade and other payables	<u>\$132,393</u>	<u>\$61,500</u>

**NOTE 17 COMMITMENTS**

There were no lease commitments at balance date. (2007 - no commitments).

The Panel had no capital commitments at balance date. (2007 - no commitments).

**NOTE 18 CONTINGENT LIABILITIES**

There were no contingent liabilities at balance date. (2007 - no contingent liabilities).

## TAKEOVERS PANEL

### NOTE 19 CONTINGENT ASSETS

There were no contingent assets at balance date. (2007 - no contingent assets).

### NOTE 20 TRANSACTIONS WITH RELATED PARTIES

#### *Transactions with other entities within the Crown*

The Panel is an independent Crown entity for the purposes of the Crown Entities Act 2004. The Crown is its major source of revenue.

The Panel has entered into a number of transactions with other entities within the Crown on an arm's length basis. Where those parties are acting in the course of their normal dealings with the Panel, related party disclosures have not been made for transactions of this nature.

The Panel has a special relationship with the Securities Commission, another independent Crown entity and therefore also a related party. This is referred to in Note 3.

#### *Transactions with suppliers*

The Panel has processed a number of exemption and adviser applications from firms where a Member of the Panel was a partner in the firm. Those applications were processed and invoiced using the Panel's standard procedures.

During the year the Panel paid expenses to:

- > PricewaterhouseCoopers, a firm of which J.A. Waller, Member of the Panel, is a partner.  
The expenses totalling \$14,175 were for advice given in respect of the Panel's possible office relocation which were charged on normal commercial terms. (2007, Nil).

No related party debts have been written off or forgiven during the year.

### NOTE 21 KEY MANAGEMENT PERSONNEL COMPENSATION

Key personnel comprise the members of the Panel and the senior management staff.

	2008	2007
	\$	\$
Short term employee benefits:		
- Members' fees	397,275	335,473
- Senior management team remuneration	134,754	-
	<u>\$532,029</u>	<u>\$335,473</u>

#### *Employee remuneration*

From April 2008 the Panel commenced direct employment of three staff members. During the year, no employees of the Panel, not being Members, received remuneration and other benefits from the Panel in excess of \$100,000.

### NOTE 22 BOARD MEMBER REMUNERATION

Members are remunerated on the basis of time spent on the work of the Panel. Members' fees for the year ended 30 June 2008 were:

	2008	2007
	\$	\$
D.O. Jones (Chairman)	168,808	76,625
J.C. King (Former Chairman)	-	78,445
A. Lawrence (Deputy Chairman)	23,112	26,544
D.M. Byrne	-	11,500
A.N. Frankham	-	11,360
C.G. Giffney	36,077	27,700
P.M. Greenwood	18,023	3,686
K.J. O'Connor	43,688	26,517
D.J. Quigg	34,294	24,460
D.M.D. Rawstorne	-	2,699
S. Suckling	43,398	28,657
K. Taylor	21,101	10,580
J.A. Waller	8,774	6,700
Total	<u>\$397,275</u>	<u>\$335,473</u>

## TAKEOVERS PANEL

### NOTE 23 SUBSEQUENT EVENTS

There were no material events subsequent to the balance date that would affect the interpretation of the financial statements or the performance of the Panel. (2007 – no subsequent events).

### NOTE 24 BUDGET VARIANCES

Significant variances from budget were:

#### *Income*

Total operating income was \$303,989 higher than budgeted, primarily because of the higher than expected level of recoveries from enforcement action (three section 32 meetings were held during the year) and the additional \$100,000 of funding from the Crown announced in the 2008 Budget.

#### *Expenditure*

Total operating expenditure for the year was \$203,799 higher than budgeted, primarily because of higher than expected expenditure on consultants and legal experts. This was necessitated by the number of enforcement meetings, the need to engage consultants to cover a staff vacancy that arose during the year and to assist with the review of the Code, and for advice in relation to the Panel's recommendations concerning schemes of arrangement.

#### *Net operating surplus*

The Panel recorded an operating deficit of \$45,510 when a deficit of \$145,700 had been expected. The main contributor to the lower than expected deficit was the receipt of \$100,000 of additional Crown funding in the fourth quarter.

