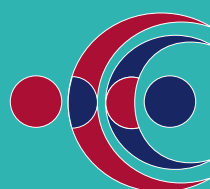


Annual Report 2006



Office of the Director
of Corporate Enforcement

*Oifig an Stiúirthóra um
Fhorfheidhmiú Corparáideach*

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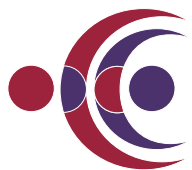
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Office of the Director of Corporate Enforcement

*Oifig an Stiúirthóra um
Fhorfheidhmiú Corparáideach*

Foreword



Pursuant to section 16(1) of the Company Law Enforcement Act 2001, I am pleased to present Mr Micheál Martin, T.D., the Minister for Enterprise Trade and Employment, with my Office's Annual Report for 2006.

Highlights for the ODCE in 2006 by primary activity included:

Compliance

- the development for public consultation of Draft Guidance on the Governance of Property Management Companies;
- the publication of Guidance on Audit Committees and the finalisation of revised Guidance on the duty of auditors to report to the ODCE;
- the substantial completion of a new ODCE Communications Strategy;

Detection

- the closure of some 1,000 cases denoting possible corporate misconduct, the vast majority on an administrative basis;
- the repayment of over €160 million by directors and connected persons to their companies and the referral of 86 large cases involving some €48 million to the Revenue Commissioners because of possible tax liability concerns;

Enforcement

- the conviction of 48 companies, directors and others for breaches of company law obligations (49 convictions in 2005). In all, 103 charges were determined in 27 cases, a similar result to last year's outturn of 112 charges in 19 cases;

- two new offences were successfully prosecuted for the first time:

- one involved a director who was disqualified from so acting because he failed to disclose his continuing UK disqualification to the Companies Registration Office on his appointment as a director of two companies here;
- the second involved the use by a director of financial statements which were falsely represented to the company's bank as having been audited;

- the disqualification of 14 persons and the restriction of two directors (21 disqualifications and no restrictions in 2005). One disqualification was based on adverse findings in the Ansbacher High Court Inspectors' Report;
- the commencement, following a lengthy ODCE inquiry, of disqualification proceedings against two company directors who were criticised by the Tribunal of Inquiry into Certain Planning Matters and Payments;

Insolvency

- the targeting of phoenix-type activity. Disqualification actions were launched against a further nine individuals in this area;
- the restriction by the High Court of some 100 directors of insolvent companies. This followed liquidator applications made with the ODCE's assent;

Customer Services

- the 244,000 visitors to the ODCE's website in 2006, a 36% increase on 2005.

Office expenditure amounted to some €3.355 million, a 16% increase on the outturn of €2.899 million in 2005, most of which was due to higher legal and professional costs.

These good results are primarily due to the commitment and hard work of my staff who have made a major contribution to improving the quality of the environment for enterprise development over the last five years.

Others have also helped along the way. Auditors, liquidators and their professional bodies continued to assist by fulfilling their statutory reporting duties to the Office. The State, economic and social enterprise and the general public have become more aware of our work, and this is serving to extend the compliance and enforcement message to a wider constituency.

I also wish to acknowledge the Oireachtas, the Government, the Courts and the Ministers and staff in the Department of Enterprise Trade and Employment who have supported our remit and ongoing work. I want in particular to thank the Department for its recent decision to assign a further eight staff to the Office during 2007 in response to our submission for 20 extra staff overall.

We are anxious to do more in the future to improve further the standards of legal compliance with the Companies Acts in the overall public interest.

Paul Appleby

Director of Corporate Enforcement

30 March 2007

Introduction

The present Strategy Statement of the Director of Corporate Enforcement identifies the following primary ODCE goals and related sub-goals:

Goal 1: Encouraging Compliance with the Companies Acts

- Sub-Goal 1.1: Publishing Accessible Company Law Information
- Sub-Goal 1.2: Promoting Compliance
- Sub-Goal 1.3: Improving Company Law and Associated Corporate Practices

Goal 2: Uncovering Suspected Breaches of Company Law

- Sub-Goal 2.1: Developing Detection and Reporting Arrangements for Suspected Breaches of the Companies Acts
- Sub-Goal 2.2: Identifying Suspected Breaches of the Companies Acts
- Sub-Goal 2.3: Commissioning/Supporting Formal Company Investigations

Goal 3: Prosecuting Detected Breaches of the Companies Acts

- Sub-Goal 3.1: Developing a Balanced Enforcement Policy
- Sub-Goal 3.2: Upholding the Disclosure Requirements of the Companies Acts
- Sub-Goal 3.3: Sanctioning Parties Disregarding Company or Other Interests
- Sub-Goal 3.4: Acting against Parties Denying Accountability under the Law

Goal 4: Sanctioning Improper Conduct relating to Insolvent Companies

- Sub-Goal 4.1: Supervising Liquidators in the Proper Discharge of their Duties
- Sub-Goal 4.2: Assessing Directors' Conduct in Insolvent Liquidation Situations
- Sub-Goal 4.3: Sanctioning Fraudulent or Abusive Behaviour

Goal 5: Providing Quality Services to Internal and External Customers

- Sub-Goal 5.1: Securing and Managing ODCE Resources
- Sub-Goal 5.2: Developing Staff
- Sub-Goal 5.3: Developing and Maintaining Quality Customer Services

This Report reviews progress in 2006 by reference to each of these goals and sub-goals.

Goal 1: Encouraging Compliance with the Companies Acts

Introduction

In 2006, the ODCE continued its work of improving standards of compliance with the Companies Acts and with corporate governance requirements in general. Arising from the results of market research commissioned in 2005, the Office began to increase its focus on small and medium sized enterprises (SMEs) and other discrete sectors of company stakeholders, while continuing to offer useful information on company law generally for all interested parties.

Sub-Goal 1.1: Publishing Accessible Company Law Information

The ODCE published eight separate documents and reports in 2006, including its Interim Review of Activity for 2005 in January and its 2005 Annual Report in May. The Consultation Papers, Decision Notices and Information Notices are detailed in **Appendix 1.1.1**.

Consultation Papers and Decision Notices

Two important Consultation Papers were issued.

Audit Committees

The first of these explained in detail Section 42 of the Companies (Auditing and Accounting) Act 2003 which makes provision for Audit Committees for the first time in Irish company law. When commenced, Section 42 will apply to certain public limited companies and large private companies¹. The document was publicised and made available on the ODCE's website and was also circulated to interested parties with an invitation to comment on its content and on its manner of implementation. In all, some 18 separate submissions were received, and these made useful and valuable suggestions as to how the Draft Guidance could be improved. Having taken account of these submissions, the Guidance was finalised and issued in November 2006².

In issuing the final Guidance, the Director also wrote to Mr Michael Ahern T.D., the Minister for Trade and Commerce, with a number of recommendations in relation to the commencement of Section 42. These recommendations took into account Article 41 of Directive 2006/43/EC of 17 May 2006 which requires the adoption of audit committee provisions in Ireland by 29 June 2008. The Director's proposals were as follows:

- *the qualifying turnover and balance sheet thresholds:* The Section be commenced without altering the existing thresholds;
- *the companies affected by the provision:* An immediate exemption be given for:
 - every Irish-registered public limited company which is a wholly owned subsidiary undertaking of a public limited company registered outside the State and which has a duly constituted audit committee and
 - every unlisted public limited company that does not meet the specified balance sheet total and turnover thresholds contained in Section 205B(1);
- *the composition and operation of audit committees and the qualification of their members:* The Section be commenced having transposed the following requirements from Article 41 of the Directive:
 - the requirement that at least one member of the audit committee shall have competence in accounting and/or auditing, and
 - the requirement that the audit committee shall monitor the effectiveness of the company's internal control, internal audit where applicable, and risk management systems;
- *the date and form of commencement of Section 205B:* The Section be commenced for all financial reporting periods commencing on or after 1 April 2007 having also transposed the related requirements of the Directive.

1 Consultation Paper C/2006/1 – Draft ODCE Guidance on Audit Committees (April 2006).

2 Decision Notice D/2006/1 – ODCE Guidance on Audit Committees (November 2006).



ODCE Guidance on Audit Committees (November 2006)

At year-end, the Minister was considering these recommendations³. The Minister will also wish to consider, in consultation the Financial Regulator and the Revenue Commissioners (where appropriate), if additional classes of regulated financial service company or undertaking within the meaning of Article 41(6) of the Directive should be exempted.

Property Management Companies

The second ODCE Consultation Paper issued in 2006 included Draft Guidance on the Governance of Apartment Owners' Management Companies (AOMCs)⁴. The preparation of this Guidance responded to an increasing number of queries and reports which the Office had received on this subject. It was clear that there was a knowledge deficit of the company law requirements on the part of the directors and members of such companies (i.e., the apartment owners). The Consultation Paper and associated Draft Guidance sought to inform those associated with management companies of best governance practices with a view to improving company performance over time. The Consultation Paper attracted significant media interest on its launch in December 2006, and having taken account of the comments received, the Office intends to publish final Guidance later in 2007.



Consultation Paper on Apartment Owners' Management Companies (December 2006)

Auditor Reporting to the ODCE

Also in December, the Office finalised its work on amending the Guidance to auditors on their reporting obligations to the Office. The new Guidance⁵ was prepared to take account of certain revisions to the law contained in Section 37 of the Companies (Auditing and Accounting) Act 2003 and in Section 73 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005. The Guidance also updated a number of other matters including recent changes to auditing and accounting standards, and it referenced interested parties to the latest schedule of indictable offences under the Companies Acts, a copy of which is on the ODCE's website at www.odce.ie/en/media_decision_notices.aspx. The Guidance was drafted in association with the Consultative Committee of Accountancy Bodies – Ireland and was adopted by the Auditing Practices Board⁶ prior to publication. A request by the Director to commence Section 37 in early 2007 is under consideration by Mr Michael Ahern T.D., the Minister for Trade and Commerce, at year-end.

³ A copy of the Director's submission to the Minister is available at www.odce.ie/en/media_decision_notices.aspx in association with the Guidance on Audit Committees.

⁴ Consultation Paper C/2006/2 – Draft ODCE Guidance on the Governance of Apartment Owners' Management Companies (December 2006).

⁵ Decision Notice D/2006/2 – Revised Guidance on the Duty of Auditors to Report Suspected Indictable Offences to the Director of Corporate Enforcement (December 2006).

⁶ An Auditing Practices Board Bulletin containing this Guidance is being issued to individual auditors.



*Revised Guidance on Auditor Reporting to the ODCE
(December 2006)*

Information Notices

The ODCE issued two Information Notices in 2006. The first of these listed the companies in insolvent liquidation and the reporting liquidators in respect of whom the Office had identified the requirement for a 'Section 56 Report' in 2005⁷. The purpose of this Notice is to enable interested parties to bring any matters of concern in relation to each named insolvent company to the attention of the relevant liquidator and the ODCE.

The Office's second Information Notice summarised the company law aspects of the Investment Funds, Companies and Miscellaneous Provisions Act 2006⁸. Parts 2 and 3 of the Act are part of the Companies Acts. Part 2 deals with various amendments of the Companies Acts, one of which raised the balance sheet and turnover thresholds under which companies can qualify for audit exemption. Part 3 gives effect to the EU Transparency Directive (2004/109/EC) on the harmonisation of the disclosure requirements in respect of issuers whose securities are admitted to trading on a regulated market.

Website Development

All of these documents were made available on the ODCE website, as well as links to relevant legislative provisions, ODCE articles and presentations.

Sub-Goal 1.2: Promoting Compliance

Advocacy Work

As indicated above, the ODCE's compliance work in 2006 placed greater emphasis on informing the SME sector of the requirements of company law. The Office's primary

method of achieving this goal was in partnership with business entities and professional representative bodies.

For example, the Office placed information stands at Chambers of Commerce and other events during the year, as well as at the National and World Ploughing Championships in Tullow, Co. Carlow. Many attendees took advantage of the opportunity to question ODCE staff on company law issues and obtain copies of the Office's Information Books and other relevant material.

ODCE staff also delivered a number of the "Corporate Health Check" presentations to City and County Enterprise Boards and their business clientele. This particular presentation has proven to be popular due to its accessibility for non-professionals.

In total, ODCE staff made some 38 presentations in 2006 to over 2,700 people. **Appendix 1.2.1** contains details of those presentations.



Kevin Prendergast, Corporate Compliance Manager, delivering a Corporate Healthcheck presentation in association with Carlow County Enterprise Board, December 2006

Public Enquiries

In responding to public enquiries, the ODCE distributed in 2006 over 15,000 copies of its various publications to improve people's understanding of corporate governance matters. This was a substantial increase on the 12,000 publications issued in 2005. The Office also dealt with a large number of individual queries on company law issues such as property management companies and the rights and obligations of company directors.

While the ODCE does not dispense legal advice on an individual basis, it does direct its clients to relevant information, including the Office's Information Books as well as relevant legislation where appropriate. Where

⁷ I/2006/1 – Section 56 Reports. Section 56 of the Company Law Enforcement Act 2001 requires the liquidator of an insolvent company to report to the ODCE on the state of affairs of the company and to apply to the High Court to restrict all of the directors unless relieved by the ODCE.

⁸ I/2006/2 – Investment Funds, Companies and Miscellaneous Provisions Act 2006.

persons have particular issues or are considering taking legal or other action, the Office advises callers to secure independent professional advice first.

Press Statements, Briefings and Queries

The Director released eight statements to the press in 2006, the details of which are at **Appendix 1.2.2**. These publicised new ODCE guidance materials, highlighted Court decisions which were noteworthy and discussed progress with respect to the Office's compliance and enforcement work. Office staff also contributed to five supplements on corporate governance issues in various business publications during the year. In addition, the Director and other Office staff participated in media interviews and promoted the content of ODCE publications. They also dealt with some 100 press queries during the year on various aspects of Office activity.

ODCE Communications Strategy for 2007/2008

In late 2006, the ODCE engaged a media consultant to offer advice in improving the impact of the Office's advocacy activity. A draft Communications Strategy for the years 2007 and 2008 was under examination at year-end.

Sub-Goal 1.3: Improving Company Law and Associated Practices

Policy Submissions

With Departmental encouragement, the ODCE prepared and submitted a detailed justification for five priority company law changes for consideration in the context of the planned Investment Funds, Companies and Miscellaneous Provisions Bill 2006. The following Office proposals were intended either to address investigation or enforcement shortcomings or to reduce regulatory costs, viz:

- a requirement that a company claiming audit exemption comply with an ODCE request to provide sufficient information to enable it establish that the exemption had been properly claimed;
- a facility which would allow the ODCE to prosecute multiple persons within the same set of summary proceedings where the same facts applied. In certain instances at present, proceedings have to be duplicated in different District Court areas with associated time and cost expenditures;
- a clarification of the law in relation to excessive directors' transactions which would provide that the high evidential burden for the offence (e.g., wilful default) could be satisfied by evidence that the director had been previously made aware of the relevant legal provisions;
- the introduction of 'consent' procedures for disqualification and restriction in recognition of the fact that many such Court proceedings were not contested. These consent undertakings would have a similar legal status to the present Court orders and would therefore save the associated legal costs of proceeding to Court. In relevant cases, this would benefit the liquidation and make more funds available for distribution to the company's creditors;
- an amendment of the law in relation to the recovery of legal costs in disqualification or restriction proceedings so that it permitted not just the legal costs of the proceedings to be recovered but also the associated costs of investigation from the disqualified or restricted person. This was intended to bring the law into line with the original intention of the Oireachtas for this provision.

