



COMPETITION APPEAL TRIBUNAL



Competition Appeal Tribunal
and Competition Service
Annual Review and Accounts **2003/2004**

Competition Appeal Tribunal and Competition Service

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Competition Appeal Tribunal and Competition Service

Introduction

The Competition Appeal Tribunal (CAT) is the successor body of the Competition Commission Appeal Tribunals.

The CAT comprises the President, Sir Christopher Bellamy; a panel of Chairmen (comprising each of the judges of the Chancery Division of the High Court and Marion Simmons QC); a panel of 19 ordinary members (with backgrounds in law, economics, accountancy, business and other related areas); and the Registrar, Charles Dhanowa. Four legally qualified Referendaires assist the President or Chairmen in the legal aspects of cases and the drafting of judgments.

The CAT hears appeals against decisions of the Office of Fair Trading (OFT) under Chapters I and II of the Competition Act 1998 and since 1 May 2004 Articles 81 and 82 of the EC Treaty; decisions of regulators in the main utility, railway and air traffic service sectors under those provisions; decisions made by the Office of Communications (Ofcom) under the Communications Act 2003; and decisions of the OFT, the

Competition Commission or the Secretary of State on merger cases and market investigations under the Enterprise Act 2002. The CAT can also hear certain actions for damages arising out of an infringement of UK or EC competition law. Each case is decided by the President or a Chairman, and two ordinary members.

The decisions of the CAT can be appealed to the Court of Appeal, the Court of Session or the Court of Appeal in Northern Ireland as the case may be.

The CAT welcomes the government's aim of having a competition regime in the UK equal to the best in the world as determined by peer review by 2006. In this context the CAT has developed specific procedures for dealing with competition cases which are largely written in nature thereby reducing the need for lengthy oral hearings. Modern case management techniques are particularly important. Both members and staff are provided with suitable training on a regular basis.

The Competition Service (CS) is an executive Non Departmental Public Body, also set up under the Enterprise Act 2002, to provide the administrative staff, finance and accommodation that the CAT needs in order to carry out its functions. The CS has a board, which comprises the President, the Registrar and a non-executive member, Janet Rubin. The Director, Operations is Jeremy Straker.

To assist in achieving the government's aim, the CS intends to provide the highest quality financial and operational support to the CAT on an economical and efficient basis.

Premises

The CAT now operates from premises in Victoria House, Bloomsbury Square, where it has two modern courtrooms at its disposal, which use the latest IT and audio-visual equipment.

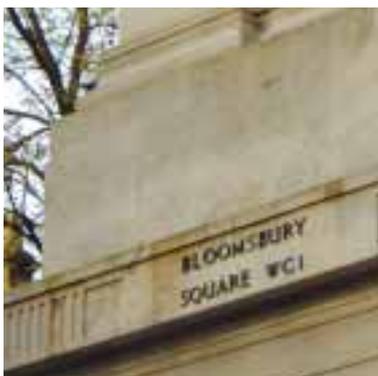
Recruitment of members

Ordinary members are recruited in open competition according to the guidelines of the Office of the Commissioner of Public Appointments (OCPA) and are appointed by the Secretary of State for Trade and Industry. The President and Chairmen are appointed by the Lord Chancellor, by open competition as appropriate.

Finance and workload

The work of the CAT is financed entirely through grant-in-aid from the Department of Trade and Industry and channelled through the CS. The Registrar is the accounting officer and therefore responsible for the proper use of these funds.

The workload of the CAT has shown a steady increase in 2003/4. This trend is expected to continue in 2004/5.



Competition Appeal Tribunal and Competition Service

President's statement



This has been the first full year of the Tribunal's existence as the Competition Appeal Tribunal (CAT), as distinct from its predecessor the Competition Commission Appeal Tribunals. The CAT is supported administratively by the Competition Service, as described more fully in the Registrar's statement.

The CAT's jurisdiction

With effect from 21 June 2003, when further provisions of the Enterprise Act 2002 came into force, the CAT acquired jurisdiction, by way of judicial review, with regard to decisions by the OFT, Competition Commission, and Secretary of State in relation to mergers and market investigations, as well as appeals on the merits in respect of penalties imposed by the Competition Commission. With effect from the same date, the CAT was given jurisdiction to hear actions for damages in cases where the infringement of EC or domestic competition law has already been established by a decision of the relevant competition authority.

These jurisdictions are of course in addition to the CAT's jurisdiction to hear appeals on the merits from decisions of the OFT and other regulators applying the provisions of the Competition Act 1998. In that regard, the Enterprise Act also simplified the procedure to be followed in third party appeals.

With effect from 25 July 2003 the CAT was also given jurisdiction, under section 192 of the Communications Act 2003, to hear a wide range of appeals on the merits arising from decisions by OFCOM or the Secretary of State under that Act. In addition, by virtue of the Communications Act 2003, the CAT acquired jurisdiction, by way of judicial review, in respect of decisions in relation to newspaper mergers.

Further changes to the CAT's jurisdiction occurred on 1 May 2004, after the period under review, as a result of the modernisation of the competition law of the European Community following the entry into force of Regulation no. 1/2003. These changes, to be described in more detail in next year's report, give the CAT jurisdiction to hear appeals on the merits in respect of decisions taken by the OFT and other regulators under Articles 81 and 82 of the Treaty, as well as appeals against refusals to order interim measures. Decisions by the OFT to accept binding commitments are subject to judicial review by the CAT.



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Competition Appeal Tribunal and Competition Service

President's statement

The case load

As a result of the above changes, and the steady build up of appeals under the Competition Act 1998, this has been a very busy year for the CAT. A total of 17 new cases were received in the year to 31 March 2004, including two appeals under the Communications Act 2003, one appeal (the IBA Health case) under the merger provisions of the Enterprise Act 2002 and two cases claiming damages. Pages 14 and 15 of this review contain a case by case summary of the CAT's activity during the past year. In addition 34 judgments were handed down. These included three substantive decisions in relation to abuse of dominance in respect of broadband internet (Freeserve), local newspapers (Aberdeen Journals) and pharmaceuticals (Genzyme), as well as the challenge made by IBA Health to the OFT's decision not to refer the iSOFT/Torex merger to the Competition Commission.

The CAT's judgment in the latter case was upheld, as to the result, in the Court of Appeal, albeit that the Court of Appeal adopted a different approach to the construction of section 33 of the Enterprise Act 2002.

Procedural issues continue to be a major preoccupation, as the system established by the 1998 Act continues to "bed down". In *Argos & Littlewoods*, the CAT sent an infringement decision back to the OFT for certain witness evidence to be put to the parties concerned.

A number of other judgments have dealt with important issues regarding confidentiality, costs, admissibility, interim relief, disclosure of documents and other issues: see pages 9-13 for summaries of judgments handed down in the year ended 31 March 2004.

New rules of procedure, the Competition Appeal Tribunal Rules 2003, came into force in June 2003.

Membership

I am pleased to welcome the appointment of Marion Simmons QC to the panel of Chairmen of the CAT. Also appointed at the same time was the late Dan Goyder CBE, whose distinction in the field of competition law was well known. Dan's untimely death, shortly after his appointment, was a severe loss to the CAT.

I am also pleased to report that the Lord Chancellor has appointed each of the judges of the Chancery Division of the High Court to the panel of Chairmen of the CAT. This arrangement is warmly welcomed by the CAT, especially since civil litigation in competition matters is now assigned to the Chancery Division. I am extremely grateful to the Lord Chief Justice and the Vice-Chancellor for their support in this regard.

During the year we were sorry to lose as a member Professor Graham Zellick, who resigned upon being appointed Chairman of the Criminal Cases Review Commission.

The remaining members of the CAT, whose names are listed later in this report, have continued to serve in accordance with the terms of their appointments which now take effect under the Enterprise Act 2002. All the members of the CAT have now participated in several cases. As ever, I am extremely grateful to the members of the CAT, both to those who have sat on appeals during the year, and to all those who have continued to participate in our regular training sessions and seminars.



Competition Appeal Tribunal and Competition Service

President's statement

Training

The CAT has continued to hold several training sessions a year for members under the aegis of the newly established Training Committee chaired by Dr Arthur Pryor. The President and Registrar also assisted in a three day seminar organised by the Judicial Studies Board held in London in January for Chancery Judges. The President and Registrar fulfilled a number of outside speaking engagements during the year both in the UK and abroad.

The Association of European Competition Law Judges (AECLJ)

The AECLJ was set up in 2001 with a view to preparing national judges throughout the Community for the inevitable sea change in antitrust enforcement brought about by the coming into force of the Regulation no. 1/2003 on 1 May 2004. The CAT provides the secretariat for the AECLJ. During this year a two-day conference was held in Luxembourg in which competition law judges throughout the Community participated. I had the honour to be re-elected as President.

Visits from overseas delegations

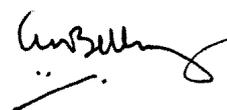
During the year the CAT received a number of delegations including the Hong Kong Television and Licensing Authority and the Swedish Market Court.

Relocation of the Tribunal

The CAT moved premises from New Court to Victoria House in February 2004. In the event this was carried out without the need to close down the Registry for a single working minute. I am very grateful to the Registrar and his team (in particular the then Director, Operations Peter Lambert OBE), for the hard work which they all put in to ensure that such a seamless transition was possible.