### NOTE 25 PROFESSIONAL INDEMNITY INSURANCE

The Panel has effected a professional indemnity insurance policy to provide cover for members of the Panel, employees of the Panel, and employees of the Securities Commission working for the Panel as the Panel performs its duties and carries out its statutory functions.

**STATEMENT OF SERVICE PERFORMANCE***for the year ended 30 June 2008***PERFORMANCE STANDARDS AND MEASURES FOR THE OUTPUTS OF THE PANEL****OUTPUT 1: RECOMMENDATIONS FOR CHANGES TO TAKEOVERS LAW**

- To keep under review the law relating to takeovers and to recommend to the Minister of Commerce changes as appropriate;
- To keep under review practices relating to takeovers of specified Code companies for the purpose of recommending changes to the law.

*Impact:*

Improvements in the efficiency of the Code through the making of recommendations to the Minister of Commerce to achieve changes to the Code and takeovers law more generally. These improvements will enhance the effectiveness of the Code in promoting economic growth and the Panel in administering the Code's provisions.

*Activities and actions to include:*

- reviewing the provisions of takeovers law;
- identifying areas of the Code which require correction or would benefit from improvement;
- reviewing the practices relating to the takeover of Code companies;
- developing policy papers, guidance notes and practice notes on issues arising under the Code and its administration;
- developing a further discussion paper, at the request of the Minister of Commerce, on the interaction between the provisions of company law and takeovers law as they apply to schemes of arrangement and amalgamations effected under parts 13 and 15 of the Companies Act 1993 using the Government's regulatory impact analysis framework, receiving and reviewing public submissions on the discussion paper, and making recommendations to the Minister;
- developing proposals for public comment on proposed recommendations to the Minister, as necessary;
- making recommendations to the Minister for changes to that law, where appropriate.

**PLANNED AND ACTUAL PERFORMANCE STANDARDS AND PERFORMANCE MEASURES FOR 2007/2008**

PERFORMANCE MEASURES TAKEOVERS CODE	PERFORMANCE STANDARDS	
	FORECAST 2007/08	ACTUAL 2007/08
<i>Quantity and Quality</i>		
Keep the Takeovers Code and the Takeovers Act 1993 under review and recommend amendments to the Code as necessary.  Participate as required on projects and reviews.	The Panel will comply with its obligations under the Takeovers Act 1993 and with other relevant legislation. It will aim to ensure that the provisions of the Code are effective and relevant to market practice. It will base its work on accurate research into, and analysis of, the existing law and practice. It aims to achieve 95% acceptance of its proposals by the Minister.	Panel's proposals for changes to the law are under consideration by the Minister.
Keep under review practices relating to takeover activities.	Continuous	Continuous
Inquiries into market practice with a view to recommending amendments to the Takeovers Code and to the Panel's policies and publishing proposed changes to the Code and Panel policies for public comment.	2	2
<i>Timeliness</i>		
Recommendations for amendments to the Code will be made promptly.	1 per year	2
Complete inquiry work promptly.	Review work to be based on accurate research into, and review of, existing practices, including feedback from market participants.	Review work met this requirement.
<i>Revenue</i>		
Revenue from Code review.	Nil	Nil
<i>Cost</i>		
Expenditure allocated to Code review.	\$268,300	\$324,214

## TAKEOVERS PANEL

### OUTPUT 2: APPROVALS

The approval of the appointment of independent advisers, where required under Rules 18, 21 or 22 of the Code or by the terms of an exemption granted, and the appointment of independent experts where required by Rule 57 of the Code.

#### *Impact:*

The improvement in the quality of advice and independent adviser reports to recipients of takeover offers and to shareholders entitled to vote to approve Code-related allotments and acquisitions. Such improvements will further ensure the equal treatment of shareholders and a transparent takeovers process.

#### *Activities and actions to include:*

- processing applications from advisers for approval under the Code;
- ensuring that appointed advisers are both independent and competent to do the job required;
- assessing, where necessary, previous work of advisers to determine their experience and competence;
- reviewing draft independent advisers' reports and making suggestions for improvement;
- meeting with advisers on an ongoing basis to discuss and obtain feedback on any issues and concerns;
- appointing independent experts where required under the compulsory acquisition provisions of the Code;
- processing applications for consent to withdraw offers, and in relation to approval of defensive tactics.