Having received the proposals and engaged in subsequent bilateral discussions with the ODCE, the Department subsequently forwarded them to the Company Law Review Group (CLRG). Only the last proposal on costs recovery was ultimately included in the Investment Funds, Companies and Miscellaneous Provisions Act 2006 following acceptance by the Department of the CLRG view that the remaining proposals merited further consideration. The Director is disappointed that more of these priority proposals are not now enacted. However, he is committed to working with the CLRG on their further evaluation in the coming year.

The ODCE also made a number of other policy submissions on company law related issues to various State organisations. These included submissions to:

- the Business Regulation Forum on improving market transparency and regulation. The ODCE referred to the positive impact which the improved compliance and enforcement of company law provisions has had on the business market. The Office recommended that the Forum adopt a number of measures to improve market transparency with respect to corporate information and ease access to legal remedies by company stakeholders who have been disadvantaged as a result of a failure to comply with legal duties. The work of the Forum was ongoing at year-end;

- the Department of Enterprise Trade and Employment on proposals by the Small Business Forum to increase the turnover and balance sheet thresholds for audit exemption to the maximum levels permitted by EU law. These involved a possible rise in the turnover and balance sheet figures from €1.5 million to €7.3 million and from €1.905 million to €3.65 million respectively⁹. While the ODCE had no difficulty with an increase in the thresholds, the Office urged caution in relation to the proposed size of increase on various grounds. These included the valuable role of audit in upholding good standards of corporate governance and the decline in market transparency which would flow from a large number of Irish companies availing of audit exemption at the indicated levels. Mr Michael Ahern T.D., the Minister for Trade and Commerce, subsequently decided to increase the thresholds to the EU maxima subject to certain qualifying conditions in the interests of easing business burdens;
- the Employment Rights Compliance Group on the phenomenon of 'phoenix companies' and the legal measures in place in Irish company law to combat the practice. The ODCE's comments on the phoenix company phenomenon were exhibited in full as an appendix to their Report;
- the European Commission on future priorities for enhancing EU corporate governance. The ODCE urged the introduction of legal information-sharing arrangements among EU Member States in the company law field and supported the Commission's proposal for an EU-wide disqualification regime;
- the Financial Regulator in response to their Consultation Paper on Fitness and Probity. The ODCE made a number of technical suggestions with respect to the proposed Individual Questionnaire for the directors of financial service entities, some of which were taken on board in the finalised documents issued by the Financial Regulator;
- the Irish Auditing and Accounting Supervisory Authority on protecting the title 'accountant'. The ODCE considered on balance that there was insufficient justification at this time for protecting the title 'accountant', and it opposed the notion that only recognised accountants should be permitted to

provide accountancy services because this would constitute an undue restraint on trade and competition. Mr Michael Ahern T.D., the Minister for Trade and Commerce, subsequently accepted IAASA's recommendation that the term should be legally protected.

Company Law Review Group (CLRG)

The ODCE supports the development of a simplified and modern code of company law which should facilitate improved compliance with its obligations in the long run. In consequence, the ODCE contributed in 2006 to the CLRG's ongoing project to prepare a draft Consolidated Companies Bill. The Office provided substantial technical assistance in drafting the relevant Parts of the Bill dealing with enforcement and insolvency matters and was involved in particular in developing a simplified offences regime. The draft Bill was made available on an informal basis in December 2006¹⁰, and it will be formally published in early 2007.

Irish Auditing and Accounting Supervisory Authority (IAASA)

IAASA formally commenced operations in January 2006. As a member of the Board, the Director contributed to the Authority's deliberations during the year. In May, the Authority also agreed a Memorandum of Understanding with the ODCE on the exchange of confidential information between the two regulatory authorities as permitted by law.

International Association of Insolvency Regulators (IAIR)

The ODCE was one of about 20 national delegations which participated at the IAIR's Annual Conference in Mexico City in April 2006¹¹. The Conference serves as a valuable forum for sharing information and experience in relation to ongoing insolvency matters and for discussing the results of research projects.

In addition to updating delegates on the progress of company law compliance and enforcement in Ireland, the ODCE made two presentations to the 2006 Conference. Delegates expressed interest in the presentations on the Irish legal provisions:

- which enable foreign disqualifications to be recognised in Ireland and

⁹ These provisions commenced with effect from the date of signing into law of the Act in late 2006 and did not require a subsequent Statutory Instrument.

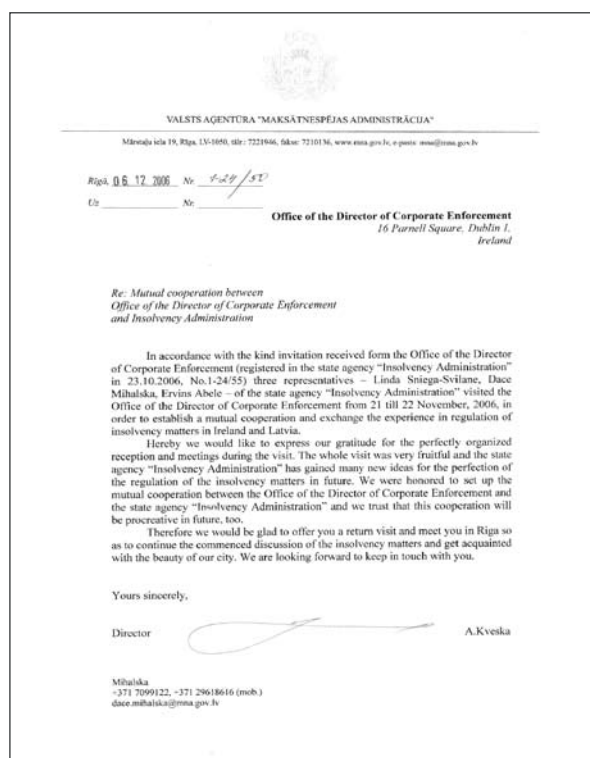
¹⁰ A copy of the General Scheme of the New Companies Bill is available at <http://www.clrg.org/>.

¹¹ Further information on the work of the IAIR is available on its website at www.insolvencyreg.org.

- which provide for the sharing of confidential information between regulatory bodies, including comparable bodies in other jurisdictions.

Visit from Latvian Insolvency Delegation

Arising from discussions that originally took place within the IAIR, the Office was pleased to host a two day visit of a three person delegation from the Latvian Insolvency Administration in November 2006. During their visit, the delegation met with officials from the ODCE, the Courts Service, the Department of Enterprise Trade and Employment and the Consultative Committee of Accountancy Bodies - Ireland to gain an understanding of how the liquidation and bankruptcy systems operated in the State.



Letter of acknowledgement from Latvian Insolvency Administration following their visit to Ireland in November 2006

NSAI - ISO 26000 on Social Responsibility

The ODCE accepted an invitation from the National Standards Authority of Ireland (NSAI) in 2006 to join the local 'Mirror Committee' which is examining ongoing international work developing an international standard on corporate social responsibility¹². Each jurisdiction with membership of the International Standards Organisation has a Mirror Committee comprising relevant interested parties from its jurisdiction. Each Committee gives

feedback on the proposed Standard as it moves through the various drafting stages. The work in developing an International Standard on Social Responsibility is currently at a very early stage, and the Standard is not expected to be finalised until late 2008 at the earliest.

Participation in OECD Peer Review of Bribery Convention

As a party to the Convention on Combating the Bribery of Foreign Public Officials in International Business Transactions (1997), Ireland is subject to a programme of systematic monitoring of compliance with the Convention by the Organisation for Economic Cooperation and Development (OECD)¹³. Although the ODCE does not have any primary statutory role in this area, the Office was invited by the Department of Justice Equality and Law Reform to contribute to a planned OECD review in Autumn 2006 because of our general role with respect to corporate governance. In advance of the OECD visit to Dublin, the Office prepared a lengthy response to an OECD questionnaire in relation to accounting and auditing issues and the Office's performance in enforcing these company law provisions.

During the visit by the OECD Evaluation Team which was led by evaluators from Estonia and New Zealand, ODCE representatives participated in four of the discussion panels which were convened to assist the Team in better understanding the roles and contributions of the relevant Irish agencies. The OECD evaluation report on Ireland's implementation of the Convention is expected to be published in March 2007.

ECJ Case on the Transfer of a Company's Registered Office

During 2006, the Office contributed¹⁴ to the preparation by the Offices of the Attorney General and the Chief State Solicitor of Ireland's Written Observations to the European Court of Justice (ECJ) in Case C-210/06 Cartesio Oktató és Szolgáltató Betéti Társaság. The Cartesio proceedings take the form of questions referred to the ECJ for preliminary ruling (pursuant to Article 234 of the EC Treaty) by a Hungarian court¹⁵. The questions in relation to which the ODCE has concerns essentially raise issues as to whether and/or subject to what conditions existing EU law permits a company incorporated and formed under the laws of one EU Member State to transfer its registered office to another Member State. It is expected that the ECJ will hear the case in 2007.

¹² More information about ISO 26000 - Social Responsibility is available from <http://www.iso.org/sr>.

¹³ Information on the Convention is available at www.oecd.org.

¹⁴ In collaboration with the Department of Enterprise Trade and Employment, the Department of Justice Equality and Law Reform, the Companies Registration Office and the Revenue Commissioners.

¹⁵ Full details of the reference, as published in the Official Journal of the European Union, are outlined at http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/c_165/c_16520060715en00170018.pdf.

Conclusion

The ODCE's work in promoting compliance continues to play a significant role in informing company stakeholders of their rights and obligations with respect to the Companies Acts. The Office attempted in 2006 to broaden its compliance activity and intends to continue targeting areas which are known to suffer from corporate governance deficiencies. Standards have improved in recent years, and further improvement depends not only on compliance initiatives but also on a credible programme of ongoing investigation and enforcement. The following sections of this Report outline ODCE progress in these areas in 2006.



Latvian Insolvency Delegation Meeting November 2006.

*Pictured are **Adrian Brennan** (ODCE); **Linda Sneiga-Svilane**, Insolvency Administration of Latvia, Vice Director for Finances; **Paul Appleby**, Director; **Dace Mihalska**, Insolvency Administration of Latvia, Director, Department of Strategic Planning and Regulatory Enactments Development; **Billy O'Riordan**, PWC, Insolvency Practitioner and **Kevin Prendergast** (ODCE)*

Goal 2 – Uncovering Suspected Breaches of Company Law

Introduction

Fraud, non-compliance and other unlawful or irresponsible activity serve to distort business markets by conferring unfair and unwarranted advantages on some companies and their stakeholders to the detriment of others. Legal obligations should not be ignored for reasons of convenience in order to minimise costs and improve a company's commercial prospects when those costs are often transferred to other company stakeholders and adversely affect their commercial interests and their potential ability to compete in the marketplace.

The motivation for ODCE efforts in uncovering potential company law breaches is therefore to improve corporate conduct and to support and sustain fair competition in the marketplace.

Sub-Goal 2.1: Developing Detection and Reporting Arrangements for Suspected Breaches of the Companies Acts

Number/Sources of Suspected Breaches

Auditor reports and public complaints continued to be the primary sources of potential detected misconduct in 2006. However, there was a marked change in the number of reports of suspected misconduct received by the Office this year. This was primarily due to a recent exemption given to auditors under which they were no longer required to report annual return defaults¹⁶ which had amounted to about 60% of all of the reports and complaints made to the ODCE. As these defaults were proper to the work of the Companies Registration Office (CRO), the exemption naturally led to a welcome substantial reduction in overall numbers in 2006. For comparability reasons therefore, the 2005 and 2006 figures for reports and complaints in this section of the Annual Report and in the associated Appendices exclude annual return defaults. The revised figures now give a more representative picture of the volume of cases which are potentially appropriate for ODCE examination.

¹⁶ This exemption was contained in section 73(2)(d) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005. Section 73(2)(d) was commenced on 1 September 2005. ODCE Information Notice I/2005/3 explains the effect of the provision.

Leaving aside the effect of this exemption on the numbers, there was still a reduction in 2006 in the overall figures of incoming reports and complaints relative to 2005. This was due to a 26% reduction in auditor reporting which was offset to some extent by a 21% increase in the volume of public complaints. A breakdown of the reports by source is outlined in **Appendix 2.1.1**. It is unclear at this stage if the decline in auditor reports is due to improved compliance or if there are other factors involved.

The Office remains anxious to develop other potential sources of information for possible company law breaches in conjunction with other State and regulatory bodies and through its own investigations. The ODCE's own detection work last year included targeted enquiries in a number of areas (e.g., restricted directors acting in breach of the terms of their restriction and disqualified directors, including those disqualified in other jurisdictions acting in the State in the absence of the registration of their disqualification). We also keep under review information in the public domain, such as media reports, filings in the CRO and tax settlements made with the Revenue suggesting past failures by companies to keep proper records.

Cooperation between Regulatory Authorities

In order to preserve the integrity of its investigative work, the law provides that the ODCE is generally required to keep confidential information which it receives as part of its work. However, it is permitted to share information with fellow regulators and other parties on matters of relevance to one another. For example, contact with the Financial Regulator took place in respect of a small number of specific cases in 2006.

In particular, the cooperative relationship between the ODCE and the Revenue Commissioners was further developed during 2006. As permitted by the Company Law Enforcement Act 2001 ("the 2001 Act"), Revenue officials provided to the Office information relating to the commission of an offence under the Companies Acts. This has been helpful to the ODCE in its investigation and enforcement work.

The 2001 Act also enables the ODCE to share information of potential value to the Revenue Commissioners in its work. Perhaps the most substantial instance of ODCE information-sharing with Revenue in 2006 involved the disclosure of details of 86 large cases of excessive directors' transactions. The aggregate amount involved was some €48 million. The disclosure was made in order to enable Revenue to determine if a tax liability arises in any of these cases.

We also responded to Revenue requests on a number of cases and provided relevant information on the wider corporate interests of the persons involved.

A useful two-way flow of information also occurred in 2006 between the Garda members of the Office and their colleagues in the Garda Bureau of Fraud Investigation (GBFI) and in other areas of the force. Over 1,800 company and related enquiries were made, including more than 700 with the GBFI.

The staff of the CRO also continued to be of substantial assistance, not only in keeping the Register of Companies up to date but also in retrieving and certifying filed original documentation for use by the ODCE in Court enforcement proceedings. This certification work was quite extensive at times, and the ODCE appreciates the considerable assistance which CRO staff continue to give in support of this important enforcement work.

A small number of contacts on individual cases also took place with the Department of Social and Family Affairs and the Pensions Ombudsman. Contact with the latter was helpful in the initiation of a number of disqualification proceedings in 2006.