Staff and resources

With the anticipated increase in the CAT's workload created by the new jurisdiction of the CAT following the entry into force of the Communications Act 2003 and the Enterprise Act 2002, the CAT felt the need to recruit further Referendaires and Registry staff. Following the departure of one Referendaire in September 2003, the CAT recruited two more in 2004, bringing their total number to four. The Registry also recruited two new members of staff during the year. As at 31 March 2004, the CAT had a staff of 17. I am extremely grateful to all of them for their hard work.



Sir Christopher Bellamy
President



COMPETITION APPEAL TRIBUNAL 06 July 2004

WELCOME
Welcome to the website of the United Kingdom Competition Appeal Tribunal ("CAT"). The CAT is a specialist judicial body with cross-disciplinary expertise in law, economics, business and accountancy. Under United Kingdom law, the function of the CAT is to hear and decide appeals and other applications or claims involving competition or economic regulatory issues.

DIARY
19/07/2004
Floee Telecom Limited (in administration) - Notice of hearing
30/07/2004
Freeserve.com plc - Notice of case management conference
View full diary listing...

WHAT'S NEW
01/07/2004 - Floee Telecom Limited (in administration) - Order of the Tribunal made on 25 June 2004
Floee Telecom Limited (in administration) v Office of Communications
Case No: 1024/23/04
Order of the Tribunal made on 25 June 2004
01/07/2004 - Floee Telecom Limited (in administration) - Order of the Tribunal made on 10 June 2004
Floee Telecom Limited (in administration) v Office of Communications
Case No: 1024/23/04
Order of the Tribunal made on 10 June 2004
01/07/2004 - Richard W. Price (Roofing Contractors) Ltd - Order dated 22 June 2004
Richard W. Price (Roofing Contractors) Ltd v Office of Fair Trading
Case No: 1023/14/04
Order dated 22 June 2004
[What's new archive...](#)

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Competition Appeal Tribunal and Competition Service

Registrar's statement



The last year has seen major changes in every aspect of the organisation of the work of the Competition Appeal Tribunal (CAT).

The increase in caseload and range of functions has not only meant new rules of procedure but also the rapid evolution of the CAT's working practices with regard to the processing and management of cases.

A new body, the Competition Service (CS) was created, providing financial and operational support to the CAT. As a result, a 'constitutional framework' was devised to regulate the relationship between the CS and the CAT and between the CS and its funding Department.

A system of corporate governance for the CS also had to be established. The Enterprise Act 2002 stipulates that the CS shall have a membership consisting of the President and Registrar of the CAT and one or more members appointed by the Secretary of State. Essentially the role of the membership is to act as the "board" of the CS.

In late 2003 we were pleased to welcome Janet Rubin as the appointee of the Secretary of State. Mrs Rubin has experience in human resources and in the corporate governance of both private and public sector bodies.

Mrs Rubin is also chair of the Audit Committee which meets quarterly. The other committee members are Peter Clayton and Barry Colgate, both of whom are members of the CAT and have extensive experience in financial management. Audit Committee meetings are also attended by representatives of the DTI's Internal Audit directorate, who act as the CS's internal auditors, and members of the National Audit Office, who perform the external audit function.

Two years of detailed planning culminated in February 2004 with our move to Victoria House, Bloomsbury Square, which provides two purpose-built courtrooms suitable for large multi-party hearings and all their IT requirements. These facilities were put to the test successfully very shortly after the move when the CAT heard together two of the four appeals relating to the OFT replica sports kit decisions.

The open plan offices at Victoria House are ideal for the team working that underpins the efficiency of the CAT's case management system. As part of the move our IT systems were also upgraded.

I would like to mention some of our dedicated staff. The working procedures of the Registry have

been well established by Orla Weston and Denice Dever. Information Officer, Tanya O'Rourke, has devised and set up our website (www.catribunal.org.uk) which contains comprehensive case records and general information relating to the CAT. Finance Manager, Michael Rocks, has set up from scratch the detailed system of financial control required for the handling of public funds.

We have also welcomed a number of new staff during the year. These include: Jeremy Straker who replaces Peter Lambert OBE as Director, Operations, who retired in March of this year; Kathryn Hitchings, Operations Manager; and James Aitken and Christopher Brown as Referendaires (legally qualified staff who assist the CAT in preparing cases and judgments). We are sorry to lose Referendaires, Ben Rayment and Mark Jephcott who have been with us from our earliest days and are now returning to private practice.

Looking ahead to the next year, remaining developmental tasks include expanding the CAT's guide to appeals to become a guide to our procedures relating to each of our current jurisdictions. We also plan to develop knowledge management systems to enable CAT members and staff to access the growing body of CAT caselaw and stay abreast of developments in competition and regulatory law generally.

A handwritten signature in black ink, appearing to read 'Charles Dhanowa'.

Charles Dhanowa
Registrar

Competition Appeal Tribunal and Competition Service

Judgments handed down in the year ended 31 March 2004

Judgment

Subject matter

1. Freeserve.com PLC v DGT

[2003] CAT 5 16 April 2003

Tribunal

President, John Pickering, Arthur Pryor

The Tribunal found that the Director General had given inadequate reasons for rejecting one of the grounds of Freeserve's complaint about BT's actions. The Tribunal set aside this aspect of the Director's decision (relating to allegations of predatory pricing) but did not draw any conclusions on the merits of the case. The Tribunal found that Freeserve had not established that the Director had dealt inadequately with the remainder of the complaint and therefore dismissed Freeserve's appeal in all other respects.

2. Freeserve.com PLC v DGT

[2003] CAT 6 16 April 2003

Tribunal

President, John Pickering, Arthur Pryor

Judgment on costs.

3. Genzyme Limited v OFT (IR)

[2003] CAT 7 1 May 2003

Tribunal

President

Decision on confidentiality.

4. Genzyme Limited v OFT (IR)

[2003] CAT 8 6 May 2003

Tribunal

President

Judgment on interim relief.

5. Genzyme Limited v OFT (IR)

[2003] CAT 9 6 May 2003

Tribunal

President

Ruling on costs of interim relief application.

6. Argos Limited & Littlewoods Limited v OFT

[2003] CAT 10 21 May 2003

Tribunal

President, Antony Lewis, Vindelyn Smith-Hillman

Ruling on admissibility of written evidence.

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Competition Appeal Tribunal and Competition Service

Judgments handed down in the year ended 31 March 2004

Judgment

Subject matter

7. Aberdeen Journals v DGFT

[2003] CAT 11 23 June 2003

Tribunal

President, Andrew Bain, Patricia Quigley

This judgment ruled on a second decision of the OFT in relation to Aberdeen Journals' alleged predatory pricing in March 2000. The original decision was set aside by the Tribunal who remitted the question of market definition back to the OFT for further consideration. In this judgment, the Tribunal upheld the OFT's decision in relation to market definition, dominance and abuse. However, it reduced the penalty as the OFT had not taken sufficient account of the short duration of the infringement.

8. Claymore Dairies Limited (Chapter I) and Express Dairies PLC v DGFT

[2003] CAT 12 9 June 2003

Tribunal

President, Peter Clayton, Peter Grant-Hutchinson

Judgment on confidentiality.

9. Aberdeen Journals v DGFT

[2003] CAT 13 23 June 2003

Tribunal

President, Andrew Bain, Patricia Quigley

Judgment on interest.

10. Aberdeen Journals v DGFT

[2003] CAT 14 23 June 2003

Tribunal

President, Andrew Bain, Patricia Quigley

Judgment on confidentiality.

11. Freeserve.com PLC v DGT

[2003] CAT 15 15 July 2003

Tribunal

President, John Pickering, Arthur Pryor

Decision on a request for an extension of time.

12. Argos Limited & Littlewoods Limited v OFT

[2003] CAT 16 30 July 2003

Tribunal

President, Antony Lewis, Vindelyn Smith-Hillman

Judgment on admissibility of respondent's evidence. The matter was remitted to the OFT for the evidence to be put in the course of the administrative procedure.

13. Aquavitae (UK) Limited v DGWS

[2003] CAT 17 5 August 2003

Tribunal

President, Sheila Hewitt, Graham Zellick

Judgment on preliminary issue. The Tribunal found that the Director General had not made a decision on whether the Chapter II prohibition had been infringed. There was therefore no appealable decision and so the appeal was dismissed.

Competition Appeal Tribunal and Competition Service

Judgments handed down in the year ended 31 March 2004

Judgment	Subject matter
<p>14. Claymore Dairies Limited (Chapter I) and Express Dairies PLC v DGFT [2003] CAT 18 2 September 2003 Tribunal President, Peter Clayton, Peter Grant-Hutchison</p>	Observations on evidence and proof.
<p>15. Pernod-Ricard SA and Campbell Distillers Limited v OFT [2003] CAT 19 11 September 2003 Tribunal President, Paul Stoneman, David Summers</p>	Ruling on the scope of pleadings to deal with preliminary issue of admissibility.
<p>16. British Telecommunications PLC v DGT [2003] CAT 20 12 September 2003 Tribunal President, Michael Blair, Arthur Pryor</p>	Ruling on request to intervene.
<p>17. Aberdeen Journals v DGFT [2003] CAT 21 18 September 2003 Tribunal President, Andrew Bain, Patricia Quigley</p>	Judgment on costs.
<p>18. Freeserve.com PLC v DGT [2003] CAT 22 8 October 2003 Tribunal President, John Pickering, Arthur Pryor</p>	Further decision on a request for an extension of time.
<p>19. Aquavitae (UK) Limited v DGWS [2003] CAT 23 16 October 2003 Tribunal President, Sheila Hewitt, Graham Zellick</p>	Judgment on costs.
<p>20. Argos Limited & Littlewoods Limited v OFT [2003] CAT 24 9 October 2003 Tribunal President, Antony Lewis, Vindelyn Smith-Hillman</p>	Judgment on procedure to be followed on remitting decision of OFT.