### PLANNED AND ACTUAL PERFORMANCE STANDARDS AND PERFORMANCE MEASURES FOR 2007/2008

PERFORMANCE MEASURES CODE APPROVALS	PERFORMANCE STANDARDS	
	FORECAST 2007/08	ACTUAL 2007/08
<i>Quantity</i>		
Applications for approval of independent advisers and independent experts.	40	37
Applications for consent to withdrawal of offers, and in relation to defensive tactics.	2	2 (defensive tactics)
<i>Quality</i>		
Applications processed in accordance with the law, the Panel's published policies, the rules of natural justice and having regard to feedback from market participants.	100%. Reduce Panel comments to two per report and achieve favourable balance of public comments about reports.	47% of 19 reports reviewed had 2 or less comments. 2 reports not reviewed.  Unfavourable public comment on one report.
<i>Timeliness</i>		
Within 3 working days of receipt of complete application.	To be achieved in 80% of cases.	Achieved in 73% of cases.
<i>Revenue</i>		
Application fees for approvals work.	\$89,000	\$78,281
<i>Cost</i>		
Expenditure allocated to approvals work.	\$154,400	\$119,195

## TAKEOVERS PANEL

### OUTPUT 3: EXEMPTIONS

The granting of individual and class exemptions for Code events where relief from the Code's requirements is appropriate and consistent with the purpose, intent and objectives of the Code.

#### *Impact:*

The improvement in the functioning of the Code as the regulatory mechanism for corporate takeovers and the improvement in the functioning of the market by removing impediments in the Code or by providing a framework within which transactions can be undertaken. Proper functioning of the Code and market will result in a takeovers market that has the confidence of market participants, both domestic and international.

#### *Activities and actions to include:*

- considering applications for individual exemptions from the Code;
- considering applications for class exemptions from the Code;
- issuing exemption notices for individual exemptions;
- issuing exemption notices for class exemptions;
- gazetting the exemption notices;
- publishing guidance notes to explain the policies being applied by the Panel in relation to various types of exemption.

### PLANNED AND ACTUAL PERFORMANCE STANDARDS AND PERFORMANCE MEASURES FOR 2007/2008<sup>1</sup>

PERFORMANCE MEASURES EXEMPTIONS	PERFORMANCE STANDARDS	
	FORECAST 2007/08	ACTUAL 2007/08
<i>Quantity</i>		
Applications for individual exemptions from the Takeovers Code.	30	25
Class exemptions from the Takeovers Code.	4	2
<i>Quality</i>		
Applications processed in accordance with the law, the rules of natural justice and having regard to feedback from market participants.	100% acceptance or endorsement by market participants and the media.	2 applicants (8%) did not accept Panel decision.
<i>Timeliness</i>		
Within timeframe agreed with applicants.	100%	100%
<i>Revenue</i>		
Application fees from exemption work.	\$175,000	\$234,187
<i>Cost</i>		
Expenditure allocated to exemption work.	\$347,400	\$420,853

<sup>1</sup>Although characterised as "planned", the number of exemption applications is similar to those for the current year but the final outcome is dependent on the level of market activity.



## TAKEOVERS PANEL

### OUTPUT 4: ENFORCEMENT

To maintain oversight of takeover activity in New Zealand and to intervene, where necessary, in accordance with the Panel's statutory powers.

#### *Impact:*

The improvement in the standard of compliance with the Takeovers Code and facilitation of the operation of the takeovers market. Non-compliance with the Code is undesirable as it results in unequal treatment of shareholders and a non-transparent takeover process.

#### *Activities and actions to include:*

- reviewing all main takeover offer documents;
- reviewing Code-related meeting documents;
- convening formal meetings to exercise the Panel's enforcement powers under sections 32 and 35 of the Code;
- making applications to the Court to seek orders from the Courts, as necessary;
- investigating possible Code breaches;
- investigating complaints by shareholders and other principal parties to a transaction;
- monitoring NZX company announcements, media and other public information for transactions with Code implications;
- accepting enforceable undertakings from the party or parties in breach of the Code;
- issuing determinations and Panel decisions;
- seeking to be heard in Court proceedings involving the change of control of code companies being effected through the scheme of arrangement provisions of the Companies Act.