In recent years, the Office has developed a good working relationship with the Northern Ireland Insolvency Service in relation to directors who have been previously sanctioned for irresponsible commercial behaviour in Northern Ireland and who have started or resumed businesses in the State. These contacts continued to grow in 2006, and a number of cases are on hands which may give rise to potential proceedings in due course.

As indicated earlier, the network of information-sharing arrangements with regulatory bodies was expanded in 2006 with the conclusion in May by the ODCE of a Memorandum of Understanding with the Irish Auditing and Accounting Supervisory Authority. It is anticipated that this will give rise to regular ongoing cooperation between both bodies in the future.

Sub-Goal 2.2: Identifying Suspected Breaches of the Companies Acts

The type of issue coming to attention via auditors continues to be dominated by a small number of defaults. There is a much broader range of issues contained in the public complaints made to the Office, and we continue, as indicated above, to seek out new fruitful avenues of enquiry by which particular company law offence types will be uncovered.

Nature of Issues identified in Mandatory Reports

The 297 mandatory reports received in 2006 disclosed a small number of indictable offence types under the Companies Acts. **Appendix 2.2.1** to this Report outlines the nature of the offences reported to the Office in any meaningful numbers in 2006 relative to the previous year's outturn.

Two offences represented almost 90% of the reported defaults:

- some 268 reported defaults (or about 80% of the total reported in mandatory reports) involved excessive directors' transactions. The associated sums amounted to over €70 million;
- about 38 instances of a suspected failure to keep proper books of account in companies were received (about 10% of the total). This obligation is fundamental to the maintenance of a sound company from a financial and operational perspective. Because failures in this area can distort business markets by creating unfair and unwarranted advantages on some companies and their stakeholders to the detriment of others, the question of enforcement action is seriously considered in each such case.

Nature of Issues identified in Voluntary and Other Reports

Many public complaints are of a general character, and it can require contact with the complainant and other investigations to clarify if a company law default (as distinct from fraud or a general breach of the criminal law) is involved. It will often be the case as well that the complaint can best be addressed by the complainant's own legal remedies.

Notwithstanding the difficulty of categorising the nature of these complaints and reports, **Appendix 2.2.2** provides information on the type of issues coming to attention under this heading. Some particular themes included:

- the incidence of complaints of improper corporate trading;
- the failure by directors and others to comply with certain basic obligations, including the non-holding of annual general meetings and
- complaints about outstanding debt.

There was also a small but significant rise in the volume of complaints relating to property management companies. With the publicity arising from the publication in December 2006 of Draft Guidance in the area, it is likely that this area will be the focus of a further increase in public complaints in 2007.

Throughput of Cases

2006 was a particularly successful year in completing investigative work on a large number of cases. This was due in part to the priority given to cases involving excessive directors' transactions and the allocation of an additional staffing resource to assist with this work. As is clear from **Appendix 2.2.3**, the ODCE concluded its deliberations in 913 cases (close to double last year's outturn of 470). 556 of these cases involved excessive directors' transactions to the value of €244 million.

In the absence of evidence of criminal intent, our work in relation to excessive directors' transactions was directed towards the administrative rectification of the defaults. To that end, 896 company directors were cautioned, and some 93% of directors have to date acknowledged their awareness of the legal restrictions in this area for the future.

In addition to the indicated 913 concluded cases, a further 130 are the subject of detailed investigation by the Office having reached a preliminary conclusion that circumstances warranting possible civil or criminal proceedings existed.

At the end of the year, a total of 267 cases remained on hands, a significant reduction on the previous year's figure of 607. 44 of these 267 cases involved excessive directors' transactions to an aggregate value of €33 million. About half of the 267 cases have been on hands for more than twelve months due predominantly to the complexity of the cases and the Office's other more pressing priorities. However, this represented a significant and welcome reduction on the 350 or so cases with a similar profile at end-2005.

Manner of Disposal of Cases

Appendix 2.2.4 contains a breakdown of the manner in which the 913 cases were concluded in 2006, distinguishing between mandatory and voluntary reports. Most of the cases were closed having secured a remedy of the default and issued a caution to the relevant persons. The bulk of these related to directors' transactions.

In another 19% of cases, no action was warranted following assessment by the Office because of the absence of (or insufficient evidence of) any obvious company law default. Typically, the complainant will have a concern about possible misconduct which is not directly relevant to the requirements of the Companies Acts.

In about 7% of cases, the complainant had available legal remedies to address his or her concerns. Occasionally, there will be debts owed to a complainant, and the ODCE does not involve itself in a matter which amounts to a pure commercial dispute.

In the balance of about 9% of cases, various other reasons (e.g., the issue was not a relevant matter for ODCE attention) were associated with the conclusion of each case.

While commercial difficulties are regularly a focus of complaint to the Office, a company law default can be inhibiting the proper engagement of the relevant stakeholders. In 2006 for instance, the ODCE issued three directions requiring the holding of outstanding annual general meetings following complaints by the members/shareholders of companies that they were being denied the opportunity to call the directors to account following the failure to hold such meetings. **Illustration 2.2.1** describes a case, involving a management company, where action by the Office secured the holding of an outstanding annual general meeting and the replacement of the directors by members' representatives.

Illustration 2.2.1: Instance of ODCE interventions empowering the members of a Management Company to take charge of the Company's Affairs

In October 2005, a member of a management company associated with a property in the North West contacted the ODCE indicating that no annual general meetings had been held. Subsequent investigations revealed that the company's annual returns to the Companies Registration Office suggested that the accompanying financial statements had indeed been laid before an annual general meeting. Following contact with the company, it transpired that persons who were not the members attended these meetings although a company director sought to maintain that they were the true members.

Having considered the position, the ODCE was satisfied that no proper annual general meetings had been called in the past. Pursuant to section 131 of the Companies Act 1963 (as amended), it accordingly directed the holding of an early annual general meeting. The direction specified among other things that:

- the members be informed that the meeting was to be held at the specific direction of the ODCE;
- the members be permitted to be accompanied by professional advisers;
- the auditors be notified of the meeting in order to secure their attendance;
- the various statutory registers be made available for inspection for 30 minutes prior and subsequent to the meeting and
- the directors be obliged to have the bank statements and the block insurances available for inspection.

The meeting was held in accordance with the direction, and a significant number of members participated. The business of the meeting led to the appointment of representatives of the members as directors for the first time. The ODCE successfully completed its work on the case in November 2006.

Another case which was resolved satisfactorily also involved a property management company which had been dissolved for some time arising from the failure of the company's

directors to attend to their legal duties. **Illustration 2.2.2** provides the relevant details.

Illustration 2.2.2: Instance of ODCE interventions encouraging the restoration of a dissolved Management Company to the Companies Register

Complaints were received in December 2005 indicating that a management company in a town in the West of Ireland had been struck off the Register of Companies for failure to file annual returns. It was also alleged that the directors had failed to disclose all of their directorships in filings to the Companies Registration Office.

On investigation, it transpired that there was substance to these allegations and that the company's registered office was no longer operative.

The ODCE then drew the directors' attention to the fact that the management company had been dissolved, that they were eligible to be disqualified from acting as directors and that personal liability was also a risk in cases of reckless or fraudulent trading. The directors were invited to consider the taking of appropriate measures to remedy the known deficiencies.

Subsequently, representatives of the directors informed the Office that remedial action would be taken. By May 2006, the company's accounts had been audited and filed; the company had been restored to the Companies Register, and members of the management company had replaced the original directors. Subsequently, a new registered office was also notified to the Registrar of Companies.

These cases are indicative of the positive role which the Office played in 2006 in helping company stakeholders in appropriate circumstances to assert their rights and secure a remedy for the predicament in which they found themselves. ODCE staff will continue to address as best we can complaints and reports involving possible company law defaults with a view to encouraging rectification of these defaults in appropriate cases.

Goal 2.3: Commissioning/ Supporting Formal Company Investigations

The Companies Acts provide a number of legal options for the formal examination of company books and documents. All of the following examinations have been undertaken pursuant to the powers available in section 19 of the Companies Act 1990 (as amended).

Investigations Completed in 2006

AIB Investment Managers Ltd.

Previous ODCE Annual Reports dealt with certain historic problems with respect to AIB Investment Managers Ltd. which caused the Director to examine certain books and documents of the company. Following consideration of the results of a detailed investigation of the same events by the Financial Regulator and the reported tax settlements in 2006 by a number of the beneficiaries involved, the Director determined that no further action was warranted by him under the Companies Acts.

Dunnes Stores Ireland Company/Dunnes Stores (ILAC Centre) Ltd.

Earlier Annual Reports have discussed the events surrounding the lengthy examinations of the books and documents of these companies. Following the completion of these examinations, the Director decided in 2006 that he would take no further action arising directly from the results of these examinations.

Ongoing Investigations

Cologne Reinsurance (Dublin) Limited

The ODCE Annual Report for 2005 outlined the background to this case. The Director took certain further action in 2006 to retrieve certain additional relevant information, and this company examination remained open at end-2006. The Director will be monitoring developments arising from related legal proceedings in the USA in early 2007.

Departmental Company Examinations

In 2006, the Department of Enterprise Trade and Employment kept the Director informed of developments in relation to its outstanding examinations of the books and documents of College Trustees Ltd., Guinness and Mahon (Ireland) Ltd. and Hamilton Ross Company Limited.

Other Company Examinations

The Director initiated two formal examinations of company books and documents in 2006. Both remained ongoing at year-end.

Conclusion

While the volume of incoming work to the Office declined in 2006 because auditors no longer had to report annual return defaults, this exemption has had no practical impact on the quantity of work being handled by the Office, because these defaults were always referred to the CRO for attention. It is however expected that a further decline in auditor reports will arise in 2007 if there is a significant use of the more generous criteria for audit exemption which became available in late 2006 following the commencement of section 9 of the Investment Funds, Companies and Miscellaneous Provisions Act 2006.

However, there is every expectation that the rise in public complaints which we experienced in 2006 will continue in 2007. A particular factor in this context is the increasing awareness that the ODCE can improve the performance of property management companies which is an area of increasing public concern. The Office is also becoming more sophisticated in detecting possible company law offences itself or in conjunction with other bodies. The Director is accordingly satisfied that the character of issues which are on hands and in prospect will continue to absorb considerable resources in the coming year.

Goal 3 – Prosecuting Detected Breaches of the Companies Acts

Introduction

2006 was another busy year for the Office on the enforcement front. We again delivered on our aim of securing a reasonable balance between civil and criminal enforcement proceedings with 32 civil enforcement, 28 criminal enforcement and nine other proceedings during the year. We also maintained a good record of success in the proceedings brought and defended by the Office as indicated by the fact that of the 46 proceedings determined in 2006, only three were unsuccessful.

Our continuing desire to bring significant breaches of company law duties and obligations to the attention of the Courts was reflected in the imposition of suspended sentences of six months' imprisonment on two persons continuing to act as directors while in breach of company capitalisation requirements following their restriction by the High Court. We also secured the disqualification for nine years of a central figure in the Ansbacher affair.

Primarily from a concern for the effectiveness of our law enforcement functions, we are anxious insofar as penalties are concerned that breaches of the law should be capable of being sanctioned by effective, proportionate and dissuasive penalties. We recognise that judges have full discretion to determine what is an appropriate penalty in the circumstances of each particular case and that comparing the level of aggregate fines imposed every year is not necessarily indicative of the gravity of the matters determined by the Courts. Subject to that caveat, the aggregate amount of fines imposed in criminal cases dropped back in 2006 to over €23,000 from some €35,000 in 2005. However, 2006 was unusual in that in some of the cases heard, judges found it appropriate to deal with matters having regard to charitable donations made by the defendants. We understand that donations in excess of €7,000 arose in these instances.

Legal Proceedings

In an overall context, the Director participated in 69 proceedings, of which 39 were in the High Court and 26 were in the District Court. A further two cases were each before the Supreme Court and Circuit Court on appeal, and one of the cases before the Supreme Court was awaiting hearing at year-end. A brief overview of the

outcome of these proceedings by type is provided in **Appendix 3.1**.

Appendix 3.2 provides some more detail on the nature of the Court proceedings in which the Director was involved in 2006, together with the status and summary result of each type of proceeding.

Appendix 3.3 identifies the parties who were held by the High Court and the District Court to have breached their duties and obligations under the Companies Acts. The ODCE continued in 2006 to post the results of its enforcement actions on the ODCE website (www.odce.ie) shortly after the Court had made its judgement. The accompanying table summarises the nature of the Court decisions made in the successful proceedings in which the Director participated in 2006 (relative to 2005).

Number/Nature of Successful Enforcement Results	2005	2006
Charges on which convictions were secured	49	48
Charges taken into account on conviction	28	13
Charges disposed of (Probation of Offenders Act 1907)	35	36
Disqualifications	21	14
Judicial Reviews	2	-
Orders made in compliance proceedings	1	2
Restrictions	-	2
Other Decisions	8	8
TOTAL	144	123

Criminal Enforcement

Among the more significant features of the ODCE's criminal enforcement proceedings in 2006 were:

- the successful prosecution of two new offence types for the first time:
 - one involved convictions under section 161 of the Companies Act 1990 ("the 1990 Act") of a company director who was disqualified from so acting, because he had failed to disclose his continuing UK disqualification when notifying the Companies Registration Office of his appointment as a director of two companies here. The related **Illustration 3.2.2** discusses the case in more detail later on in this Section of the Report;
 - the second arose from a contravention of section 243 of the 1990 Act involving the use by a company director of a set of financial statements which were falsely represented to the company's bank as having been audited by a named firm of auditors who had not in fact audited them. The accused did so in the context of a request to renew an overdraft facility;
- the bringing to the Circuit Court (for the first time to our knowledge) of appeals by persons who had been

convicted in the District Court of offences under the Companies Acts. Two cases arose:

- one involved the imposition in 2005 of a six month suspended sentence on a company director who had, contrary to section 161 of the 1990 Act, continued to act as a director while in breach of company capitalisation requirements which apply as a consequence of a High Court restriction. In this case, the Court decided to rescind the suspended custodial sentence while maintaining the conviction and the associated disqualification of the director for a period of five years;
- the second involved the conviction in one District Court of a partner in an audit firm for having been disqualified from auditing the books of a company of which she was a director, contrary to section 187 of the 1990 Act. The appeal which was against the severity of the sentence only arose in circumstances where the other partners in the auditing firm were given the benefit of the Probation Act arising from similar charges heard before a different District Judge. On appeal, the Circuit Court decided to quash the conviction and apply the Probation Act instead.

In all, 103 charges were determined in 27 cases, a similar result to the outturn of 112 charges in 19 cases in 2005.