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Competition Appeal Tribunal and Competition Service

Judgments handed down in the year ended 31 March 2004

Judgment	Subject matter
<p>21. Umbro Holdings Limited v OFT [2003] CAT 25 23 October 2003 Tribunal President, Barry Colgate, Richard Prosser</p>	Ruling refusing request for permission to intervene.
<p>22. Umbro Holdings Limited v OFT [2003] CAT 26 27 October 2003 Tribunal President, Barry Colgate, Richard Prosser</p>	Judgment refusing request for confidential treatment of certain issues raised in the summary of appeal.
<p>23. IBA Health Limited v OFT [2003] CAT 27 3 December 2003 Tribunal President, Peter Clayton, Adam Scott</p>	The Tribunal upheld an application by a third party for a review of the OFT's decision not to refer a merger to the Competition Commission.
<p>24. IBA Health Limited v OFT [2003] CAT 28 19 December 2003 Tribunal President, Peter Clayton, Adam Scott</p>	Judgment on application for permission to appeal.
<p>25. Umbro Holdings Limited v OFT [2003] CAT 29 23 December 2003 Tribunal President, Barry Colgate, Richard Prosser</p>	Order on confidentiality.
<p>26. Umbro Holdings Limited v OFT [2003] CAT 30 12 December 2003 Tribunal President, Barry Colgate, Richard Prosser</p>	Ruling on making transcript of case management conferences publicly available.
<p>27. Allsports Limited v OFT [2004] CAT 1 29 January 2004 Tribunal President, Barry Colgate, Richard Prosser</p>	Judgment refusing an application to strike out part of the defence.
<p>28. Floe Telecom Limited (in administration) v OFCOM [2004] CAT 2 6 February 2004 Tribunal President, Michael Davey, Sheila Hewitt</p>	Ruling on request to intervene.

Competition Appeal Tribunal and Competition Service

Judgments handed down in the year ended 31 March 2004

Judgment	Subject matter
<p>29. Umbro Holdings Limited v OFT [2004] CAT 3 25 February 2004 Tribunal President, Barry Colgate, Richard Prosser</p>	<p>Judgment on confidentiality.</p>
<p>30. Genzyme Limited v OFT [2004] CAT 4 11 March 2004 Tribunal President, Peter Grinyer, Graham Mather</p>	<p>The Tribunal upheld the OFT's decision that Genzyme had abused its dominant position by imposing a margin squeeze. However, the Tribunal found that the OFT had not proved that Genzyme's practice of bundling the supply of the relevant drug with home care services was itself abusive and accordingly reduced the size of the penalty imposed.</p>
<p>31. Argos Limited & Littlewoods Limited v OFT [2004] CAT 5 3 March 2004 Tribunal President, Antony Lewis, Vindelyn Smith-Hillman</p>	<p>Judgment on applications for disclosure.</p>
<p>32. Umbro Holdings Limited v OFT [2004] CAT 10 5 March 2004 Tribunal President, Barry Colgate, Richard Prosser</p>	<p>Ruling on confidentiality.</p>
<p>33. Umbro Holdings Limited v OFT [2004] CAT 11 8 March 2004 Tribunal President, Barry Colgate, Richard Prosser</p>	<p>Ruling on confidentiality.</p>
<p>34. Umbro Holdings Limited v OFT [2004] CAT 12 16 March 2004 Tribunal President, Barry Colgate, Richard Prosser</p>	<p>Judgment refusing submission of further evidence.</p>

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Competition Appeal Tribunal and Competition Service

Activity by case in the year ended 31 March 2004

Case name, number and date lodged	Number of requests to intervene	Number of case management conferences	Number of main hearings (sitting days ¹ in brackets)	Number of judgments ²	Date of judgment disposing of the matter	Duration of appeal
Freeserve.com PLC v DGT Case No. 1007/2/3/02 9 September 2002	1	-	-	4	16 April 2003	7 months
Claymore Dairies Limited (Chapter II) and Express Dairies PLC v DGFT Case No. 1008/2/1/02 6 November 2002	1	2	-	2	-	Ongoing at 31 March 2004
Aberdeen Journals v DGFT Case No. 1009/1/1/02 18 November 2002	1	-	-	4	23 June 2003	7 months
Claymore Dairies Limited (Chapter I) and Express Dairies PLC v DGFT Case No. 1011/2/1/03 6 February 2003	1	2	-	-	-	Stayed
Aquavitae (UK) Limited v DGWS Case No. 1012/2/3/03 20 February 2003	6	-	1 (1)	2	5 August 2003	5 months and 2 weeks
Genzyme Limited v OFT Case No. 1013/1/1/03 (IR) 3 April 2003	-	-	2 (2)	3	6 May 2003	1 month
Argos Limited and Littlewoods Limited v OFT ³ Case No. 1014/1/1/03-1015/1/1/03 17 April 2003	-	7	-	4	-	Ongoing at 31 March 2004
Genzyme Limited v OFT Case No. 1016/1/1/03 20 May 2003	-	2	2 (5)	1	11 March 2004	9 months and 3 weeks
Pernod-Ricard SA and Campbell Distillers Limited v OFT Case No. 1017/2/1/03 15 July 2003	1	1	2 (2)	1	-	Ongoing at 31 March 2004
British Telecommunications PLC v DGT Case No. 1018/3/3/03 21 August 2003	-	1	2 (2)	1	-	Ongoing at 31 March 2004

Competition Appeal Tribunal and Competition Service

Activity by case in the year ended 31 March 2004

Case name, number and date lodged	Number of requests to intervene	Number of case management conferences	Number of main hearings (sitting days ¹ in brackets)	Number of judgments ²	Date of judgment disposing of the matter	Duration of appeal
Umbro Holdings Limited v OFT ⁴				8		
Case No. 1019/1/1/03 30 September 2003						
Manchester United PLC v OFT				-		
Case No. 1020/1/1/0 1 October 2003						
Allsports Limited v OFT				1		
Case No. 1021/1/1/0 1 October 2003						
JJB Sports PLC v OFT	1	4	5(18)	-		Ongoing at 31 March 2004
Case No. 1022/1/1/03 1 October 2003						
IBA Health Limited v OFT	2	-	1 (1)	2	3 December 2003	2 weeks
Case No. 1023/4/1/03 21 November 2003						
Floe Telecom Limited (in administration) v OFCOM	1	2	-	1		Ongoing at 31 March 2004
Case No. 1024/2/3/04 2 January 2004						
British Telecommunications plc (CPS save activity) v OFCOM	2	1	-	-		Ongoing at 31 March 2004
Case No. 1025/3/3/04 7 January 2004						
Freeserve.com plc v OFCOM	1	1	-	-		Ongoing at 31 March 2004
Case No. 1026/2/3/04 20 January 2004						
VIP Communications Limited v OFCOM	1	1	-	-		Stayed
Case No. 1027/2/3/04 20 February 2004						
BCL Old Co Limited and Others	-	-	-	-		Ongoing at 31 March 2004
Case No. 1028/5/7/04 26 February 2004						
Deans Food Limited and Others	-	-	-	-		Ongoing at 31 March 2004
Case No. 1029/5/7/04 26 February 2004						
TOTAL	19	24	15 (31)	34		

¹ Excludes days limited to formal handing down of judgments.

² Includes judgments on interlocutory issues and final judgments.

³ Appeals made separately by Argos Limited and Littlewoods Limited were formally consolidated by an Order of the President dated 22 May 2003.

⁴ Although the appeals by Umbro Holdings Limited, Manchester United PLC, Allsports Limited and JJB Sports PLC were not formally consolidated for practical purposes they were heard concurrently. Figures shown for the number of case management conferences and main hearings therefore relate to all four cases.

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Competition Appeal Tribunal and Competition Service

Overall case activity in the year ended 31 March 2004

Appeals received		17
of which	section 46 Competition Act 1998 ¹	8
	section 47 Competition Act 1998 ²	4
	section 47A Competition Act 1998 ³	2
	section 120 Enterprise Act 2002 ⁴	1
	section 192 Communications Act 2003 ⁵	2
Applications for interim relief		1
Requests to intervene		19
Case management conferences held		24
Judgments handed down		34
of which	judgments disposing of appeal	6
	judgment disposing of preliminary issue	1
	judgment on procedural and interlocutory matters	27
Orders made		63
Requests for permission to appeal to the Court of Appeal		2

- ¹ An appeal by a party to an agreement or conduct in respect of which the Office of Fair Trading (or one of the other regulators with concurrent powers to apply the Competition Act 1998) has made an “appealable decision”. During the period to 31 March 2004 appealable decisions included a decision as to whether the Chapter I prohibition or Chapter II prohibition had been infringed, as to whether to grant, vary or cancel an individual exemption and the imposition of a penalty for infringement of the Competition Act 1998 or the amount of such infringement.
- ² An appeal against an “appealable decision” made by the Office of Fair Trading or other regulator with concurrent powers to apply the Competition Act 1998 made by a third party with a sufficient interest in the decision not otherwise entitled to appeal the decision pursuant to section 46 of the Competition Act 1998.
- ³ A claim for damages or other claim for a sum of money by a person who has suffered loss or damage as a result of the infringement of the Competition Act 1998 or of European competition law.
- ⁴ An appeal by “any person aggrieved” by a decision of the OFT, the Secretary of State or the Competition Commission in connection with a reference or possible reference in relation to a relevant merger situation or special merger situation under the Enterprise Act 2002. In determining appeals under this section the Tribunal applies the same principles as would be applied by a court on an application for judicial review.
- ⁵ An appeal by “a person affected” by a decision of OFCOM or of the Secretary of State in relation to certain specified matters set out in Section 192(1) Communications Act 2003.