### PLANNED AND ACTUAL PERFORMANCE STANDARDS AND PERFORMANCE MEASURES FOR 2007/2008<sup>2</sup>

PERFORMANCE MEASURES ENFORCEMENT	PERFORMANCE STANDARDS	
	FORECAST 2007/08	ACTUAL 2007/08
<i>Quantity</i>		
Review of offer documents.	24	12
Review of meeting documents.	16	13
Section 32 meetings.	4	3
Section 35 actions.	1	1
Investigation of possible Code breaches.	35	11
Involvement in Court proceedings in relation to schemes of arrangement affecting Code companies	2	Nil
<i>Quality</i>		
Documents reviewed for compliance with the law. Remedial action initiated to correct deficiencies.	90% of all potential documents.	Approximately 90% reviewed.
Action taken in accordance with the law.	100% with no Court challenges or Court endorsement, where challenged.	No court challenges.
Meetings conducted in accordance with the law and the rules of natural justice.	100%	100%
<i>Timeliness</i>		
Complete enforcement work within timeframes specified in the Takeovers Act 1993.	100%	100%
Comply with Court-ordered timetables for legal proceedings under the Companies Act involving Code companies.	100%	N/A
<i>Revenue</i>		
Revenue from enforcement activities including litigation fund.	\$100,000	\$259,524
<i>Cost</i>		
Expenditure allocated to enforcement work.	\$965,800	\$993,163

<sup>2</sup>Although described as "planned", the number of offer documents and meeting documents reviewed by the Panel is similar to those for the current year but the outcome is dependent on the level of market activity.

## TAKEOVERS PANEL

### OUTPUT 5: PUBLIC UNDERSTANDING

To promote public understanding of the law and practice relating to takeovers.

#### *Impact:*

The improvement in public understanding of takeovers law over time, in particular, the improvement in the public's knowledge of the provisions of the Code. Improving public understanding and knowledge of the Code will enhance the public's confidence in the transparency of the takeovers process and in the public's confidence in the integrity of the market.

#### *Activities and actions to include:*

- publishing the Panel's occasional newsletter, *Code Word* to explain changes to the Code and the Act and key Panel enforcement and exemption decisions;
- publishing practice notes and guidance notes to inform the market about the Panel's decisions and policies, to assist market participants to relate to the Panel and to explain how the Panel interprets various rules of the Code;
- improving the market's understanding of takeover matters and Panel activities through public speeches about the Code at relevant conferences and other meetings;
- receiving feedback from market participants about the Panel's performance through meetings with market participants to both gauge the effectiveness of the Panel in dealing with its stakeholders and to explain issues which have arisen;
- visiting the most active legal and advisory firms to obtain direct feedback;
- holding group meetings with other interested market participants;
- maintaining a website that is kept up-to-date with all Panel decisions, news releases, speeches, discussion papers, practice notes;
- communicating with affected shareholders through telephone and correspondence explaining the application of the Code in particular circumstances;
- assisting the media with background information to ensure that the public receives accurate reports on issues of public interest.

### PLANNED AND ACTUAL PERFORMANCE STANDARDS AND PERFORMANCE MEASURES FOR 2007/2008

PERFORMANCE MEASURES PUBLIC UNDERSTANDING	PERFORMANCE STANDARDS	
	FORECAST 2007/08	ACTUAL 2007/08
<i>Quantity, Quality and Timeliness</i>		
Publish a publication designed to provide information about the Takeovers Code and relevant law.	3 times a year, with publication within one month of significant changes to the law affecting takeovers.	3 times, each time within one month of significant changes.
Issue policy statements, guidance notes and commentaries on current issues.	3 times a year.	6 times a year.
Interface with the market through public and private meetings.	16 meetings a year.	6 meetings.
Provide news media with relevant information about the Panel and the Takeovers Code.	Continuous.	Continuous.
Maintain a website with relevant information about the Takeovers Code and Takeovers Act 1993 and activities of the Panel.	All relevant material posted promptly to the website, within 5 working days of the event or decision.	100% of events or decisions.
Receive miscellaneous enquiries from members of the public and professional firms.	Receive 200 enquiries. Respond to enquiries within 3 working days.	199 enquiries received. Responded within 3 days in 99.5% of cases.
<i>Revenue</i>		
Revenue from public understanding.	Nil	Nil
<i>Cost</i>		
Expenditure allocated to public understanding.	\$212,300	\$198,418

## TAKEOVERS PANEL

### OUTPUT 6: INTERNATIONAL LIAISON

To enhance and improve co-operation and liaison with overseas takeovers regulators on matters of mutual interest.