Civil Enforcement

Significant events in the ODCE's civil enforcement proceedings in 2006 included:

- the refusal by the High Court to dismiss pending ODCE disqualification proceedings against a former auditor and director of a company called Kentford Securities Ltd. on the grounds of alleged delay¹⁷. See also the ODCE's Annual Reports for 2004 and 2005 for further information on this case. The main disqualification proceedings were heard later in 2006, and while the Court indicated in December that it would not be disqualifying the Respondent, the formal judgement was awaited at year-end;
- the nine year disqualification imposed on Mr Pádraig Collery in consequence of the High Court Inspectors' Report into the affairs of Ansbacher (Cayman) Ltd. This case is discussed in more detail later on in this Section of the Report in conjunction with the accompanying **Illustration 3.4.1**;
- continuing work associated with disqualification applications initiated against eight former senior

managers of National Irish Bank Ltd. See the accompanying **Illustration 3.1** for further details on some of the aspects of this litigation which arose in 2006;

- the commencement, following a lengthy ODCE investigation, of disqualification proceedings against two company directors who were also the subject of criticism by the Tribunal of Inquiry into Certain Planning Matters and Payments.

Enforcement Cases

The volume of cases under consideration for possible criminal enforcement reduced during the course of the year from over 350 to less than 300 as a result of a large increase in the number of cases which were determined as unsuitable for legal action. The Office continued in 2006 to select for enforcement only those priority cases which merited investigation and the possible imposition of a legal sanction. The cases on hands figure at end-2006 include some 109 new cases which were received in 2006 for investigation. Almost half of the cases on hands are two years or older, the majority of which will be closed without recourse to legal action in 2007. **Appendix 3.4** provides further statistical information on the throughput of cases in 2006 vis-à-vis 2005.

Illustration 3.1: Disqualification Proceedings in consequence of the High Court Inspectors' Report into the affairs of National Irish Bank Ltd. (NIB)

The ODCE Annual Report for 2005 indicated that the Director had initiated disqualification proceedings against nine former directors or senior managers of NIB as a consequence of the findings in the High Court Inspectors' Report of 2004. While a disqualification order for ten years was obtained against one of the former managers, the remaining eight Respondents are contesting the ODCE proceedings. At end-2005, the Director was awaiting the High Court's judgement in his application for access to the Inspectors' papers. He believed that he needed these papers to assure the Court that the Respondents' criticisms of the Report were not valid.

In February 2006, the High Court refused to grant access to the Inspectors' papers¹⁸. In the light of this decision, the Director made an application to the Court for discovery of documents from the Bank, and in May, the Court duly ordered the Bank to make the documents sought by the Director available for inspection and copying. In addition, the Director sought discovery from each of the eight Respondents. The Respondents ultimately made discovery either by consent or, where the Respondents resisted the requests for discovery, on foot of Court Orders.

In addition, the Director sought to have a number of the Respondents attend at the trial of each action to be cross-examined on their Affidavits. In one such case, the Respondent refused to consent to cross-examination, and accordingly the Director asked the Court to order the attendance of the Respondent at the trial of the action for the purpose of cross-examination. The Court duly directed that the Respondent do so¹⁹. That case was heard in full with cross-examination of the Respondent, and the Court's judgement was awaited at year-end. The remaining seven disqualification cases were also ongoing at the end of 2006.

17 The Director of Corporate Enforcement v. Patrick McCann [2006] IEHC 57. A copy of Mr Justice Peart's judgement of 7 March 2006 is available at www.odce.ie/en/court_disqualifications.aspx or at www.bailii.org/ie/cases/IEHC/2006/H57.html.

18 In the Matter of National Irish Bank Limited (Under Investigation) and In the Matter of National Irish Bank Financial Services Limited (Under Investigation) and In the Matter of the Companies Act 1990 [2006] IEHC 35. A copy of Mr Justice Kelly's judgement of 10 February 2006 is available on the Court Decisions section of http://www.odce.ie/en/court_investigations.aspx or at www.bailii.org/ie/cases/IEHC/2006/H35.html.

19 In the Matter of the Companies Acts 1963-2003 and In the Matter of National Irish Bank and In the Matter of National Irish Bank Financial Services Limited and In the Matter of an application between the Director of Corporate Enforcement - Applicant and Barry Seymour -Respondent [2006] IEHC 369. A copy of Mr Justice O'Donovan's judgement of 16 November 2006 is available on the Court Decisions section of http://www.odce.ie/en/court_disqualifications.aspx.

Appendix 3.5 shows the character of the cases on hands in relation to which criminal enforcement action is being considered. This continues to be dominated by two particular offence categories: the failure to keep proper books of account (section 202 of the 1990 Act) and the failure of restricted directors to comply with the terms of their restriction (section 161 of the 1990 Act). Aside from these case types, we are also focused on other forms of company law malpractice (e.g., phoenix-type activity), and the Office will continue to seek out other areas of wrongdoing for investigation.

Sub-Goal 3.1: Developing a Balanced Enforcement Policy

By its nature, legal action is costly and time-intensive and is only warranted where the misconduct is deliberate, persistent, reckless and/or serious. Our own limited staffing resources also mean that the bulk of our work must be directed towards:

- helping the majority who want to comply to do so and
- discouraging misconduct by those who may be tempted not to comply.

As will be obvious from the earlier sections of this Report, most company stakeholders respond positively to encouragement to comply with their legal obligations and to information that they may have deviated from the conduct required of them in certain instances.

As a matter of policy therefore, the Office operates a graduated approach to its regulatory responsibilities:

- we seek as best we can to encourage compliance by company stakeholders with the duties and obligations of company law, and we inform them in general terms of the available remedial measures to secure the correction of any non-compliant actions;
- we will often accept the taking of remedial measures or an offer of voluntary rectification of the default where the default is minor or inadvertent;
- in appropriate circumstances, we may issue a caution warning that any repeat of the default will be treated seriously;

- where the default is continuing, we may send a warning letter urging early rectification of the default, failing which High Court proceedings will be initiated to seek to compel compliance;
- we may in relevant cases initiate High Court disqualification or restriction proceedings to sanction past non-compliance and to protect the public from future risk;
- we may take summary criminal proceedings for one or more suspected company law offences of a non-major character, or
- we may refer an indictable offence under the Companies Acts to the Director of Public Prosecutions for a decision as to whether the matter should be tried on indictment.

In implementing this tiered approach, the ODCE tries to ensure as best it can that company stakeholders voluntarily accept or adhere to the responsibilities and rights which are distributed among them under the law and that formal legal action is only necessary in a small minority of cases.

The following three sub-sections provide more detail on the Office's enforcement activity during 2006 in the indicated areas.

Sub-Goal 3.2: Upholding Disclosure Requirements

The benefit of incorporation brings with it certain legal obligations as enshrined in the Companies Acts. These include the requirement that companies and their directors maintain up-to-date information on the status and performance of their company and that this information is made available on a timely basis, so that members, creditors and other stakeholders can judge the company's future prospects and make an informed decision on the risks of continuing to engage with the enterprise.

Obligation to Keep Proper Books of Account

Previous ODCE Annual Reports have outlined the importance for the conduct of commercial relations that the transactions of companies are properly recorded and described, so that relevant company stakeholders (such as banks, creditors and other stakeholders) with access to the company's prepared financial statements can rely on the associated information. Moreover, it is a fundamental

requirement of the Companies Acts as outlined in section 202 of the 1990 Act.

Due to the importance of the obligation, the ODCE gives priority in its investigations to detected breaches of these requirements. 13 cases of this character were concluded in 2006, and 12 were successful. Of the 42 charges prosecuted during the year, convictions were secured on 25 charges in respect of nine companies and nine directors. Another eight charges were thought proven and five more were taken into consideration by the relevant District Court. Fines totalling over €10,000 were imposed in these cases.

In the single unsuccessful case, the Court dismissed four charges against a company and its three directors.

Provision of False Information/Use of Falsified Documents

The Registrar of Companies accepts the information filed by and on behalf of company stakeholders on a 'good faith'

principle, namely that he expects the filed information to be accurate and complete at the time it is filed. As this information is used to assess commercial risk, the filing of false information can have financial consequences for other company stakeholders in the market. It is important therefore that any company stakeholders abusing the law by filing incorrect information be brought to account, so that the quality of information publicly made available by the Companies Registration Office is not compromised.

As reported in our Annual Report for 2005, the ODCE successfully prosecuted two unqualified auditors for filing financial statements that were represented as having been audited by a qualified auditor contrary to section 242 of the 1990 Act. In 2006, the Office successfully prosecuted two further cases of this character. The accompanying **Illustration 3.2.1** provides a summary of the two cases.

Illustration 3.2.1: Furnishing of False Information to the Registrar of Companies

The Office successfully prosecuted two company directors in 2006 who had knowingly submitted materially false annual returns to the Companies Registration Office, contrary to section 242 of the 1990 Act. Both cases involved the submission of annual returns to which company financial statements were attached which were incorrectly represented as having been audited.

In one case, Mr John McElhinney, an accountant, had submitted an annual return in respect of a company, Portway Ltd., of which he was a director. Financial statements were attached to the annual return which indicated that they had been audited notwithstanding the fact that the audit had not been completed. As Mr McElhinney pleaded not guilty to the two charges, the Court hearing on 1 November 2006 included testimony from both Mr McElhinney and the company auditor. The Court subsequently convicted him of knowingly or recklessly making a materially false statement in the form of a Certificate of Director and Secretary in purported compliance with the provisions of section 18 of the Companies (Amendment) Act 1986 which stated that the report attached thereto was a true copy of the auditor's report in respect of the company. Mr McElhinney was fined €800 and ordered to pay witness and prosecution costs totalling €1,410.

In the second case, the circumstances were similar. Mr Thomas Nolan who acted as a presenter in relation to the filing of documents with the Companies Registration Office had submitted five annual returns which purported to attach signed independent auditors' reports in respect of the financial statements of Elaborate Homes Ltd. and Bodie Developments Ltd. over a number of years. However, the named auditor had neither done nor been engaged to do any of these audits. Having pleaded guilty to the five prosecution charges on 28 September 2006, the Court convicted Mr Nolan on two charges and took the remaining three charges into account in imposing fines totalling €3,200.

The ODCE will continue to give priority to the investigation and prosecution of cases involving the provision of materially false information in purported compliance with a provision in the Companies Acts due to the potential impact which these practices have for increasing market risk for all company stakeholders.

Our 2005 Annual Report also adverted to the initiation for the first time of ODCE criminal proceedings under section 243 of the 1990 Act which prohibits the falsification of company documents and their use. Reference has been made above to the fact that this prosecution was successfully concluded in 2006 and that the company director was convicted and fined.

Failure by Person Disqualified abroad to disclose that Disqualification

In updating corporate regulation in Ireland's open trading economy, the Company Law Enforcement Act 2001 introduced a provision whereby a person who stands disqualified in another jurisdiction is required to disclose

that disqualification on becoming a director of an existing Irish company²⁰ or a newly incorporated company²¹. The details which must be disclosed to the Companies Registration Office are:

- the jurisdiction in which s/he is so disqualified,
- the date on which s/he became so disqualified, and
- the period for which s/he is so disqualified.

The immediate effect of disclosure is that the disqualified person is permitted to act as a director in the State on the basis that this information allows creditors and others to assess the risk of doing business with the company and person involved.

Illustration 3.2.2: Prosecution of a Person who had failed, on appointment as a director in the State, to disclose his continuing disqualification elsewhere

In 2005, the ODCE initiated prosecution proceedings against a Mr John Francis Xavier O'Brien who was deemed to be disqualified arising from his failure to disclose his continuing disqualification as a director in England and Wales. Mr O'Brien, a former chief executive officer of a gas and exploration company listed on the London Stock Exchange known as Alliance Resources plc, had been disqualified for seven years by virtue of an Order made by Southwark Crown Court on 11 February 2000 in proceedings entitled "Regina - v - John Francis Xavier O'Brien". The UK disqualification followed convictions for forgery and false accounting offences for which he received a 15 months' custodial sentence.

In the ODCE proceedings, Mr O'Brien was charged with contravening section 161(1) of the Companies Act 1990 in acting as a director of two Irish companies, Barnabrow Cottages Limited and Self Build Planning Services Limited, while subject to a deemed disqualification. As Mr O'Brien pleaded not guilty, the charges were heard in full before Middleton District Court on 2 March 2006.

Having heard the evidence, the Court convicted Mr O'Brien, fined him €1,900 on each charge and ordered him to pay prosecution costs of €1,000. The Court also ordered that his disqualification from acting as a director in the State be extended to 1 January 2008.

It is important for creditor protection reasons that on their appointment as a director in the State, there is full disclosure by persons who stand disqualified from acting as a director in another jurisdiction.

Where, however, a person fails to notify his/her disqualification in the foreign jurisdiction or provides materially false or misleading information, then the person is deemed to be disqualified from acting as a director²². The period of disqualification in Ireland expires at the same time as that stipulated by the foreign jurisdiction²³.

However, any person convicted of an offence of acting while deemed to be disqualified is liable to have his/her disqualification period extended by ten years as well as bearing the financial and other penalties which may be imposed by the Court²⁴.

In 2006, a director of two Irish companies was convicted of acting while disqualified having failed to disclose his continuing foreign disqualification on appointment. The details of the case are outlined in the accompanying **Illustration 3.2.2.**

²⁰ Section 195(8) of the Companies Act 1963 as amended by section 91(a) of the Company Law Enforcement Act 2001.

²¹ Section 3A of the Companies (Amendment) Act 1982 as amended by section 101 of the 2001 Act.

²² Section 160(1A) of the Companies Act 1990 as amended by section 42(b) of the 2001 Act.

²³ Section 160(1B) of the Companies Act 1990 as amended by section 42(b) of the 2001 Act.

²⁴ Section 161 of the Companies Act 1990.

Sub-Goal 3.3: Sanctioning Parties Disregarding Company and Other Interests

The Companies Acts contain many provisions where the freedom of company stakeholders to act is prohibited or restricted in order to protect the integrity of commercial relations and reduce the risk attaching to the creditors, employees and investors of the companies involved. The following paragraphs discuss some of the cases dealt with by the Office in 2006 where company stakeholders ignored the public interest protections imposed on them by law.

Restricted Persons acting in breach of the Statutory Conditions

The current list of persons restricted by the High Court stands at some 700 persons, and the Office continues to monitor as part of its detection function the extent to which the restricted individuals comply with the statutory conditions applying to restriction in any future company of which they are or become a director.

It is a matter of continuing surprise to the Office that it is regularly detecting directors who fail to abide by the company capitalisation criteria associated with their restriction contrary to section 161 of the 1990 Act. After convictions in 2004 and 2005, convictions were again secured in 2006 in respect of three individuals, and in one case, the Court determined that the breach merited the imposition of suspended six months' sentences. All three individuals were also disqualified for periods ranging from three to five years as a consequence of their conviction. In another similar case, the Probation Act was applied to two individuals in respect of two charges thought to be proven.

As indicated earlier, the Circuit Court heard an appeal for the first time against the imposition in 2005 of a six month suspended sentence on a company director who had continued to act as a director while in breach of company capitalisation requirements. In this case, the Court decided to rescind the suspended custodial sentence while maintaining the conviction and the associated disqualification of the director for a period of five years.

The ODCE will continue to devote resources to ensuring that the integrity of the restriction regime is preserved and that those deemed by the High Court not to be entitled to serve as company directors on the normal unconditional basis will be sanctioned.