Competition Appeal Tribunal and Competition Service

Annual Accounts for the year ended 31 March 2004

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Competition Appeal Tribunal and Competition Service

Foreword to Accounts in respect of the CAT and the CS

1. Background

The Enterprise Act 2002 provided for the establishment of the Competition Appeal Tribunal (CAT) and the Competition Service (CS). The CAT and the CS came into being on 1 April 2003. The purpose of the CS is to fund and support the activities of the CAT.

Schedule 3 of the Enterprise Act 2002 requires the CS to prepare separate statements of accounts in respect of each financial year for itself and for the CAT. There is therefore a statutory requirement to produce separate statements of accounts for the CAT and for the CS.

2. Format of accounts

These accounts, which are the first sets of accounts for the CAT and the CS, have been prepared in accordance with the separate Accounts Directions given by the Secretary of State for Trade and Industry with the consent of the Treasury in accordance with Schedule 3 of the Enterprise Act 2002.

The Accounts Direction for the CAT states that the Foreword to the accounts, Statement of the Accounting Officer's Responsibilities and Statement on Internal Control are combined with those of the CS.

The accounts of the CAT include only the direct costs specifically attributable to the CAT. All support costs are included in the CS accounts in line with its statutory purpose as set out in section 3 below.

The CAT does not have any assets and its costs are incurred initially by the CS so the production of a separate Balance Sheet and Cash Flow Statement for the CAT is not appropriate.

3. Principal activities

The current functions of the CAT are:

- To hear appeals in respect of decisions made under the Competition Act 1998 (and since 1 May 2004 under Articles 81 and 82 of the EC Treaty) by the Office of Fair Trading (OFT) and the regulators in the telecommunications, electricity, gas, water, railways and air traffic services sectors.
- To hear actions for damages and other monetary claims under the Competition Act 1998 in respect of infringements of UK or EC competition law.
- To review decisions made by the OFT, the Competition Commission or the Secretary of State in respect of merger and market references or possible references under the Enterprise Act 2002.
- To hear appeals against certain decisions made by OFCOM and the Secretary of State relating to the exercise by OFCOM of its functions under Part 2 (networks, services and the radio spectrum) and sections 290 to 294 and Schedule 11 (networking arrangements for Channel 3) of the Communications Act 2003.

The CS is a body corporate and executive Non Departmental Public Body whose purpose is to fund and provide support services to the CAT. Support services are everything necessary to facilitate the carrying out by the CAT of its statutory functions such as administrative staff, accommodation and office equipment.

4. Membership of the CAT

The CAT consists of the President, Sir Christopher Bellamy, the panel of Chairmen and 19 ordinary members. The President and Chairmen are appointed by the Lord Chancellor and the ordinary members are appointed by the Secretary of State. During the year one ordinary member resigned and was not replaced. Together with the President the remaining 19 ordinary members were in post throughout the financial year. Marion Simmons QC was appointed to the panel of Chairmen in late 2003. In 2004 the Lord Chancellor appointed each of the judges of the Chancery Division of the High Court to the panel of Chairmen.

Cases are heard before a tribunal consisting of three members (either the President or a Chairman and two ordinary members).

Competition Appeal Tribunal and Competition Service

Foreword to Accounts in respect of the CAT and the CS

The names, responsibilities, biographical details as at 31 March 2004 and changes to the CAT membership are given in the Annual Review.

Remuneration details of the President are disclosed in note 3 on page 29 of the accounts. Remuneration details for the CAT panel of Chairmen and ordinary members are disclosed in note 2 on page 28 of the accounts.

5. Membership of the CS

The membership of the CS consists of the President of the CAT, Sir Christopher Bellamy, the Registrar of the CAT, Mr Charles Dhanowa and one appointed member, Mrs Janet Rubin, appointed by the Secretary of State. Mrs Rubin took up her post in September 2003 and the President and the Registrar were in post throughout the financial year.

Remuneration details of the Registrar are disclosed in note 3 on page 38 of the accounts. Remuneration details of the appointed members are disclosed in note 4 on page 39 of the accounts.

6. Review of activities

The President's and Registrar's statements in the Annual Review outline the activities of the CAT and the CS in 2003/04.

7. Financial results

The activities of the CS are funded by grant-in-aid provided by the Department of Trade and Industry (DTI). Expenses of the CAT are paid by the CS. For the reasons set out in the the next paragraph, in 2003/04 the CS had an accounting deficit of £171,000 after receiving a revenue grant of £2,359,000 and a capital grant of £525,000.

The value of the initial nine months rent-free period for the Victoria House premises used by the CAT and CS has been accrued over the life of the lease resulting in the recognition of £463,000 as deferred income in the CS' Balance Sheet, which is carried forward to benefit future accounting periods. This recognition resulted in an accounting deficit of £171,000 on the CS' Income and Expenditure account. Without this recognition a surplus for the year of £292,000 would have been reported. A net cash inflow from operating activities of £620,000 was reported.

Operating costs for the CAT were £499,000. The operating costs for the CS were £2,093,000.

The CS had no provisions or contingent liabilities as at 31 March 2004.

8. Fixed assets

On 1st April 2003 the CS purchased computer equipment from the Competition Commission at a current replacement cost of £31,000. During the year significant investment was undertaken to furnish the new premises at Victoria House, Bloomsbury Place.

9. Post year end events

There have been no events of exceptional financial significance since the end of the financial year.

10. Equality and diversity

The CS is an equal opportunities employer and treats all staff fairly irrespective of gender, ethnic origin, marital status, religious belief, age, sexual orientation or disability.

11. Employee involvement

As a small organisation a policy of full employee participation is actively encouraged. The Registrar holds weekly meetings attended by all staff where current issues and future developments for the organisation are discussed on an informal basis.

12. Staff training

The CS is committed to enabling staff to fully meet the requirements of their role and maximise their capabilities through the provision of training where a specific need is identified.

13. Charitable donations

The CAT and the CS do not make any charitable donations.

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Competition Appeal Tribunal and Competition Service

Foreword to Accounts in respect of the CAT and the CS

14. Payment of creditors

The CS is committed to pay all supplier invoices by the due date or within 30 days of receipt if no due date has been agreed.

Throughout the year the average payment period was 11 days and 98 per cent of all payments were made within 30 days.

15. Future developments

The receipt of cases by the CAT is likely to maintain its upward trend as the changes to competition and communications regulatory law continue to take effect and generate issues for determination.

16. Audit Committee

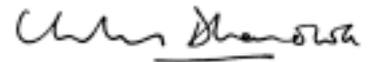
The Audit Committee is chaired by Mrs Janet Rubin, a non-executive member of the CS. Two CAT ordinary members have been appointed to sit as members of the Committee. Audit Committee guidelines have been established in accordance with Treasury guidance.

The Audit Committee met for the first time in January 2004 and will meet at quarterly intervals.

17. Auditors

The financial statements of the CAT and the CS are audited under Schedule 3 paragraph 12(4) of the Enterprise Act 2002 by the Comptroller and Auditor General. The cost of the external statutory audit was £6,000 for the CAT and £20,000 for the CS.

The DTI's Internal Audit Directorate was appointed in June 2003 to provide internal audit services to the CS. The cost of providing this function was £26,000.



Charles Dhanowa
Registrar
Competition Appeal Tribunal
Accounting Officer
9 July 2004

Competition Appeal Tribunal and Competition Service

Statement of the Accounting Officer's Responsibilities in respect of the CAT and the CS

Under Paragraph 12 of Schedule 3 of the Enterprise Act 2002 the CS is required to prepare a statement of accounts for the CAT, and the CS, for each financial year in the form and basis determined by the Secretary of State, with the consent of the Treasury. Each set of accounts is prepared on an accruals basis and must give a true and fair view of the state of affairs within the CAT and CS at the year end and of income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts for the CAT and for the CS the CS is required to:

- observe the Accounts Directions issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the CAT and the CS will continue in operation.

The Accounting Officer for the DTI has designated the Registrar of the CAT as Accounting Officer for both the CAT and the CS. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records are set out in the Accounting Officer's Memorandum issued by the Treasury and published in Government Accounting.

Competition Appeal Tribunal and Competition Service

Statement on Internal Control for the CAT and the CS

Scope of responsibility

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the CAT and those of the CS, whilst safeguarding public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting. The CS was set up to provide administrative support to the CAT to enable it to carry out its functions.

As Accounting Officer I have responsibility to the DTI and ultimately to Parliament for the proper handling of the CAT's and the CS' finances in accordance with the responsibilities assigned to me in Government Accounting. The CS receives its funds solely from government in the form of grant-in-aid. Once the budget is agreed with the DTI the CS has discretion as to how funds are allocated for specific requirements within certain given limits. These limits, and the relationship generally with the DTI, are defined in the Memorandum of Understanding agreed with the DTI and the Management Statement and Financial Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the CAT's and the CS' policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control for the CAT and the CS was implemented during the year ended 31 March 2004 and up to the date of the approval of the annual review and accounts, and accords with Treasury guidance. As the organisations are new certain minor details of the internal control and risk management framework are still being embedded.