#### *Impact:*

The improvement in the level of co-operation, liaison and understanding between the Panel and other international takeovers regulators. Such improvements enhance international investors' and overseas takeovers regulators' confidence in the New Zealand market and enhance the Panel's administration of the Code's provisions.

#### *Activities and actions to include:*

- continuing the high level of contact with the Australian Takeovers Panel through the Panel Chairman's membership on the Australian Panel and membership of the New Zealand Panel by a member of the Australian Panel;
- continuing to maintain the good working relationships with the relevant staff of the Australian Panel and of the Australian Securities and Investments Commission by members of the Panel and executive;
- continuing to support the Australian Panel's promotion of the informal group of international takeovers regulators by attending the group's conferences;
- co-operating, on request, with overseas takeovers regulators on various regulatory matters within the Panel's powers.

### PLANNED AND ACTUAL PERFORMANCE STANDARDS AND PERFORMANCE MEASURES FOR 2007/2008

PERFORMANCE MEASURES INTERNATIONAL LIAISON	PERFORMANCE STANDARDS	
	FORECAST 2007/08	ACTUAL 2007/08
<i>Quantity and Quality</i>		
Liaise with comparable overseas bodies, particularly in Australia, to improve the administration and enforcement of takeovers law, and to promote international understanding of New Zealand's laws.	Respond to enquiries from overseas bodies within five working days.	None received.
Maintain reciprocal membership between Australian and New Zealand Takeovers Panels.	Maintain one Australian Panel member on New Zealand Panel and one New Zealand Panel member on Australian Panel.	New Australian member appointed 23/6/08.
<i>Timeliness</i>		
Panel representatives to meet regularly with overseas bodies.	1 time per year.	1 (international conference).
<i>Revenue</i>		
Revenue from international liaison work.	Nil	Nil
<i>Cost</i>		
Expenditure allocated to international liaison work.	\$2,000	\$27,013

TO THE READERS OF  
THE TAKEOVERS PANEL'S  
FINANCIAL STATEMENTS AND STATEMENT OF SERVICE  
PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2008

The Auditor-General is the auditor of the Takeovers Panel. The Auditor-General has appointed me, Robert Cox, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf. The audit covers the financial statements and statement of service performance included in the annual report of the Takeovers Panel for the year ended 30 June 2008.

#### UNQUALIFIED OPINION

In our opinion:

- The financial statements of the Takeovers Panel on pages 14 to 27:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Takeovers Panel's financial position as at 30 June 2008; and
    - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the Takeovers Panel on pages 28 to 33:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects for each class of outputs:
    - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
    - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 19 August 2008, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Members of the Takeovers Panel and the Auditor, and explain our independence.

## BASIS OF OPINION

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Members of the Takeovers Panel;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

## RESPONSIBILITIES OF THE MEMBERS OF THE TAKEOVERS PANEL AND THE AUDITOR

The Members of the Takeovers Panel are responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Takeovers Panel as at 30 June 2008 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect,

for each class of outputs, the Takeovers Panel's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Members of the Takeovers Panel's responsibilities arise from the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

## INDEPENDENCE

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Takeovers Panel.



Robert Cox  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

### **Matters relating to the electronic presentation of the audited financial statements and statement of service performance**

This audit report relates to the financial statements and statement of service performance of the Takeovers Panel for the year ended 30 June 2008 included on the Takeovers Panel's website. The Members of the Takeovers Panel are responsible for the maintenance and integrity of the Takeovers Panel's website. We have not been engaged to report on the integrity of the Takeovers Panel's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 19 August 2008 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

## *Executive of the Panel*



**KERRY MORRELL**  
Chief Executive Officer



**TOM BARNES**  
Solicitor



**MARGARET BEARSLEY**  
General Counsel



**ROGER MARWICK**  
Communications Manager



**DARYL OWEN**  
Senior Solicitor



**NIGEL BRUNSDON**  
Accountant & IT Manager



**JENNIFER FAWCETT**  
Solicitor



**GAYLE STEERE**  
Personal Assistant to  
the Chief Executive Officer



**MATTHEW TOLAN**  
Solicitor

## *How to contact us*

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