Acting as Auditor while not Qualified or while Disqualified

Under the Companies Acts, only properly qualified and certified persons can act as auditors. It is an offence under section 187 of the 1990 Act to act while unqualified or disqualified. A feature of this type of enforcement case is that many of the persons involved are offering accounting services of some character and could reasonably be expected to be aware of the reserved nature of the auditing function.

In 2006, the ODCE secured convictions on 14 charges against an individual who acted as an auditor while not qualified. A further five charges were taken into consideration. These charges related to eight different companies. Fines totalling €4,000 were imposed, and costs of €1,000 were also awarded against him.

The Acts also prohibit a qualified auditor from acting in a company with which he or she has or has had a business or family connection. The ODCE had one set of proceedings in this area during the year. The Probation Act was applied to five persons in respect of 15 charges thought to be proven, subject to a total of €5,000 in charitable donations being made by the persons concerned. In the case of one of the five persons, this outcome followed an appeal by the defendant to the Circuit Court in respect of convictions which were imposed in respect of three charges at District Court level.

The Circuit Court appeal was made in circumstances where the appellant had been convicted in one District Court of offences under section 187 while the other partners in the same auditing firm were given the benefit of the Probation Act arising from similar charges heard before a different District Judge sitting in a different District Court area. The Circuit Court decided on appeal to quash the conviction and apply the Probation Act instead. As indicated earlier, the ODCE has recommended a change in the law which would further enable similar cases arising from common facts or circumstances to be disposed of in one District Court hearing rather than (as sometimes still happens) their having to be heard in two or more District Court areas. As well as removing the scope for what might be perceived as inconsistent outcomes at District Court level, this change would save Court time and legal costs. It is hoped that the Department of Enterprise Trade and Employment will approve this proposal in 2007 following its consideration by the Company Law Review Group.

Acting as Liquidator while Disqualified

Similar legal restrictions apply in respect of persons acting as liquidators of companies with which they have a business or family connection. This requirement exists in order to secure the independence and integrity of the liquidation process.

The ODCE failed in 2006 to secure the prosecution of a liquidator who was suspected of being disqualified by reason of having acted as an auditor of the same company. The Court dismissed the charge under section 300A of the Companies Act 1963 (as inserted by section 146 of the 1990 Act).

Excessive Directors' Transactions

As indicated in the preceding section of this Report, most of the instances involving excessive directors' transactions are dealt with on an administrative basis. However on occasion, there is sufficient evidence of knowing default or reasonable belief to warrant the taking of prosecution proceedings under section 40 of the 1990 Act.

During 2006, two cases were prosecuted, and the Court gave the two persons involved the benefit of the Probation Act in respect of 11 charges thought to be proven. A third case was ongoing at year-end.

Sub-Goal 3.4: Acting against Parties Denying Accountability under the Law

The Director takes seriously those cases where it appears that a company or company officer persists in engaging in conduct which is contrary to law.

Persistent Failure to comply with Company Law and Other Requirements

The Director remains anxious to pursue actively parties who abuse or ignore the law and/or seek to avoid being made accountable for their behaviour.

The High Court Inspectors' Report with respect to Ansbacher (Cayman) Limited and related matters was the product of a comprehensive and lengthy inquiry into the Irish business of a company which had been conducted in an illegal and secretive manner over more than two decades. In March 2006, the High Court determined the first of a series of disqualification proceedings against persons who are the subject of adverse findings in the Inspectors' Report. The case in question involved Mr. Pádraig Collery, a person who was criticised for his actions and omissions with respect to Ansbacher (Cayman) Limited and a related company, Hamilton Ross Company Limited. Mr Collery consented to his disqualification under section 160(2)(e) of the 1990 Act, and having considered the findings in the Inspectors' Report, the High Court ordered that he be disqualified for nine years²⁵. A summary of the serious findings placed before the Court in this case is contained in the accompanying **Illustration 3.4.1**.

High Court proceedings against two other persons criticised in the Ansbacher Inspectors' Report were ongoing at end-2006.

In 2006, the Director also secured from the High Court nine other disqualification orders and two restrictions arising out of proceedings undertaken under section 160(2)(h) of the Companies Act 1990 against company directors who had abandoned indebted companies, failed to comply with statutory filing obligations and allowed the companies to be struck off the Register of Companies. Further detail on the cases involved is provided in Section 4 of this Report.

²⁵ The Director of Corporate Enforcement v. Pádraig Collery [2006] IEHC 67. A copy of Ms Justice Finlay-Geoghegan's judgement of 9 March 2006 is available on the Court Decisions section of www.odce.ie/en/court_disqualifications.aspx or at www.bailii.org/ie/cases/IEHC/2006/H67.html.

Illustration 3.4.1: Findings of the Ansbacher High Court Inspectors relevant to the disqualification of Mr Pádraig Collery for nine years

The Inspectors' Report (pages 489-491 and 500 and 501) concluded that both Ansbacher (Cayman) Ltd. and Hamilton Ross Company Ltd. had knowingly engaged in business in the State over a prolonged period without conforming to specific requirements in the Companies and Central Bank Acts. The Inspectors also concluded that there was evidence tending to show that both companies breached tax law and the general criminal law and facilitated widespread tax evasion by their clients.

Insofar as Mr Collery was concerned, the Inspectors concluded in their Report (paragraph 29.12) that there was evidence tending to show that:

- “1. From 1989 to May 1994, Mr Collery assisted Ansbacher in carrying on an unlicensed banking business, in breaching Sections 352, 353, 355 and 357 of Part XI of the Companies Act, 1963, in evading tax due on its own activities and in assisting others to evade tax.
2. From 1989 to May 1994, Mr Collery knowingly assisted Ansbacher in conducting its affairs in the State so as to defraud a creditor of some of its clients, namely the Revenue Commissioners.
3. From late 1992/early 1993 to 1995, Mr Collery also knowingly assisted Hamilton Ross in operating its unlicensed banking business in Ireland, in its breaches of Sections 352, 353, 355 and 357 of Part XI of the Companies Act 1963, in evading tax due on its own activities and in carrying on business in the State in such a manner as to defraud a creditor of some of its clients, namely the Revenue Commissioners.
4. From 1989 to 1995, Mr Collery may have committed:
 - a) the common law offence of conspiracy to defraud, and
 - b) the offence of knowingly aiding, abetting, assisting, inciting or inducing another person to make or deliver knowingly or wilfully any incorrect return, statements or accounts in connection with their tax contrary to the provision of the appropriate tax legislation now consolidated in Sections 1056 and 1078(2) of the Taxes Consolidation Act, 1997.”

Conclusion

It is clear that the ODCE made further progress in developing its enforcement-related activities in 2006. A range of civil and criminal matters were pursued, and a number of them constituted new initiatives. The Office will continue to develop as best as possible its enforcement work in 2007 within existing resource and other constraints.

Goal 4 – Sanctioning Improper Conduct with respect to Insolvent Companies

Introduction

Company directors have a duty to ensure that they act responsibly with respect to the interests of other company stakeholders and especially to those who may suffer financial losses in the event of a future insolvent failure of the company. Directors who fail in their duty face restriction, disqualification or even criminal sanction. The Companies Acts contain a number of provisions by which such conduct can be brought to attention and addressed.

The ODCE's work in this area remained focused in 2006 on:

- insolvent companies in liquidation and
- unliquidated or dissolved insolvent companies.

Liquidation Trends

The following table shows the number of liquidations notified to the Companies Registration Office (CRO) in recent years.

Liquidations	2002	2003	2004	2005	2006
Creditors	378	346	321	300	323
Court	34	31	40	49	31
Members	720	941	827	868	930
Total	1,132	1,318	1,118	1,217	1,284

Previous ODCE Annual Reports have noted a welcome reduction in recent years in the number of insolvent companies going into liquidation, and the combined 2006 figure of 354 for Court and voluntary creditor liquidations is little changed on the outturn of 349 in 2005. The further rise to 930 in 2006 in the number of solvent companies being liquidated which was 7% up on 2005 was also positive. Clearly, company stakeholders continue to enjoy good conditions for the payment of their liabilities vis-à-vis companies placed in liquidation. The insolvency regime introduced in the Company Law Enforcement Act 2001 has obviously contributed to these reduced business risks. The ODCE remains anxious to help maintain this positive environment and will keep matters under regular review.

Insolvent Companies in Liquidation by Economic Sector

Appendix 4.1 gives a breakdown by economic sector of the insolvent companies in liquidation by reference to the first reports received from liquidators in 2006. The wholesale and retail, construction and manufacturing sectors continued to feature prominently in the companies in insolvent liquidation. There has been a 32% increase from 53 in 2005 to 70 in 2006 in the number of construction companies in insolvent liquidation while manufacturing numbers have reduced by 42% from 65 in 2005 to 38 in 2006. Technology and telecommunication insolvencies have significantly declined by 48% from 29 to 15. In contrast, there has been an increase in the number of security companies going into liquidation which may be due to the increased standards of regulation now being imposed by the new Private Security Authority.

Unliquidated/Dissolved Insolvent Companies

There are no authoritative figures identifying the entire population of unliquidated and dissolved insolvent companies. For instance, there may be at any one time several hundred insolvent companies on the Register of Companies that have ceased to trade and which have not been put into liquidation. However, many of these will come to be struck off the Register eventually.

CRO figures are available for the number of dissolved companies, but these comprise both solvent and insolvent companies. Bearing in mind these caveats, the following Table summarises the numbers of struck-off companies for the years 2002 to 2006. Given the variation in these figures over the five year period, no particular interpretation can be placed on the drop of over 4,000 companies in 2006.

Type of Dissolved Company	2002	2003	2004	2005	2006
'CRO Strike-off' ²⁶	-	14,836	1,401	9,514	5,255
'Revenue Strike-Off' ²⁷	2,766	-	1,599	794	444
'Voluntary Strike-Off' ²⁶	3,125	5,483	3,595	3,316	3,757
Total	5,891	20,319	6,595	13,624	9,456

²⁶ Section 311 of the Companies Act 1963 (as amended) and section 12 of the Companies (Amendment) Act 1982 (as amended).

²⁷ Section 882 of the Taxes Consolidation Act 1997.

Eurofood IFSC Limited (In Liquidation)

The ODCE's Annual Reports for 2004 and 2005 dealt with the case of Eurofood IFSC Limited (In Liquidation) ("Eurofood") and the importance for Irish and EU insolvency law of a number of issues which were referred by the Supreme Court to the European Court of Justice (ECJ). During 2006, both the European Court of Justice and the Supreme Court issued final decisions the effect of which is that the winding-up of Eurofood will continue to be dealt with by the liquidator under Irish law. The Director was a Notice Party to these proceedings and was awarded his costs for the Supreme Court hearing. Further details on these Court judgements are contained in the accompanying **Illustration 4.1**.

Notice Party Costs Order

In March 2006, the Director was notified of a Court Order joining him as a Notice Party to High Court proceedings in relation to Ribonwood Developments Limited (In Liquidation). The liquidator instituted the main proceedings seeking the restriction of a number of directors pursuant to section 150 of the Companies Act 1990 after the ODCE had not relieved the liquidator of his statutory obligation to apply to the High Court. The Court determined those proceedings by not imposing any restriction on the defendant directors. The Court then made an Order that the Director be joined to the proceedings as a Notice Party to determine the issue of costs.

Illustration 4.1: Eurofood IFSC Limited (In Liquidation)

Previous ODCE Annual Reports included information on the Director's involvement in litigation arising from the insolvency of Eurofood IFSC Limited – an Irish company which was a wholly-owned subsidiary of Parmalat SpA, an Italian company which was one of the lead members of the major multinational food group, Parmalat.

In May 2006 the Court of Justice of the European Communities (ECJ) gave its Judgment on certain questions of law, which had been referred to it in July 2004 by the Supreme Court²⁸. The ECJ's ruling was largely in accordance with the interpretation of the law for which a number of parties, including the ODCE, had contended. In particular, the ECJ confirmed that where a parent company and its subsidiary are incorporated in two different Member States of the European Union, the subsidiary's "*centre of main interests*" should be presumed to be located in the Member State in which the subsidiary is incorporated, unless there are factors "*which are both objective and ascertainable by third parties*" to clearly rebut that presumption. The ECJ further observed that "*the mere fact that a company's economic choices are or can be controlled by a parent company in another Member State is not enough to rebut that presumption*".

In July 2006, the Irish litigation (from which the ECJ proceedings in Luxembourg had emerged) concluded with the delivery by the Supreme Court of its final judgment²⁹. The Court accepted the arguments of parties including the ODCE that it was clear from the principles as enunciated by the ECJ that the appeal ought to be dismissed, thereby upholding the correctness of the decision of the Irish High Court (in March 2004) that the winding-up of Eurofood IFSC Limited should be carried out under Irish law, rather than under the law of Italy.

In the ODCE's view, the outcome of this litigation was satisfactory, and the Director was pleased to have been a participant in it. With more and more businesses operating across frontiers, both creditors and investors—as well as fiscal and regulatory authorities—need a clear legal framework from which to assess the consequences which will likely follow in the event of a company becoming insolvent. Ireland's creditor-friendly insolvency regime is one of the many factors that make lending to Irish companies, and other forms of investment in them, attractive. On the basis of Eurofood, it seems likely that Irish insolvency law, and the Irish regulatory and supervisory system, will remain the applicable framework in the majority of cases where Irish-registered companies trading elsewhere in the EU become insolvent.

Prior to this issue being listed, the Director had indicated his intention to resist the application and issued a motion to have the Court Order struck out. Following on from an exchange of correspondence between the ODCE and the

liquidator's legal advisors and an appearance in the High Court on behalf of the Director, the liquidator decided not to proceed with his motion for costs against the Director. The Director does not consider that it is appropriate to seek

28 A copy of the ECJ's judgment of 2 May 2006 is available on the Court Decisions section of www.odce.ie/en/court_insolvencies.aspx or at www.bailii.org/eu/cases/EUECJ/2006/C34104.html.

29 In the Matter of Eurofood IFSC Limited and in the Matter of the Companies Acts 1963 to 2001 [2006] IESC 41. A copy of Mr. Justice Fennelly's judgement of 3 July 2006 is available on the Court Decisions section of http://www.odce.ie/en/court_insolvencies.aspx or at www.bailii.org/ie/cases/IESC/2006/S41.html.

to join him to such applications and intends to oppose vigorously any and all such applications that may arise in the future.

Non-Party Disclosure Order

It is a statutory requirement that a High Court restriction application be instituted by a liquidator against the relevant directors of the company in insolvent liquidation once the ODCE has not relieved the liquidator of that obligation. In November 2006, the Director received notice that a respondent director facing restriction proceedings had issued a motion for non-party discovery against the Director seeking details and information in relation to a District Court summons issued by the Director against him in 2003. The respondent director assumed that the information sought would assist him in defending an aspect of the liquidator's High Court proceedings.

Prior to the matter being listed, the Director indicated his intention to vigorously resist such an application on confidentiality and legislative non-disclosure grounds. Following on from an exchange of correspondence between the ODCE and the respondent director's legal advisers, the motion for non-party discovery was struck out with no Order as to costs. The Director does not consider that it is appropriate for respondents to restriction proceedings to seek non-party discovery against the ODCE, and he intends to oppose vigorously any and all such applications that may arise in the future.