Capacity to handle risk and the risk and control framework

In our first year the following measures were taken:

- (i) The membership of the CS was established and meets quarterly to discuss the strategic direction of the CAT and the CS; ¹
- (ii) there are regular staff meetings which bring together heads of each support activity to discuss key operational issues;
- (iii) an Audit Committee chaired by a non-executive member of the CS was constituted during the year and has met three times since January 2004;
- (iv) the DTI's internal audit service was appointed to assess the adequacy of the CS's financial and accounting system, business planning, resource management and corporate governance structure, and the IT system;
- (v) Financial control is maintained by a monthly financial reporting system and quarterly reporting to the DTI;
- (vi) In March 2003 an externally facilitated workshop attended by all staff identified the key risks facing the new organisations, the controls that were in place to mitigate the risks and any further

¹ The membership of the CS comprises the President of the CAT, the Registrar of the CAT and one appointed member.

Competition Appeal Tribunal and Competition Service

Statement on Internal Control for the CAT and the CS

action that was required. Following this workshop a risk register was established whereby risks were recorded, prioritised and assigned to risk owners. During the year the risk register was developed further and discussed at regular intervals at staff committees;

(vii) Following discussions with its internal audit providers, the CS adopted the DTI's risk register format in January 2004. The register was comprehensively updated and now analyses 60 risks across ten generic risk categories;

(viii) The key risk that has been identified is that with only the President acting as CAT Chairman on all cases the judicial process could be held up if he were unavailable or the number of cases appealed to the CAT were too great. During the year we began addressing this important issue by recruiting a Chairman following a recruitment exercise conducted by the Department for Constitutional Affairs. In 2004 the Lord Chancellor appointed each of the Chancery judges as CAT Chairmen enabling them to chair cases should the need arise. We shall also recruit additional people to the panel of Chairmen to reduce the risk to an acceptable level;

(ix) Risk guidance is available to all staff and a Risk Manager has been appointed to encourage awareness of risk and to ensure that a programme of regular review is undertaken; and

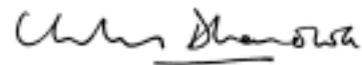
(x) In 2004/05 the CS plans to formalise risk management by establishing a risk committee which shall be a sub-committee of the Audit Committee. This committee shall report periodically to the membership of the Service and the Audit Committee. Further risk training shall also be provided to staff where a need is identified.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the managers within the CS who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. A plan to address weaknesses and ensure continuous improvement of the system is in place. I have been advised on the implications of the results of my review of effectiveness by the Audit Committee and the membership of the CS.

There are a number of processes and controls present within both the CAT and the CS that have been established to ensure that the system of internal control is constantly monitored and reviewed. These include meetings of the membership of the CS and independent scrutiny of the activities of the CAT and the CS by the Audit Committee who challenge management on the system of internal control.

In 2003/04 the CS worked with its Internal Auditors to ensure that an extensive programme of internal audit work was devised in accordance with the CS's risk management procedures to gain assurance on the key strategic and financial internal controls in place. In the year they reported on the financial and accounting system, business planning and corporate governance and IT security.



Charles Dhanowa
Registrar
Competition Appeal Tribunal
Accounting Officer
9 July 2004

Competition Appeal Tribunal

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 26 to 29 under the Enterprise Act 2002. These financial statements have been prepared under the historic cost convention and the accounting policies set out on page 27.

Respective responsibilities of the Service, the Accounting Officer and the Auditor

As described on page 21, the CS and its Accounting Officer are responsible for the preparation of the CAT's financial statements in accordance with the Enterprise Act 2002 and directions made thereunder and for ensuring the regularity of financial transactions. The CS and the Accounting Officer are also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Enterprise Act 2002 and directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the CAT has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Accounts and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the joint statement on pages 22 to 23 reflects the CS's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the CS' corporate governance procedures or its risk and control procedures.

Competition Appeal Tribunal

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Basis of Audit Opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the CS and the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the CAT's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the CAT at 31 March 2004 and of its results, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Enterprise Act 2002 and with directions made thereunder, and;
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General
 14 July 2004

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Supplementary statement by the Comptroller and Auditor General in respect of material included at pages 1 to 16 and 45 to 52 of this Annual Review, not included with the financial statements to which the audit opinion above relates

In respect alone of my responsibility under United Kingdom auditing standards to read the other information included with financial statements on which I express an audit opinion, I have read the additional information on pages 1 to 16 and 45 to 52 which was not included with the financial statements on which I reached the audit opinion set out in my Certificate above and considered whether it is consistent with the audited financial statements. I have considered the implications for my audit opinion if I have thereby become aware of any apparent mis-statement or material inconsistencies with the financial statements. I have not considered the effects of any events since the date of my Certificate.

In this regard, my audit opinion on the financial statements is unchanged.

John Bourn
Comptroller and Auditor General
 14 July 2004

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Competition Appeal Tribunal

Income and expenditure account for the year ended 31 March 2004

	Note	2003/04 £'000
Income		
Allocation of grant-in-aid from Competition Service		499
		499
Expenditure		
Members' remuneration costs	2	400
Other operating charges	4	99
		499
Surplus/(Deficit) for the financial year		-

There were no gains or losses in the year other than those included in the income and expenditure account.

All income and expenditure are derived from continuing operations.

The notes on pages 27 to 29 form part of the financial statements.

Competition Appeal Tribunal

Notes to the accounts

1 Statement of accounting Policies

(a) Accounting convention

The financial statements have been prepared under the modified historic cost convention in accordance with the Executive Non-Departmental Public Bodies: Annual Reports and Accounts Guidance issued by HM Treasury and applicable accounting standards. The particular policies adopted by the CAT are described below. They have been applied consistently in dealing with the items considered material to the accounts.

(b) Basis of preparation of accounts

There is a statutory requirement for the CS to produce separate accounts for the CAT and the CS. The accounts of the CAT include only the direct costs specifically attributable to the CAT. The CAT has no bank account or other assets and liabilities and all costs are paid by the CS so the production of a Balance Sheet and Cash Flow Statement for the CAT is not appropriate. The CAT's accounts therefore comprise an Income and Expenditure account and supporting Notes. In accordance with Accounts Directions issued by the Secretary of State with the approval of the Treasury, the CAT and the CS have prepared a joint Foreword, Statement of Accounting Officer's Responsibilities and Statement on Internal Control.

As this is the first year in which the accounts of the CAT have been prepared, no prior year comparatives are required.

(c) Income

Under the terms of the Enterprise Act 2002, the expenses of the CAT are paid by the CS. The CS is funded by grant-in-aid from the DTI. In making requests for funding the CS draws down sums appropriate to fund the activities of the CAT and to carry out its other activities.

(d) Pensions

The President is a member of the Judicial Pension Scheme (JPS).

The majority of the terms of the pension arrangements are set out in (or in some cases are analogous to), the provisions of two Acts of Parliament: the Judicial Pensions Act 1981 and the Judicial Pensions and Retirement Act 1993 (JUPRA).

The JPS is an un-funded public service scheme, providing pensions and related benefits for members of the judiciary. Participating Judicial Appointing or Administering Bodies make contributions known as accruing superannuation liability charges (ASLCs), to cover the expected cost of benefits under the JPS. ASLCs are assessed regularly by the Scheme's Actuary – The Government Actuary's Department.

The contribution rate required from the Judicial Appointing or Administering Bodies to meet the cost of benefits accruing in the year 2003/04 has been assessed as 29.25% of the relevant judicial salary. This includes an element of 0.25% as a contribution towards the administration costs of the scheme.

The liability for future payment is not chargeable to the CS but is a charge on the JPS. The CS is unable to identify its share of the underlying assets and liabilities. There is a separate scheme statement for the JPS as a whole and a full actuarial valuation was carried out at 31 March 2001. Details can be found in the Resource Accounts of the Department for Constitutional Affairs; Judicial Pensions Scheme (www.dca.gov.uk).

The appointment of CAT Chairmen and ordinary members is non-pensionable.

(e) Going concern

The accounts have been prepared on a going concern basis.

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Competition Appeal Tribunal

Notes to the accounts

2. Members' remuneration

(a) The cost of members remuneration was:

	2003/04
	£'000
Members remuneration (including the President and Chairmen)	319
Social security costs	34
Pension contributions for the President	47
	400

Members of the CAT during the year are listed in the Annual Review. The President and the Chairmen are appointed by the Lord Chancellor. Ordinary members are appointed by the Secretary of State. The appointments are for a fixed term of up to eight years.

The Chairmen and the ordinary members were remunerated on a per diem basis. The Chairmen are remunerated at a rate of £600 per day and the ordinary members at a rate of £300 per day. Chairmen's remuneration amounted to £4,800 in the year. The total remuneration payable to ordinary members was £152,200.

Competition Appeal Tribunal

Notes to the accounts

3. President's remuneration

(a) The President's salary for 2003-04 was in the range £160,000 - £165,000. The President's salary is set by the DTI. There are no additional allowances paid.

(b) There were no benefits in kind provided to the President during 2003/04.

(c) The Academy of European Law (ERA) reimbursed the Competition Service £580 in respect of the President speaking at a conference organised by ERA in July 2003.