Sub-Goal 4.1: Supervising Liquidators in the Proper Discharge of their Duties

Liquidator Reporting under Section 56

The liquidator of a company in insolvent liquidation is required by law to report to the ODCE³⁰ on its demise and on the conduct of any person who was a director of the company during the 12 months preceding its liquidation. The liquidator must also proceed to apply to the High Court for the restriction of each of the directors, unless relieved of that obligation by the ODCE. The Office considers relief where the liquidator advances a coherent justification in support of a claim that the director has

acted honestly and responsibly in conducting the company's affairs.

The process of liquidator reporting and its scope is outlined in detail in two ODCE publications, Decision Notice D/2002/3 as supplemented by Decision Notice D/2003/1. These publications were prepared following public consultation processes and are available from our website at www.odce.ie/en/media_decision_notices.aspx.

Appendix 4.1.1 provides statistical information on the volume of liquidator reporting in 2006. 971 liquidator reports were received (1,009 in 2005). Of these, 316 were initial reports³¹ (327 in 2005) from 87 liquidators, while the balance of 655 (682 in 2005) constituted further³² or final³³ reports on company liquidations.

The compliance rate for the timely production by liquidators of their first reports marginally improved to 96% in 2006 from 95% in 2005. The Office also monitored the liquidators' submission of their further and final reports. In respect of all reports due in 2006, the Office had corresponded formally with liquidators on 167 occasions (64 in 2005) indicating that they were in default with regard to their statutory reporting obligations. The increase in correspondence arose primarily in relation to increased vigilance by this Office in seeking to ensure that liquidators filed overdue further reports expeditiously.

The Office also corresponded with liquidators on 44 occasions in 2006 (23 in 2005) in respect of their failure to advise it that restriction applications had been taken where relief was not granted. 13 liquidators (two in 2005) were issued with formal warnings during the year that legal proceedings would be initiated against them should they continue to fail to take the necessary restriction applications. In three cases, proceedings were commenced, and two of these cases remained outstanding at year-end.

The standard of liquidator reports received was again mostly satisfactory in 2006. This area is regularly monitored, in order to maintain the effectiveness of liquidator reporting.

Other Liquidator and Receiver Issues

As indicated earlier, seven reports were received in 2006 under section 299 of the Companies Act 1963 (as

³⁰ Section 56 of the Company Law Enforcement Act 2001.

³¹ An initial report is the first report received from a liquidator within six months of his appointment, and in the majority of cases, the decision to grant relief or not is made based on this report. In some cases, 'relief at this time' is granted to facilitate further investigations by the liquidator.

³² A further report is received from a liquidator usually after six months if 'relief at this time' was granted and after twelve months if a decision to grant or not to grant relief has been made. In this way, the ODCE monitors progress on an insolvent liquidation. As the principal decision on whether or not to relieve a liquidator of their obligation to take restriction proceedings will have been made based on the initial report, the majority of decisions for further reports will be 'relief'. The exception to this is when 'relief at this time' has previously been granted to facilitate further investigations by the liquidator.

³³ A final report is received from a liquidator four weeks prior to final meetings or final dissolution if the liquidation is a Court liquidation. This is a final monitoring exercise for the ODCE prior to the dissolution of an insolvent company.

amended). The seven reports related to seven companies and emanated from six liquidators. No receiver made any section 299 reports. Such reports, when made, indicate a view that a past or present officer or member may be guilty of an offence in relation to the company for which he/she is criminally liable.

The ODCE received no reports in 2006 from prescribed professional bodies in respect of suspected liquidator or receiver misconduct pursuant to section 58 of the 2001 Act.

The ODCE did not seek access to the books and documents of a liquidator³⁴ or receiver³⁵ in 2006.

Sub-Goal 4.2: Assessing Directors' Conduct in Insolvent Liquidation Situations

The ODCE issued decisions in 2006 in the case of 954 liquidator reports (942 in 2005) of which 319 (317 in 2005) constituted initial reports from liquidators and 635 (625 in 2005) were further or final reports. This shows a consistent throughput between 2005 and 2006.

ODCE Relief Decisions

Of the 319 initial reports determined, the relief decisions in 2006 (relative to 2005) were of the following character:

Decision Type	2005	%	2006	%
Full relief ³⁶	194	61%	190	60%
No relief ³⁷	49	16%	40	13%
Relief 'at this time' ³⁸	58	18%	78	24%
Partial relief ³⁹	13	4%	10	3%
Other decisions	3	1%	1	0%
Total	317	100%	319	100%

The indicated figures are similar to the outturns for 2005. The change in the proportion of 'no relief' or 'partial relief' cases (from 20% to 16%) between 2005 and 2006 respectively and 'full relief' cases (from 61% to 60%) are

balanced by the increase in 'relief at this time' decisions (from 18% to 24%). This is largely due to an increasing number of liquidator requests for additional time to complete their examinations of the companies' affairs and on some occasions a requirement for this Office to more fully explore certain issues with a liquidator.

In evaluating liquidator reports, the ODCE is particularly anxious to ensure that no unnecessary High Court hearing is imposed on persons who have clearly shown that they behaved honestly and responsibly in the conduct of the affairs of failed companies, even though losses may have ensued to others. At the same time, Office staff are anxious to receive assurance that liquidators have properly investigated the circumstances of the company's failure and in particular any suspected misconduct or irresponsibility on the part of the company's directors. As far as possible therefore, the Office is trying to ensure that an appropriate recommendation with respect to relief is made in each case.

Decisions of 'no relief' or 'partial relief' by the ODCE do not of course constitute a finding in relation to the honesty or responsibility of the directors concerned, and it would be improper for any such inference or imputation to be drawn. It is a matter for the High Court (having heard the liquidator's evidence and the explanations of company directors) to determine if a restriction declaration should be made in the case of any particular company director.

Complete lists of the companies in respect of which full relief and relief 'at this time' were granted in 2006 are available on our website in Information Notice No. I/2007/1 entitled "Section 56 Reports" at www.odce.ie/en/media_information_notices.aspx.

Tracking Court Decisions on the Restriction Applications

In 2006, the High Court determined 80 cases where no relief or partial relief had previously been decided by the ODCE, with the remaining cases either pending before the Court or having yet to be initiated. In respect of the cases heard, the High Court has restricted or disqualified one or more directors in 66 cases, representing 83% of the total. No restriction orders were made in respect of the remaining 14 cases or 17% of the total. These outcomes are broadly in line with the outcomes in 2005.

³⁴ Under section 57 of the Company Law Enforcement Act 2001.

³⁵ Under section 323A of the Companies Act 1963 (as inserted by section 53 of the 2001 Act).

³⁶ Full relief was granted in cases where the ODCE was satisfied, on the basis of information provided by the liquidator or otherwise, that all of the directors of the insolvent company had satisfactorily demonstrated that they had acted honestly and responsibly in the conduct of the company's affairs.

³⁷ Relief was not granted in cases where the ODCE was satisfied, on the basis of information provided by the liquidator or otherwise, that none of the directors of the insolvent company had satisfactorily demonstrated that they had acted honestly and responsibly in the conduct of the company's affairs.

³⁸ Relief 'at this time' was granted in cases where the ODCE was satisfied that the liquidator needed more time to investigate properly the circumstances giving rise to the company's demise. The ODCE requires such liquidators to submit a second report, after which a fresh relief decision is made.

³⁹ Partial relief was granted in circumstances where the ODCE was satisfied, on the basis of information provided by the liquidator or otherwise, that some but not all of the directors of the insolvent company had satisfactorily demonstrated that they had acted honestly and responsibly in the conduct of the company's affairs.

In terms of individual directors, there were 107 directors restricted,⁴⁰ seven directors disqualified⁴¹ and two directors both restricted and disqualified. This represents 77% of the 150 directors that were the subject of restriction or disqualification proceedings. Restrictions were not made in respect of the balance of 34 directors.

The Director welcomes the success of a number of liquidators in 2006 in bringing disqualification proceedings

against nine directors of insolvent companies (seven in 2005), because the nature of the indicated misconduct warranted, in their view, a more serious sanction than restriction. The Director hopes to see further disqualification cases taken in 2007 where the misconduct was particularly serious. The accompanying **Illustration 4.2.1** provides some information on the cases where liquidators secured disqualifications in 2006 on foot of section 56 proceedings.

Illustration 4.2.1: Insolvent Companies: Liquidator Disqualifications in 2006

A 15 year disqualification (reduced to 13 years) was imposed on Mr Daniel Jones, a director of Lee View Communications Limited. Mr Jones was engaged in a major UK VAT fraud using related companies. The recorded turnover exceeded Stg£197 million. Certain monies were diverted from the company to the benefit of 'unknown persons'. The term was reduced to 13 years, because he did not object to the disqualification application.

The High Court imposed a ten year disqualification on Mr Michael Kirrane, a director of Dillonbrook Estates Limited, who was found to have diverted the proceeds of asset disposals to himself via directors' loans over a prolonged period. This avoided disclosure of tax liabilities and breached provisions of the Taxes Acts and the Companies Acts. Once all assets had been disposed of, Mr Kirrane claimed an inability to repay the loans which exceeded €1.5 million, and the company was placed in liquidation. A second director was restricted for five years.

The High Court imposed a seven year disqualification on the former managing director of Irish Chrome Industries Limited, Mr Hugh Hannigan. He and a fellow director also received a five year restriction for his involvement in a related company, Status Hydraulics Limited. Restriction proceedings against a third non-Irish director were also outstanding at year-end. Evidence suggested that Mr Hannigan was primarily responsible for failing to maintain proper books and records and that there were irregular inter-company and inter-bank transactions undertaken under his close supervision and control. His accountancy firm also completed company audits in one financial period in breach of the independence requirements of the Companies Acts.

Three company directors consented to five year disqualifications in relation to the affairs of their residential homes construction company, Tom Driver & Son (Builders) Limited. No records had been maintained by the company to allow the identification of significant cheque transactions for €443,000 made out to 'cash', and there was no satisfactory explanation from the directors relating to these cheques.

Two directors of Nationwide Transport Limited, Mr Jason Larkin and Mr Gerard Whelan, were each disqualified for five years. There was evidence of repeated, intentional and substantial phoenix activity between this and earlier courier companies. A Revenue audit uncovered a tax liability of €273,000, and there was a failure to keep proper books of account and to file annual returns.

A two and a half year disqualification and a five year restriction were imposed on Mr Donal Harrington, a director of Beta Rose Limited, which operated a restaurant and licensed premises. He had created a second phoenix-type company to continue trading from the premises which was financed by a rent deposit and stock from the original company.

In addition to the 109 persons restricted as a result of proceedings pursuant to section 56, a further four persons were restricted by the High Court in unrelated proceedings. While a total of 113 new persons were restricted in 2006, the net increase in the CRO's Register of Restricted Persons

was only 85 due to earlier restricted persons completing their five year restriction periods. The following table indicates the net increase in the number of restricted persons since the end of 2002.

⁴⁰ Where an individual is restricted, s/he may only act as the director or secretary of a company for a period of five years thereafter if that company meets certain minimum capitalisation requirements. In the case of a private company, a minimum called up share capital of €63,487 is required. In the case of a public limited company, the corresponding figure is €317,435. Moreover, the called up share capital must be fully paid for in cash. Restriction permits individuals to continue to avail of the benefits of limited liability. However if a restricted person breaches the capitalisation conditions, s/he may potentially be convicted of an indictable offence, fined and disqualified for five years.

⁴¹ If disqualified by the High Court, a person is prohibited from being appointed or acting as an auditor, director or other officer, receiver, liquidator or examiner and from being in any way, whether directly or indirectly, concerned in or part of the promotion, formation or management of any company or any society registered under the Industrial and Provident Societies Acts. A disqualified person who breaches the Court order is liable to be convicted and disqualified for ten years.

Number of Directors standing restricted at end-2002 to end-2006 inclusive

End-2002	End-2003	End-2004	End-2005	End-2006
54	295	487	600	685

The Registrar of Companies maintains up-to-date registers of restricted and disqualified persons, and an on-line public search facility of these registers is available at www.cro.ie.

In relation to restriction proceedings that concluded before the High Court in 2006, **Appendix 4.2.1** to this Report outlines the outcome of the cases where restrictions were made and the identity of the persons in question.

Appendix 4.2.2 to this Report outlines the outcome of the cases in 2006 where disqualifications were obtained on the application of a liquidator arising from the section 56 process. The Appendix also identifies the persons in question.

Appendix 4.2.3 to this Report identifies the companies where the High Court concluded in 2006 that a restriction should not be made against any of their directors.

Relief from Restriction

A restricted director may apply to the High Court for relief, in whole or in part, from a restriction within a period of one year from the making of the restriction declaration. The High Court may, if it deems it just and equitable to do so, grant such relief on whatever terms and conditions it sees fit⁴².

In the first judgement of its kind for some time, the High Court granted partial relief to a former director of Xnet Information Systems Ltd.⁴³ who was restricted in 2004. The ODCE had opposed the relief application. In making its decision to reduce the company capitalisation requirement from €63,487 to €7,500, the Court attached a number of other conditions, including requiring the director to notify the ODCE of any new company to which he is appointed as director or secretary while subject to continuing restriction.

The Director will continue to monitor relief applications and will seek to intervene in appropriate cases in order to maintain the coherence of the present statutory restriction regime.

Tracking Directors not abiding by the Conditions of Restriction

As indicated earlier in this Report, ODCE investigations have confirmed that there are a number of restricted individuals acting in breach of the statutory requirements. The Office successfully pursued some of these cases in 2006 and secured a number of convictions and disqualifications as a result.

Deemed Disqualifications

The law⁴⁴ provides that where a person is convicted on indictment of any indictable offence in relation to a company, or involving fraud or dishonesty, s/he is deemed to be disqualified for a period of five years from the date of the conviction or for such other period as the court, on the application of the prosecutor, may order. More than 1,780 persons (1,000 at end 2005) are now listed on the Register of Disqualified persons with about 1,675 of these being deemed disqualified, 74 disqualified by Order of the High Court, 21 disqualified arising from their failure to notify their disqualification in another jurisdiction and 10 disqualified on the basis of having acted as a director while restricted.

Sub-Goal 4.3: Sanctioning Fraudulent or Abusive Behaviour

Introduction

As indicated in our 2005 Annual Report, the ODCE has no inherent difficulty with situations where directors restart a business following an orderly wind down of the previous enterprise (e.g., by placing the company into liquidation and perhaps purchasing some of the available company assets from the liquidator at the market rate). Rather, its focus is to address situations where directors restart a business in disregard both of their duties under company law and their financial and other obligations to one or more of the stakeholders in the failed company.

⁴² Section 152 of the Companies Act 1990.