(d) The President is a member of the Judicial Pension Scheme (JPS). For 2003/04, employer contributions of £47,000 were payable to the JPS at a rate of 29.25 per cent of pensionable pay. Further information regarding the JPS is included in note 1(d).

(e) There is a requirement to disclose information regarding the President's Cash Equivalent Transfer Values (CETV). The Government Actuary's Department (GAD) was unable to provide a complete valuation by the time of the approval of the accounts and it has therefore not been possible to produce the full disclosure note in these accounts. GAD was only able to provide indicative actuarially assessed values on certain elements of the President's pension. GAD calculated that the CETV at 31 March 2004 would have been approximately £287,000 and that the real increase in the President's pension benefits for the year ending 31 March 2004 was £105,000. The CETV figures are required for disclosure purposes only.

4. Other operating charges

	2003/04
	£'000
Members' travel and subsistence	48
Members' PAYE and National Insurance on travel and subsistence expenses	37
Members' training	8
Audit fees*	6
	99

*Audit fees related only to statutory audit work

5. Related party transactions

All expenses of the CAT are paid by the CS.

The President and the Chairman did not undertake any material transactions with the CS during the year.

Competition Service

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 32 to 44 under the Enterprise Act 2002. These financial statements have been prepared under the historic cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 35 to 36.

Respective responsibilities of the Service, the Accounting Officer and the Auditor

As described on page 21, the CS and its Accounting Officer are responsible for the preparation of the financial statements in accordance with the Enterprise Act 2002 and directions made thereunder and for ensuring the regularity of financial transactions. The CS and the Accounting Officer are also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Enterprise Act 2002 and directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the CS has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Accounts and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the joint statement on pages 22 to 23 reflects the CS' compliance with the Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Accounting Officer's Statement on Internal Control covers all the risks and controls. I am also not required to form an opinion on the effectiveness of the CS' corporate governance procedures or its risk and control procedures.

Competition Service

The Certificate and report to the Comptroller and Auditor General to the Houses of Parliament

Basis of Audit Opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the CS and the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the CS' circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of state of affairs of the CS at 31 March 2004 and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Enterprise Act 2002 and with directions made thereunder, and;
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General
 14 July 2004

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Supplementary statement by the Comptroller and Auditor General in respect of material included at pages 1 to 16 and 45 to 52 of this Annual Review, not included with the financial statements to which the audit opinion above relates

In respect alone of my responsibility under United Kingdom auditing standards to read the other information included with financial statements on which I express an audit opinion, I have read the additional information on pages 1 to 16 and 45 to 52 which was not included with the financial statements on which I reached the audit opinion set out in my Certificate above and considered whether it is consistent with the audited financial statements. I have considered the implications for my audit opinion if I have thereby become aware of any apparent mis-statement or material inconsistencies with the financial statements. I have not considered the effects of any events since the date of my Certificate.

In this regard, my audit opinion on the financial statements is unchanged.

John Bourn
Comptroller and Auditor General
 14 July 2004

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Competition Service

Income and expenditure account for the year ended 31 March 2004

	Note	2003/04 £'000
Income		
Gross income: Grant-in-Aid	2	2,359
Transfer from Deferred Government Grant Reserve	14	41
		2,400
Less allocation to cover costs of the CAT		(499)
		1,901
Expenditure		
Service and Audit Committee members costs	4	4
Staff salary costs	5	615
Depreciation	10	21
Permanent diminution in value of fixed assets	10	20
Other operating charges	7	1,433
		2,093
(Deficit) on ordinary activities before interest and taxation		(192)
Interest receivable	8	26
Notional cost of capital	8	(5)
(Deficit) on ordinary activities before taxation		(171)
Corporation tax	9	(5)
(Deficit) for the financial year after taxation		(176)
Add back – notional cost of capital	8	5
Overall (deficit) for the financial year		(171)

There were no gains or losses in the year other than those included in the income and expenditure account.

All income and expenditure are derived from continuing operations.

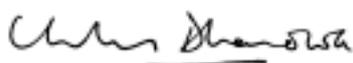
Accounting policies and notes forming part of these accounts are on pages 35 to 44.

Competition Service

Balance Sheet as at 31 March 2004

	31 March 2004 £'000	31 March 2004 £'000
Note		
Fixed assets		
Tangible fixed assets	10	484
Current assets		
Debtors	11	26
Cash at bank and in hand	12	854
		880
Current liabilities		
Creditors: Amounts falling due within one year	13a	(623)
Net current assets		257
Total assets less current liabilities		741
Creditors: Amounts falling due after more than one year		
Deferred income	13b	(428)
Total assets less total liabilities		313
Financed by		
Deferred government grant reserve	14	484
Income and expenditure account	15	(171)
		313

Accounting policies and notes forming part of these accounts are on pages 35 to 44.



Charles Dhanowa
Registrar
Competition Appeal Tribunal
Accounting Officer
9 July 2004

34 Competition Service

Cash flow statement for the year ended 31 March 2004

	Note	2003/04 £'000
Net cash inflow from operating activities	(i)	620
Capital expenditure	(ii)	(316)
Returns on investments and servicing of finance	(ii)	25
Financing	(ii)	525
Increase in cash	(iii)	854

Note (i) Reconciliation of operating deficit to operating cash flows

Operating (deficit)	(192)
----------------------------	--------------

Movements not involving cash

Depreciation	21
Permanent diminution in value of fixed assets	20
(Increase) in debtors	(25)
Increase in creditors	837
Transfer from capital grant-in-aid	(41)

Net cash inflow from operating activities	620
--	------------

Note (ii) Analysis of cash flows for headings netted in the cash flow statement

Purchase of tangible fixed assets	(316)
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Return on investments and servicing of finance

Interest received	25
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Financing

Deferred income – capital grant-in-aid	525
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	At 1 April 2003 £'000	Cashflow £'000	At 31 March 2004 £'000
Note (iii) Analysis of changes in net funds			
Cash in hand and at bank	0	854	854

The amount shown for debtors in Note (i) excludes bank interest accrued as this is not operating income.

The creditors amount is net of non-operating expenses relating to corporation tax and fixed asset purchases accrued at 31 March 2004.

The purchase of tangible fixed assets represents the cash paid in year. The deferred income represents capital expenditure accrued and paid for.

Accounting policies and notes forming part of these accounts are on pages 35 to 44.

Competition Service

Notes to the accounts

1 Statement of accounting Policies

(a) Accounting convention

The financial statements have been prepared under the modified historic cost convention in accordance with the Executive Non-Departmental Public Bodies: Annual Reports and Accounts Guidance issued by HM Treasury and applicable accounting standards. The particular policies adopted by the CS are described below. They have been applied consistently in dealing with the items considered material to the accounts.

(b) Basis of preparation of accounts

The purpose of the CS is to fund and provide support services to the CAT and all relevant costs are included in the CS' accounts. Direct costs specifically attributable to the CAT are incurred initially by the CS but are shown in the CAT's accounts.

In accordance with Accounts Directions issued by the Secretary of State with the approval of the Treasury, the CAT and the CS have prepared a joint Foreword, Statement of Accounting Officer's Responsibilities and Statement on Internal Control.

As this is the first year in which the accounts of the CS have been prepared, no prior year comparatives are required.

(c) Income

The CS is funded by grant-in-aid from the DTI. In drawing down grant-in-aid the CS draws down sums considered appropriate for the purpose of enabling the CAT to perform its functions.

(d) Tangible fixed assets

All assets are held by the CS in order to provide support services to the CAT.

Items with a value of £1,000 or over in a single purchase or grouped purchases where the total group purchase is £1,000 or more are capitalised.

Assets are reviewed annually using relevant producer price indices.

(e) Depreciation

Depreciation is provided on all tangible fixed assets, using the straight line method, at rates calculated to write off, in equal instalments, the current replacement cost less any estimated residual value of each asset over its expected useful life. Fixed assets are depreciated from the month following acquisition. No depreciation is charged in the month of disposal.

The tangible fixed assets are depreciated over the following estimated useful lives:

Information Technology	
3 to 5 years	_____
Office equipment	
5 years	_____
Furniture	
7 years	_____

(f) Stocks

The CS holds stocks of stationery and other consumable materials. These items are charged to the income and expenditure account in the year of purchase.

(g) Capital charge

In accordance with Treasury requirements, a charge reflecting the cost of capital utilised by the CS is included in operating costs. The charge is calculated at the Government's standard rate of 3.5 per cent on the average value of items comprising capital employed over the year.

(h) Taxation

- (i) The CS is liable for corporation tax on interest earned on bank deposits.
- (ii) The CS is not registered for VAT, and therefore did not recover any VAT. Expenditure in the income and expenditure account is shown inclusive of VAT, and VAT on the purchase of fixed assets is capitalised.

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Competition Service

Notes to the accounts

(i) Pension Costs

Present and past employees are covered under the provisions of the Civil Service Pension (CSP) arrangements. The CSP is non-contributory (except in respect of dependants' benefits and additional employee contributions to the Classic and Premium schemes). The CS recognises the expected costs of these elements on a systematic and rational basis over the period during which it benefits from employee's services by payment to the CSP of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the CSP. In respect of the defined contribution element of the schemes, the CS recognises contributions payable in the year.

No recognition of the CSP scheme occurs in the CS' accounts as the liability to pay future benefits does not lie with the CS. The CSP is an unfunded, multi-employer defined benefit scheme and the CS is unable to identify its share of the underlying assets and liabilities.