⁴³ In the Matter of Xnet Information Systems Limited (In Voluntary Liquidation) and In the Matter of section 152 of the Companies Act 1990: Aidan Higgins v. James Stafford and the Director of Corporate Enforcement [2006] IEHC 289. A copy of Mr Justice O'Neill's judgment of 10 October 2006 is available on the Court Decisions section of www.odce.ie/en/court_restrictions.aspx or at www.bailii.org/ie/cases/IEHC/2006/H289.html.

⁴⁴ Section 160(1) of the Companies Act 1990.

Such 'phoenix' practices can result in:

- competition in the applicable business market being distorted, because the 'phoenix' enjoys lower-than-market costs and therefore has the potential to achieve an unfair competitive advantage in the marketplace;
- creditors suffering financial losses, some of whom may themselves fail in consequence, and
- directors either bearing no personal liability for the commercial losses or otherwise escaping accountability for the failure.

As seen earlier, some liquidators have been active in obtaining disqualifications against the directors of phoenix-type companies. The ODCE has continued to complement this work by targeting the category of potential abuse denoted by the phenomenon of insolvent 'struck-off' companies.

'Struck-off' Companies

This category refers to companies which are not in liquidation but which have been dissolved following their being struck off the Register of Companies for failing to file annual returns with the CRO. As a result of their failure to file annual returns, there is a lack of financial information available to the public, to creditors and to regulatory authorities concerning struck-off companies and their liabilities at the time of strike-off. Some of the directors in question would have established a 'phoenix' company in the same or a similar business to that of the abandoned company.

The directors of such struck-off companies are eligible to be disqualified from acting as company directors in accordance with section 160(2)(h) of the Companies Act 1990, and the ODCE may initiate these actions. However, the law precludes the High Court from disqualifying a person who shows to the Court that the company had no liabilities at the time of strike-off or that those liabilities were discharged before the initiation of the disqualification application⁴⁵. In considering the penalty to be imposed, the Court may, as an alternative to disqualification, make a restriction declaration against the directors.⁴⁶

During 2006, the Office secured the disqualification of nine directors, all for periods of five years and the restriction for five years of two further directors of struck-off companies. At the end of 2006, eight cases were before

the High Court including for the first time a number of proceedings relating to the directors of multiple struck-off companies. Many additional cases remain open at year-end, and it is anticipated that several more cases will be initiated before the Court in 2007. **Appendix 3.3** to this Report details the nine disqualifications and two restrictions achieved.

Court actions do not arise in respect of every struck-off company investigated by the Office. In some cases, the former directors are able to show to the ODCE that all liabilities had been settled at the time of strike-off or prior to the issue of any Court proceedings. This usually requires the preparation and submission of appropriate accounts, often stretching back several years, showing the company's trading since the last set of accounts were submitted to the CRO or since incorporation in cases where accounts were never submitted to the CRO. The former directors are also required to show that all creditors have been paid or settled and independent verification of this from individual creditors is frequently sought. In some cases following the intervention of the ODCE, former directors have discharged debts to creditors in order to avoid disqualification proceedings.

In a small number of cases investigated by the Office, the former directors have sought to regularise their position by formally restoring the struck-off company to the Companies Register. This procedure involves the preparation and submission of all outstanding annual returns to the CRO, the payment of all late filing fees to the CRO and the making of a formal application to the High Court for the restoration of the company.

In many cases, it was apparent that former directors used the involuntary strike-off process as a mechanism for terminating the corporate structure without recourse to other formal mechanisms of liquidation or voluntary strike-off. In some of these cases, the former directors alleged that they did so on the basis of professional advice received. The Director wishes to point out clearly that involuntary strike-off should not be seen as a replacement for more formal terminations of companies and that those resorting to such a route are now likely to be selected by the ODCE for disqualification proceedings and thus likely to incur disqualification or the expense of preparing accounts and declarations and defending their position before the High Court. Involuntary strike-off should not be seen as a mechanism for directors of insolvent companies to avoid

⁴⁵ Section 160(3A) of the Companies Act 1990.

⁴⁶ Section 160(9A) of the Companies Act 1990.

the scrutiny of their conduct that is applied to directors of insolvent companies in liquidation under the section 56 process described earlier.

Where companies are struck off the Companies Register, the assets of every company are vested in the Minister for Finance in accordance with the provisions of the State Property Acts. It is the policy of the Office to bring to the attention of the Department of Finance cases where a company held significant assets at the time of strike-off.

Conclusion

With a further 107 director restrictions and 18 director disqualifications known to be directly related to insolvent companies in 2006, the ODCE continues to make progress in collaboration with liquidators and the Courts in deterring irresponsible or unlawful conduct in this area in the overall interests of good order in the market.

Goal 5 – Providing Quality Services to Internal and External Customers

Introduction

The ODCE's aim of providing quality services for all its customers continued to be a priority in 2006. Customer service in this context includes the provision of services to the public and to Office staff by ensuring that the necessary infrastructure is in place to allow the functions of the Office to be carried out efficiently and effectively. The main features of our developing corporate services during 2006 is outlined below.

Sub-Goal 5.1: Securing and Managing ODCE Resources

Staffing

The ODCE's staffing level was slightly below its approved complement of 37 staff for much of 2006 due to a time lag in the replacement of departing staff. **Appendix 5.1.1** provides a breakdown of the Office's 34.8 full-time staff equivalents at year-end.

Some further contacts took place during the year with the Department of Enterprise Trade and Employment in relation to the ODCE's May 2005 submission for increased staffing resources. This included the production of an update document which was forwarded to the Department in August 2006. At year-end, a definitive decision on this submission was still awaited.

The Director wishes to acknowledge the valuable contributions made by Jim Clavin, Mary Farrell, Damien Kelly, Seán Melia, Geraldine Noone, Pauline Smith and Donal Sullivan to the work of the Office during their times here. All seven left the Office in 2006 to take on new challenges.

Financial Resources

The Office's administrative costs in 2006 were funded through Subhead A09 of Vote 34 (Minister for Enterprise Trade and Employment). A summary of the allocated and expended amounts for the main Pay and Non-Pay headings is provided in the following table. A more detailed breakdown of the 2006 figures is contained in **Appendix 5.1.2**.

Subhead A09, Vote 34	2006 Allocation (€000s)	2006 Expenditure (€000s)
Pay	1,899	1,915.3
Non-Pay	2,814	1,440.4
Total	4,713	3,355.7

The outturn of just over €3.355 million represented a 16% increase on the equivalent figure of €2.899 million in 2005. Most of the increase was attributable to higher legal and other professional costs in support of the Office's remit, but these costs were nevertheless below what was initially allocated. It is expected that current and anticipated legal proceedings will result in a further increase in the outturn for 2007 relative to 2006. In accordance with Government Accounting Procedures, the surplus of some €1.357 million was surrendered at the end of 2006.

Organisational Development

An upgrade and expansion of the Office's database (which records and tracks the Office's detection, enforcement and insolvency cases) was extensively tested during 2006. The planned implementation of this development will further enhance the Office's ability to share information among staff on past and ongoing casework.

In 2006, the ODCE again engaged external expertise to assist in undertaking its investigative and enforcement work in particular. The ODCE maintained its Legal and Accounting Panels which contain the names of persons or firms wishing to be considered for appropriate expert assignments. These Panels remain open to applicants who wish to provide such services to the Office, and it is planned to re-advertise for expressions of interest early in 2007.

Risk Management Action Plan

The ODCE co-operated with the Department of Enterprise Trade and Employment during 2006 in reviewing and further updating the Office's risk management plans. This was put in place as a result of the recommendations of the Mullarkey Report which dealt with accountability issues in the areas of internal financial controls, internal audit arrangements and risk management.

Sub-Goal 5.2: Developing Staff

Performance Management

The Office implements the Performance Management and Development System which applies across all Government Departments and Offices. The system is directly related to the Business Plan of the Office and ensures clarity of objectives as well as linking training requirements directly to the role of each staff member.

In 2006, some 69 training days were provided from ODCE resources to 26 staff across all grades. The Department of Enterprise Trade and Employment provided an additional 48.5 days of training to 17 ODCE staff, of which 22.5 days were IT-related training benefiting eight ODCE staff. In-house seminars on various topics were also undertaken relating to the work of the Department, the Office and the public service generally.

Team-Based Working

Multi-disciplinary teams continued to operate within the ODCE in order to handle the Office's extensive volume of casework in the detection, enforcement and insolvency areas. A pictorial representation of the respective involvements of ODCE staff by functional area is at **Appendix 5.2.1**.

During 2006, the Director made a number of adjustments to the powers delegated to designated staff under section 13 of the Company Law Enforcement Act 2001. In all, four new members of staff working in various teams and areas of the Office were formally delegated to discharge one or more of the Director's legal functions. In addition, there were three changes to existing delegations.

The Office Management Committee, chaired by the Director and representative of all staff, met quite regularly in 2006 to deal with policy and organisational issues affecting the Office's continuing development and direction.



Two of the Director's staff ready to provide information at the National Ploughing Championships

Sub-Goal 5.3: Developing and Maintaining Quality Customer Services

Services Offered

The ODCE continued in 2006 to commit considerable resources to the development and use of technology to provide information to its customers, to receive input from customers and to enhance efficiencies in work practices. The services offered by the Office to the public and professionals include:

- information on company law and related matters via the Office's website, publications, etc. In this context, some 127 customers self-registered in 2006 with a view to being notified of new information being placed on the website;
- talks, seminars and other compliance initiatives provided by Office staff. As indicated earlier, the Office took a trade stand at the National Ploughing Championships for the first time;
- the facility permitting the making of complaints of suspected corporate misconduct;
- statute-based services, whereby auditors, liquidators and other interests are required to report in certain circumstances to the Office;
- general assistance offered to Office clients in dealing with telephone queries, correspondence, e-mail, etc. For instance, some 379 requests to the info@odce.ie account were promptly answered during the year.

Publications

Eight formal publications were prepared and issued during 2006 as indicated in **Appendix 1.1.1** to this Report. Three of these were published in both the Irish and English languages as follows:

- the ODCE Annual Report for 2005;
- Decision Notice D/2006/1: ODCE Guidance on Audit Committees and
- Decision Notice D/2006/2: Revised Guidance on Auditor Reporting to the ODCE.

As indicated earlier, the Director also issued a number of press statements, and a number of ODCE staff contributed papers and presentations to the national and professional media and business and other groups. Staff also participated in national and local media interviews on request.

Website

The ODCE website was continually updated in 2006 with information on the ODCE's work and associated corporate governance developments. New material posted to the website included the following:

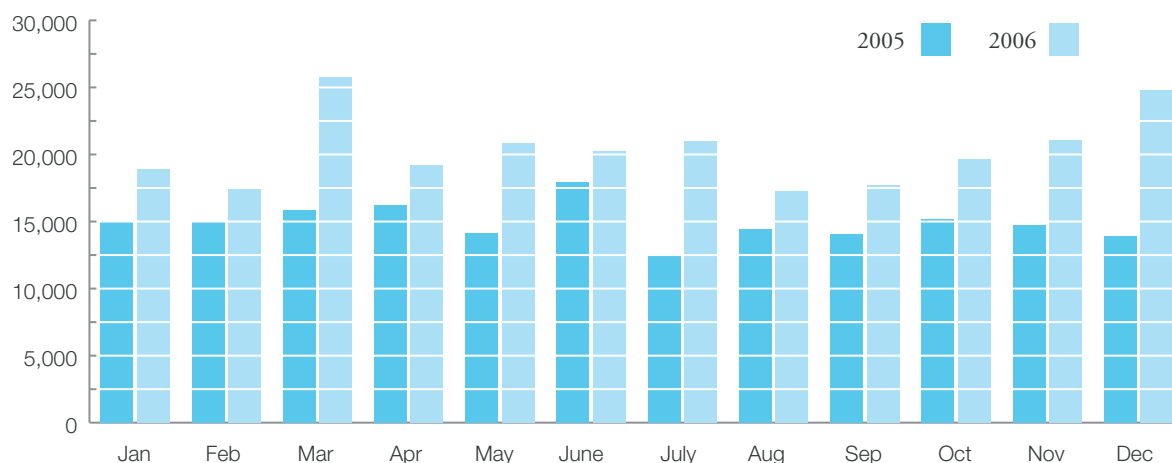
- new Office publications as indicated above;
- copies of certain presentations made by Office staff to business, professional and related interests;
- press statements, articles, etc. issued by the Director and other staff and
- the results of Court cases in which the Director prosecuted suspected breaches of company law or duty and other Court decisions relevant to company law.

The Office's website at www.odce.ie once again attracted increasing numbers of visitors interested in corporate governance matters. In all, some 243,914 visits were made, a 36% increase on the equivalent figure of 178,904 achieved for 2005 (which itself was up 53% on the 2004 figure of 116,783). The chart below indicates the monthly distribution of visits from which it can be seen that traffic in every month in 2006 exceeded its equivalent monthly performance in 2005. March and December were the site's busiest months.



The Director and two of his staff face the Press at the launch of the Office's Consultation Paper on Property Management Companies

Visits to www.odce.ie in 2005 and 2006



Some 325,435 downloads of information on the ODCE website were recorded in 2006, a substantial increase (41.5%) on the comparable figure of 229,961 in 2005. These downloads related to a total of 448 documents (335 in 2005), reflecting the growth in content on the website.

Appendix 5.3.1 itemises the classes of documents most in demand in 2006. The growth in usage indicates that there is a wide interest in the various categories of documents on the website.

Work on the redevelopment of the website continued during 2006 and was almost complete at year-end. When launched in early 2007, it will bring the website to the highest standards of public accessibility. In addition, the website will contain much information in Irish as the Office moves towards compliance with the requirements of the Official Languages Act 2003. The new website, designed for ease of navigation, will improve access to the available corporate governance information.

Freedom of Information (FOI) Acts

The FOI Acts permit the disclosure of records concerning the general administration of the Office only. During 2006, the ODCE received two requests for records under the Acts. One request was withdrawn by the requester, while the other was granted outside of the terms of the Act in ease of both the requester and the Office as the requested information was regarded as publishable.

Data Protection Acts

The ODCE is registered with the Office of the Data Protection Commissioner as a Data Controller. The Data Protection Acts 1988 and 2003 protect against the improper use or disclosure of any information held about an individual. In 2006, the ODCE continued to adhere to this requirement by updating its registration, as well as by complying with its own strict confidentiality provisions contained in the Company Law Enforcement Act 2001.

No request for information under these Acts was received by the Office in 2006.

Prompt Payment of Accounts Act 1997

The Prompt Payment of Accounts Act provides for the payment of interest to suppliers whose invoices are unpaid at the prescribed date. In line with the Office's policy of arranging that all invoices are settled in a timely manner, the ODCE incurred no interest surcharge on payments in 2006.

Compliance with Agreed Customer Service Standards

The ODCE is committed to providing a quality customer service to all members of the public who have dealings with it as well as to its own staff. The Office regularly reviewed and sought to improve further the service standard provided. The Feedback and Complaints Services on the website is part of this process, as is the ongoing redevelopment of the website. Within the constraints of a demanding workload, the Director considers that satisfactory compliance with our Customer Service Standards was achieved in 2006.