(j) Operating leases

The sublease from the Competition Commission for Victoria House is for 20 years and includes a rent-free period of nine months which in accordance with SSAP 21 (Accounting for leases and hire purchase contracts) and the supplementary guidance specified in UITF abstract 28 (Operating lease incentives) has been treated as deferred income. The rent-free period will be accrued over the full length of the leasehold.

All other rentals classified under operating leases are charged to the income and expenditure account as incurred.

(k) Going concern

The value of the initial nine months rent-free period for the Victoria House premises used by the CAT and the CS has been accrued over the life of the lease resulting in the recognition of £463,000 as deferred income in the CS' Balance Sheet, which is carried forward to benefit future accounting periods. This recognition resulted in an accounting deficit of £171,000 on the CS' Income and Expenditure account. Without this recognition a surplus for the year of £292,000 would have been reported. A net cash inflow from operating activities of £620,000 was reported.

The DTI has confirmed that there is no reason to believe that its future sponsorship will not be forthcoming within the capital and resource budgets set by Spending Review Settlements. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

(l) Provisions

The CS provides for legal or constructive obligations which are of uncertain timing or amount at the Balance Sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Competition Service

Notes to the accounts

2 Government grant-in-aid

	2003/04
	£'000
Allocated by the DTI	3,888
Drawn down	2,884
Revenue - to income	2,359
Capital - to deferred Government grant reserve	525
Net grant-in-aid	2,884
The reconciliation to the cash drawn from the DTI was:	
Net cash drawn from the DTI	2,884
Balance on account	-
Net grant-in-aid	2,884

38 Competition Service

Notes to the accounts

3 Registrar's remuneration

(a) The Registrar's remuneration and pension details

	Salary £'000	Real increase in pension and related lump sum at age 60 £'000	Total accrued pension at age 60 at 31/03/04 and related lump sum £'000	CETV at 31/03/04 (nearest £'000)	Employee contributions and transfers-in £'000	Real increase in CETV as funded by employer (nearest £'000)
Mr Charles	70-75	2.5 – 5	5 – 10	114	5 – 7.5	27
Dhanowa (Registrar)		plus 7.5 – 10 lump sum	plus 25 – 30 lump sum			

(b) The Registrar's salary is set by the DTI. There are no additional allowances paid. The Registrar's remuneration is included in staff payroll under note 5.

(c) There were no benefits in kind provided to the Registrar during 2003/04.

(d) The Registrar's pension benefits are provided through the CSP arrangements. For 2003/04, employer contributions of £13,000 were payable to the CSP scheme at a rate of 18.5 per cent of pensionable pay. Further information regarding the CSP is included in note 6.

Column 4 of the above table shows the member's cash equivalent transfer value (CETV) accrued at the end of the reporting period. Column 6 reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in the former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

4 Service and Audit Committee members remuneration

(a) The cost of Service and Audit Committee members remuneration was:

	2003/04
	£'000
Members remuneration	4
	4

(b) The membership of the CS is chaired by Sir Christopher Bellamy, President of the CAT. The President's salary costs are shown in note 3 of the CAT's accounts. Charles Dhanowa is also a member of the CS. His salary costs are shown in note 5 (a).

Mrs Janet Rubin was appointed non-executive member of the Service by the DTI on 15th September 2003 for a fixed term of up to four years. Mrs Rubin is also Chairman of the Audit Committee of the CS. Her appointment is not pensionable. Mrs Rubin is remunerated at a rate of £350 per day. Her remuneration of £1,925 in the year is included in Note 4 (a).

The Audit Committee's two other members are Mr Peter Clayton and Mr Barry Colgate. Both are CAT ordinary members. Each is remunerated at a rate of £300 per day and their respective remuneration of £1,050 each for sitting on the Audit Committee is included in Note 4 (a).

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Competition Service

Notes to the accounts

5 Staff salary costs

(a) The cost of staff remuneration was:

	2003/04 £'000
Salaries	472
Social security costs	43
Pension contributions	72
Total employee costs	587
Temporary staff costs	28
Total staff costs	615

(b) Included in total employee costs in Note 5 (a) is an accrual of £7,098 representing the cost of one staff member on secondment from the DTI since February 2004.

(c) The average number of employees and the average number of temporary staff is shown below:

	2003/04
Employed on cases	6
Support staff	7
Total employees	13
Temporary staff	1
Total staff	14

6 Pension costs

Pension benefits for all CS staff are provided through the Civil Service Pension (CSP) arrangements.

The CSP scheme is a multi-employer defined benefit scheme. For 2003/04, employer contributions of £72,000 were payable to the CSP at one of four rates in the range 12 to 18.5 per cent of pensionable pay, based on salary bands. Rates will remain the same next year, subject to the revalorization of the salary bands.

From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium and classic plus). The Schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants from 1 October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder arrangement with a significant employer contribution (partnership pension account).

Competition Service

Notes to the accounts

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the CSP arrangements can be found at the website www.civilservice-pensions.gov.uk

7 Other operating charges

	2003/04 £'000
Hire of plant and machinery	12
Other operating leases	149
Consultants fees – not case related	69
Consultants fees – IT	137
Accommodation	670
Travel, subsistence and hospitality	6
Audit fees*	20
Other administration	370
	1,433

* Audit fees related only to statutory audit work

8 Interest

	2003/04 £'000
Interest receivable	26
Notional cost of capital	(5)
	21

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Competition Service

Notes to the accounts

9 Taxation

	2003/04 £'000
Corporation tax payable	5

Corporation tax payable is based on 19 per cent of gross interest receivable.

10 Tangible fixed assets

	Information technology £'000	Furniture and fittings £'000	Office machinery £'000	Total £'000
Current cost				
At 1 April 2003	-	-	-	-
Additions at cost	290	232	3	525
Disposals	-	-	-	-
Revaluation	(20)	-	-	(20)
At 31 March 2004	270	232	3	505
Depreciation				
At 1 April 2003	-	-	-	-
Provision for the year	(19)	(2)	-	(21)
Released on disposal	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2004	(19)	(2)	-	(21)
Net book value				
1 April 2003	-	-	-	-
31 March 2004	251	230	3	484

11 Debtors and prepayments

	31 March 2004 £'000
Staff travel advances	4
Prepayments	21
Interest accrued	1
	26

Competition Service

Notes to the accounts

12 Cash at bank and in hand

	31 March 2004
	£'000
Office of HM Paymaster General	291
Commercial bank and cash in hand	563
	854

13 Creditors and accruals

(a) Amounts falling due within one year were

	31 March 2004
	£'000
Creditors and accruals	411
PAYE and National Insurance	37
Tax on interest received	5
Stamp Duty payable on leasehold	147
Deferred income	23
	623

(b) Amounts falling due after more than one year are £428,000. This represents the value of the rent-free period for Victoria House that shall be accrued over the remaining length of the leasehold.

14 Deferred government grant reserve

	2003/04
	£'000
Balance at 1 April 2003	-
Add: capital grant received (note 2)	525
Less: transferred to income and expenditure account	41
Balance at 31 March 2004	484

15 Income and expenditure account

	2003/04
	£'000
Balance at 1 April 2003	-
(Deficit) for year	(171)
Balance at 31 March 2004	(171)

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Competition Service

Notes to the accounts

16 Commitments under operating leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

Obligations under operating leases comprise:

	Expiry within 1 year £'000	Expiry within 1 year but not more than five years £'000	Expiry thereafter £'000	Total £'000
Land and buildings			891	891
Other		12		12
				903

17. Related party transactions

During the year the CS had various material transactions with the Competition Commission relating to the purchase of fixed assets, provision of IT support to the CS and the occupancy of Victoria House.

The CS also had various material transactions with the DTI including payroll and internal audit services.

In addition, the CS has had various material transactions with other Government Departments and other central Government bodies.

No CS member, key manager or other related parties has undertaken any material transactions with the CS during the year.

18. Financial Instruments

The CS has no borrowings and relies on grant in aid from the DTI for its cash requirements, and is therefore not exposed to liquidity risks. The CS has no material deposits, and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

Set out below is a comparison by category of book values and fair values of the CS' financial assets as at 31 March 2004.

	Book value £'000	Fair value £'000
Cash at bank	854	854

Competition Appeal Tribunal and Competition Service

Membership



Competition Appeal Tribunal and Competition Service

Membership



First row

- 1 Ann Kelly
- 2 Sir Christopher Bellamy
- 3 Marion Simmons QC

Second row

- 4 Prof. Peter Grinyer
- 5 Prof. Paul Stoneman
- 6 Charles Dhanowa (Registrar)
- 7 Sheila Hewitt

Third row

- 8 Michael Davey
- 9 Hon. Antony Lewis
- 10 Prof. Andrew Bain
- 11 Patricia Quigley WS
- 12 Vindelyn Smith-Hillman

Fourth row

- 13 Michael Blair QC
- 14 Arthur Pryor CB
- 15 Adam Scott TD
- 16 Janet Rubin

Fifth row

- 17 Prof. John Pickering
- 18 Peter Clayton
- 19 David Summers

The following members were not present for this photograph: Barry Colgate, Peter Grant-Hutchison, Graham Mather and Richard Prosser.

Competition Appeal Tribunal and Competition Service

Membership

President

Sir Christopher Bellamy is President of the Competition Appeal Tribunal. After qualifying as a barrister, he practised mainly in the fields of competition law, EC law and public law. He was appointed Queens Counsel in 1986. From 1992 to 1999 he was a judge of the Court of First Instance of the European Communities. He is also authorised to sit as a High Court judge, a judge of the Employment Appeal Tribunal, and a Recorder of the Crown Court.

Chairmen

The following judges of the Chancery Division of the High Court:

- The Honourable Mr Justice Lindsay
- The Honourable Mr Justice Evans-Lombe
- The Honourable Mr Justice Blackburne
- The Honourable Mr Justice Lightman
- The Honourable Mr Justice Rimer
- The Honourable Mr Justice Laddie
- The Honourable Mr Justice Lloyd
- The Honourable Mr Justice Park
- The Honourable Mr Justice Pumfrey
- The Honourable Mr Justice Hart
- The Honourable Mr Justice Lawrence Collins
- The Honourable Mr Justice Patten
- The Honourable Mr Justice Etherton
- The Honourable Mr Justice Smith
- The Honourable Mr Justice Lewison
- The Honourable Mr Justice David Richards
- The Honourable Mr Justice Mann

Marion Simmons QC is a practising barrister. She was called to the Bar in 1970, and was appointed QC in 1994. She was appointed an Assistant Recorder in 1990 and has been a Recorder of the Crown Court since 1998 (sitting in criminal and civil cases). She is the Vice-Chairman of the Appeals Committee of the Institute of Chartered Accountants of England and Wales, a President of the Mental Health Review Tribunal (Restricted Patients Panel), and an Assistant Boundary Commissioner. Her main areas of practice are business, financial and commercial law (including banking, insurance, contract, partnership, financial services, professional negligence and discipline, the commercial aspects of company law, insolvency) and the regulation and disciplinary functions of professional and equivalent bodies.



Competition Appeal Tribunal and Competition Service

Membership

Ordinary members

Professor Andrew Bain OBE has held full professorships in economics at the universities of Glasgow, Strathclyde and Stirling, was for 6 years Group Economic Adviser at Midland Bank and has also worked as an economic consultant. Previous public appointments include membership of the committee to Review the Functioning of Financial Institutions (the Wilson Committee on the City), the Monopolies and Mergers Commission, the Secretary of State for Scotland's Panel of Economic Consultants and the Board of Scottish Enterprise.

Michael Blair QC is a practising barrister with chambers in Gray's Inn and the Chairman of the Doctors' and Dentists' Pay Review Body. Until 2000 he was General Counsel to the Financial Services Authority. He served on the Bar Council for 9 years (including as Treasurer for four) and was employed as a civil servant in the Lord Chancellor's Department for 20 years. He is a past Chairman of the Bar Association for Commerce, Finance and Industry.

Peter Clayton is a fellow of the Institute of Chartered Accountants in England and Wales. He has held senior financial positions in major FTSE 100 companies such as Group General Manager Finance of General Accident plc and Group Financial Controller of Forte plc. He was also Secretary of the Technical Committee of The Hundred Group of Finance Directors.

Barry David Colgate is a non-executive Director of The Michael Shanly Group. He has been Chairman of Harrington Food Group Ltd. and used to be Group Director of Planning/Legal and Business Advisor in Ranks Hovis McDougall. He is a Fellow of the Institute of Chartered Secretaries and Administrators. He was a Member of the Restrictive Practices Court.

Michael Davey is a solicitor of the Supreme Court of Northern Ireland and former chief executive of the Law Society of Northern Ireland. He has extensive experience of private commercial practice and is a Chairman of Industrial Tribunals and of Social Security Appeal Tribunals.

Peter Grant-Hutchison is a Scottish advocate. He is a part-time chairman of the Social Security Appeal Tribunals and the Disability Appeal Tribunals and a part-time Immigration Adjudicator.

Professor Peter Grinyer is Emeritus Professor of Economics at the University of St Andrews, where he was also Vice-Principal, and is a visiting professor at Imperial College, London. He was, for some years, a visiting professor of New York University and has also held a chair at the City University. For eight years he was a member of the Scottish Legal Aid Board and has been non-executive director of a number of companies including McIlroy Coates and John Brown plc. He is a member of the editorial boards of several journals on managerial economics and strategy.

Sheila Hewitt is on the board of the Legal Services Commission. She is a JP, a member of the General Medical Council and a member of the Immigration Appeals Tribunal. She is an Associate of the Chartered Institute of Bankers, and an Independent Assessor for OCPA (the Office of the Commissioner for Public Appointments).

Ann Kelly was Chairman of the West Berkshire Priority Care Service NHS Trust and a Member of the Police Complaints Authority. She is a Deputy Electoral Commissioner, an independent Member of the Ministry of Defence Police Committee, a Lay Member of the Compliance Board of the Law Society and a Lay Member of the Professional Practice Panel of the Royal Institution of Chartered Surveyors. She is a Fellow of the Chartered Management Institute.

Competition Appeal Tribunal and Competition Service

Membership

The Honourable Antony Lewis is a barrister and Chairman of the Institute of Rural Health. From 1996 to 2003 he was Chairman of Powys Health Care NHS Trust and prior to that, Chairman of Powys Family Health Services Authority. He has been a lecturer in law at University College, Cardiff and a JP. He is widely involved in the charity sector, eg. as a trustee of the Frank Buttle Trust for Children and Young People and the Community Foundation in Wales.

Graham Mather is a solicitor and President of the European Policy Forum, an independent international research institute. He has been Visiting Fellow of Nuffield College, Oxford and a reporting panel member of the Monopolies and Mergers Commission, now the Competition Commission. He has also been General Director of the Institute of Economic Affairs and Head of the Policy Unit of the Institute of Directors. He was MEP for Hampshire North and Oxford from 1994 to 1999. He is an advisor to Tudor Investment Corporation, a director of Greenham Common Trust and a member of the OFCOM Consumer Panel.

Professor John Pickering is an Economic and Business Consultant and Visiting Professor at the University of Southampton. Former appointments have included: Dean, Vice-Principal and Professor of Industrial Economics at UMIST, Deputy Vice-Chancellor of the University of Portsmouth and Professor of Business Strategy at the University of Bath School of Management. He served for nine years as a member of the Monopolies and Mergers Commission. He has also held various external positions of responsibility as Church Commissioner and director of several companies.

Richard Prosser OBE has considerable experience of the small business sector. He currently holds non-executive directorships in engineering and agricultural supply businesses. He was until recently a reporting panel member of the Competition Commission and has served on many inquiries.

Dr Arthur John Pryor CB is an independent consultant working on competition policy issues in developing countries. He is a former civil servant, and was Head of Competition Policy at the Department of Trade and Industry until his retirement in 1996. During his career in the Civil Service his senior positions included Director General of British National Space Centre and DTI Regional Director for the West Midlands.

Patricia S. Quigley WS is a solicitor and writer to the Signet. She worked for Lothian Regional Council and firms in Glasgow and Edinburgh before setting up her own practice in 1986. She has been a Voluntary Legal Adviser with the Citizens Advice Bureau, NALGO representative and Chairman of The Appeals Service (for Social Security Appeals). She holds part-time positions as an Immigration Adjudicator and Reporter to the Client Relations Office of the Law Society of Scotland. She is a member of the International Association of Refugee Law Judges.



Competition Appeal Tribunal and Competition Service

Membership

Adam Scott TD is a Senior Research Fellow at the University of St Andrews where his interests include regulation of utilities, team working and scenario planning. He has also worked in these fields for various private and public sector organisations. After qualifying at the Bar with an intellectual property background, he worked mainly in the telecommunications industry, being corporate planner in the creation and privatisation of British Telecommunications plc, then heading BT's international affairs and latterly its apparatus business. He is a Fellow of the Institution of Electrical Engineers and he is a member of Guernsey's Utility Appeals Panel.

Vindelyn Smith-Hillman is a Senior Economics Lecturer at University College of Northampton having previously been a lecturer with the Open University and the Jamaica Institute of Management. She was a Senior Economist at the Bank of Jamaica in Kingston and is a listed Assistant Examiner with Cambridge and London Examining Boards.

Professor Paul Stoneman is Research Professor in Warwick Business School. He has been an ESRC Senior Research Fellow, a Visiting Professor at Stanford University and a Visiting Fellow at Nuffield College, Oxford. He has held many external positions of responsibility and has been on various editorial boards. He is or has been an external examiner for several academic institutions. He has published extensively.

David Lewis Summers is a publishing and media consultant and a JP. He is a non-executive director of the Royal Society of Medicine Press and of Wilmington Group plc. He also serves on The Lord Chancellor's Advisory Sub-Committee for Kent. He used to be managing director of Butterworths, the publishers and was formerly a member of the Restrictive Practices Court.

Appointed member of the Competition Service

Janet Rubin has a professional background in Human Resources. She has worked as a HR Director and held senior HR corporate positions in Arcadia Group, B & Q plc, WH Smith, and the Littlewoods organisation. More recently she has held a number of private and public sector appointments as a non-executive director of Bonmarche Limited, of the Strategic Rail Authority and of the SHL Group plc. Amongst other non-executive appointments, she has previously been a member of the Employment Appeals Tribunal, a Civil Service and an Equal Opportunities Commissioner and is currently an Independent Assessor for the Office of the Commissioner for Public Appointments, a member of the Civil Service Arbitration Tribunal, the Diplomatic Service Appeal Board, the Rail Passenger Council and the Senior Salaries Review Body.





COMPETITION APPEAL TRIBUNAL



Competition Appeal Tribunal

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