Official Languages Act 2003

During the year, the Office prepared its Draft Scheme under the Official Languages Act which outlines the ODCE's proposals for the provision of its services in the English and Irish languages. At year-end, this Scheme was under review within the Department of Community Rural and Gaeltacht Affairs.

Conclusion

Taking account of ODCE successes and the difficult challenges which the Office is facing, the Director is of the opinion that the Office has again delivered very good value for the State's investment in it in 2006.

Conclusion

As the rest of this Report has indicated, the ODCE made a number of valuable contributions in 2006 to improving compliance with the Companies Acts and to enhancing corporate governance standards in general.

As we move into 2007, it is worthwhile recalling that the Office has now been in existence for just over five years. With the passage of this milestone, it is timely to reflect on the results of our first five years of work. In general, the scorecard is positive in each of the Office's areas of work as is indicated in the following summary of achievements.

Compliance

Some 40 ODCE publications have been issued since 2001 comprising in particular guidance documents, consultation papers and information notices on company law issues. These have informed company stakeholders in an accessible manner of their duties and obligations under the Companies Acts. Our Information Books on the duties of companies and company directors remain popular as do the equivalent Books for other company stakeholders.

Office staff have underpinned our publications effort with a programme of regular presentations, articles and media work to people involved in business, the professions and relevant public sector and voluntary organisations.

Detection

While compliance has improved, we have nevertheless received about 2,500 reports and complaints of possible corporate misconduct (other than annual return defaults) over the last five years. Most of these have come from auditors pursuant to their mandatory reporting obligations and from the general public.

Many cases have been dealt with administratively as a result of problems being corrected voluntarily or following our intervention. However, a small proportion of cases have been referred for evaluation from an enforcement perspective.

Enforcement

Pursuant to the ODCE's criminal enforcement powers, some 220 companies, company directors and others have been convicted over the last five years. Many of these convictions have been obtained against:

- persons acting as directors and auditors while not entitled to so act,
- companies and directors for failing to keep proper accounting records and
- directors for providing false information or for falsifying company documents.

On occasion, the Office has also used its civil enforcement powers to require the rectification of company law defaults or to seek to impose disqualifications or restrictions on company directors and others for a certain period in the public interest. These enforcement options have been successfully employed in recent years against persons criticised by High Court Inspectors and against company directors whose behaviour constituted a serious abuse of their company law responsibilities.

Insolvent Companies

The liquidator reporting regime which is supervised by the ODCE has worked very well in identifying dishonest or irresponsible behaviour by the directors of insolvent companies. Although constituting a minority of all affected directors, the High Court has restricted over 650 directors in recent years in response to liquidator applications made with the ODCE's assent.

The ODCE has also successfully piloted action in the area of unliquidated insolvent companies which can include phoenix-type company practices. In all, more than 40 directors and others have been disqualified or restricted in this area or as a result of the Office's other enforcement initiatives.

Quality Customer Services

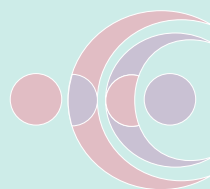
The continuing growth in the popularity of our website is tangible evidence of an increasing interest in company law compliance and enforcement and in corporate governance matters generally. Visits have grown year on year and reached some 244,000 in 2006 which was more than a third higher than the preceding year.

Market research undertaken on our behalf in late 2005 indicated that 68% of company directors have rated the Office as effective in discharging its remit. 74% of directors also believed that the company law compliance environment had improved in the preceding five years. The corresponding results for professionals like accountants and liquidators have been consistently higher.

These results are positive, and it is clear therefore that the Company Law Enforcement Act 2001 has served its purpose well. At an annual average cost of about €3 million, the ODCE has delivered significant results in improving market conduct and in reducing the risks of consequential financial loss for business and other company stakeholders.

Obviously, more remains to be done on a number of levels, and the ODCE is keen to extend its impact over time and to continue to support responsible corporate conduct in the public interest. Public confidence and our international reputation requires that we maintain an effective, open and reliable company law framework supporting investment and facilitating commerce on a fair basis.

Appendices



Office of the Director
of Corporate Enforcement

*Oifig an Stiúirthóra um
Fhorfheidhmiú Corparáideach*

Appendix 1.1.1

Publications issued by the ODCE in 2006

Title	Subject	Date of Issue
	Interim Review of ODCE Activity in 2005	January 2006
Information Notice I/2006/1	Section 56 Reports: Insolvent Companies in Liquidation, January to December 2005	February 2006
Consultation Paper C/2006/1	Draft ODCE Guidance on Audit Committees	April 2006
	ODCE Annual Report for 2005	May 2006
Decision Notice D/2006/1	ODCE Guidance on Audit Committees	November 2006
Consultation Paper C/2006/2	Draft ODCE Guidance on the Governance of Apartment Owners' Management Companies	December 2006
Information Notice I/2006/2	Investment Funds, Companies and Miscellaneous Provisions Act 2006	December 2006
Decision Notice D/2006/2	Revised Guidance on the Duty of Auditors to Report Suspected Indictable Offences to the Director of Corporate Enforcement	December 2006

Appendix 1.2.1

List of ODCE Presentations in 2006

Date	Promoter	Event Type	Subject	Venue	Audience (approx.)	Speaker
30/01/06	South East Enterprise Programme Platform	Presentation	Corporate Health Check	Waterford IT Carriganore Campus	20	Kevin Prendergast
30/01/06	An Garda Síochána	Detective Training Course	Role of the ODCE	Harcourt Square	30	D/Sgt G Walsh
22/02/06	Law Society	Presentation	Role and Powers of the ODCE	Blackhall Place	220	Adrian Brennan
23/02/06	Health Service Executive	Presentation	Corporate Health Check	Swords	30	Adrian Brennan
23/02/06	An Garda Síochána	Detective Training Course	Role of the ODCE	Garda HQ, Phoenix Park	25	D/Sgt G Walsh
06/03/06	Dublin Institute of Technology	Presentation	Role of the ODCE	CRO	20	Kevin Prendergast
16/03/06	European Insurance Forum	Conference	Corporate Governance – Views from the ODCE	Four Seasons Hotel, Dublin	250	Paul Appleby
28/03/06	Jordan Publishing Ltd.	Conference	Developments in Enforcement Activity and Policy	Burlington Hotel, Dublin	100	Paul Appleby
06/04/06	Cross Border Enterprise Development Programme	Presentation	Corporate Health Check	Ballybofey, Castlefinn, Donegal	5	Kevin Prendergast
07/04/06	Law Society	Presentation	Role and Powers of the ODCE	Blackhall Place	100	Adrian Brennan

Appendix 1.2.1 (continued)

List of ODCE Presentations in 2006

Date	Promoter	Event Type	Subject	Venue	Audience (approx.)	Speaker
23-26/ 04/06	International Association of Insolvency Regulators	Conference	Corporate Insolvency Developments in Ireland	Mexico City	50	Paul Appleby/ Adrian Brennan
06/05/06	Trinity College Dublin	Conference	Corporate Enforcement – The Last Two Years	Trinity College Dublin	100	Paul Appleby
10/05/06	Department of Enterprise Trade and Employment	Presentation	Role of the ODCE	Earlsfort Centre	15	Kevin Prendergast and Ann Keating
10/05/06	Law Society of Ireland	Presentation (x 2)	Role of the ODCE	Law Society of Ireland	120	Adrian Brennan
11/05/06	Chambers Ireland	Conference	N/A	Croke Park, National Business Forum	100	Kevin Prendergast and Cyril Houlihan
11/05/06	An Garda Síochána	Detective Training Course	Role of the ODCE	Garda HQ, Phoenix Park	25	D/Sgt G Walsh
26/05/06	Enterprise Start Programme	Presentation	Corporate Health Check	Letterkenny IT	15	Kevin Prendergast
31/05/06	Dublin Hospitals Chief Executives	Presentation	Corporate Governance in a Hospital Environment	Berkeley Court Hotel	35	Kevin Prendergast
06/06/06	Companies Registration Office	Presentation	Role of the ODCE	CRO, Parnell Square, Dublin	20	Kevin Prendergast

Appendix 1.2.1 (continued)

List of ODCE Presentations in 2006

Date	Promoter	Event Type	Subject	Venue	Audience (approx.)	Speaker
25/07/06	Dept. of Justice, Equality and Law Reform	Presentation	Corporate Health Check	Department Offices, Killarney	7	Kevin Prendergast
31/08/06	Northern Area Regional Drugs Task Force	Presentation	Corporate Health Check	Swords	30	Adrian Brennan
07/09/06	An Garda Síochána	Detective Training Course	Role of the ODCE	Garda HQ, Phoenix Park	25	D/Sgt G Walsh
14/09/06	City and County Enterprise Boards CEOs Network	Presentation	ODCE – Opportunities for CEBs	Bettystown, Co. Meath	25	Kevin Prendergast
19/09/06	Ennis CEB	Presentation	Corporate Governance and the CEB Structure	Ennis, Co. Clare	8	Kevin Prendergast
21/09/06	Irish Institute of Credit Management	Seminar	The ODCE and Creditors	Red Cow Moran's Hotel, Dublin	80	Paul Appleby
25/09/06	Law Society of Ireland	Presentation (x 2)	Role of the ODCE	Blackhall Place, Dublin 7	220	Adrian Brennan
26/09/06	CCAB-I Insolvency	Presentation	ODCE and Insolvency	Guinness Hop Store, Dublin	100	Eamonn McHale
02/10/06	An Garda Síochána	Detective Training	Role of the ODCE	Harcourt Square	30	D/Sgt G Walsh

Appendix 1.2.1 (continued)

List of ODCE Presentations in 2006

Date	Promoter	Event Type	Subject	Venue	Audience (approx.)	Speaker
09/10/06	Knockmay Resource Centre	Presentation	Voluntary Groups and Corporate Compliance	Knockmay, Co. Laois	8	Kevin Prendergast
10/10/06	Matheson Ormsby Prentice	Presentation	An ODCE Perspective on Corporate Compliance	Matheson Ormsby Prentice Offices, Harcourt Road, Dublin	60	Kevin Prendergast
11/10/06	Institute of Chartered Secretaries and Administrators	Annual Conference	Update on the ODCE for 2006	Hilton Hotel, Dublin	200	Paul Appleby
16/10/06	UCD Masters of Accounting	Presentation	The Role of the ODCE	Carysfort College, Dublin	115	Kevin Prendergast
26/10/06	Law Society of Ireland	Presentation (x 2)	Role of the ODCE	Blackhall Place, Dublin 7	220	Adrian Brennan
07/11/06	Fingal CEB	Presentation	Corporate Governance and the CEB Structure	Swords, Co. Dublin	12	Kevin Prendergast
15/11/06	Public Affairs Ireland	Conference	Public Authorities and Good Corporate Governance	Conrad Hotel, Dublin	250	Paul Appleby
21/11/06	An Garda Síochána	Detective Training Course	Role of the ODCE	Garda HQ, Phoenix Park	25	D/Inspector E Keogh

Appendix 1.2.1 (continued)

List of ODCE Presentations in 2006

Date	Promoter	Event Type	Subject	Venue	Audience (approx.)	Speaker
22/11/06	Wicklow CEB	Presentation	Corporate Health Check for Directors of Private Limited Companies	Ramada Hotel, Bray, Co. Wicklow	55	Kevin Prendergast
28/11/06	Law Society of Ireland	Presentation	Role of the ODCE	Court Chambers, Cork	70	Adrian Brennan
05/12/06	Longford CEB	Seminar	Corporate Health Check	Longford Arms Hotel, Longford	17	Kevin Prendergast
14/12/06	Carlow CEB	Presentation	Corporate Health Check	Seven Oaks Hotel, Carlow	50	Kevin Prendergast

Appendix 1.2.2

List of ODCE Press Statements – 2006

Date	Subject
06/01/06	Publication of ODCE Interim Review of Activity in 2005
19/01/06	First ODCE Conviction Secured for Falsely Representing Company Financial Statements as having been audited
09/03/06	Disqualification for nine years of Mr Padraig Collery in consequence of the findings made by High Court Inspectors in their Report on Ansbacher (Cayman) Ltd.
02/05/06	Eurofood IFSC Ltd. – Director welcomes decision of the European Court of Justice
31/05/06	Publication of ODCE Annual Report for 2005
31/08/06	Disqualification Proceedings against Messrs. Michael and Thomas Bailey
24/11/06	Launch of ODCE Guidance on Audit Committees
12/12/06	Launch of ODCE Consultation Paper on the Governance of Property Management Companies

Appendix 2.1.1

Breakdown of New Investigation Cases in 2006 by Source⁴⁷

Source of New Investigation Cases	Total 2005	Total 2006
Voluntary Reports		
- Public Complaints	284	344
- Reports from State Authorities	6	4
- Reports from non-State Authorities	15	3
- Reports in the Public Domain	0	1
Other Detections	37	54
Total Voluntary Reports	342	406
Mandatory Reports		
- Indictable Reports from Auditors	363	268
- Reports from the CRO	17	12
- Reports from Liquidators	3	7
- Indictable Reports from Professional Bodies	7	10
Total Mandatory Reports	390	297
TOTAL REPORTS	732	703

⁴⁷ All figures in this Appendix exclude annual return defaults for the comparability reasons outlined in Goal 2 of this Report. Accordingly, some of the figures shown above for 2005 differ from those in the ODCE's Annual Report for 2005.

Appendix 2.2.1

Mandatory Reports – Character of Possible Company Law Defaults⁴⁸

Types of Indicated Default	Total 2005	Total 2006
Directors' Loan Infringements	342	268
Failure to Keep Proper Books of Account	64	38
Non-holding of Extraordinary General Meetings	16	9
Non-Qualification for Appointment as Auditor	5	5
Falsification of Documents	4	4
Non-holding of Annual General Meetings	0	4
No Director Resident in the State	16	2
False Statements to Auditors	5	1
Directors' Interests and Shares Infringements	9	0
Resignation Of Auditor	7	0
Other	20	14
Total Defaults in Mandatory Reports	488	345

⁴⁸ All figures in this Appendix exclude annual return defaults for the comparability reasons outlined in Goal 2 of this Report. Accordingly, some of the figures shown above for 2005 differ from those in the ODCE's Annual Report for 2005.

Appendix 2.2.2

Voluntary and Other Reports – Character of Issues Involved⁴⁹

Types of Indicated Issues	Total 2005	Total 2006
Reckless/Fraudulent/Insolvent Trading	62	85
Trading while struck off the Companies Register	26	43
Shareholder Issues	28	41
Debt Issues	61	40
Director Issues	26	39
Annual/Extraordinary General Meetings	12	22
Forgery/False information	27	11
Auditor issues	7	8
Liquidated Companies	8	1
Unclear/Other Issues	85	116
Total	342	406

⁴⁹ All figures in this Appendix exclude annual return defaults for the comparability reasons outlined in Goal 2 of this Report. Accordingly, some of the figures shown above for 2005 differ from those in the ODCE's Annual Report for 2005.

Appendix 2.2.3

Throughput of Cases at Detection Stage in 2006⁵⁰

Assessment of Cases	Total 2005	Total 2006
Cases on hands at 1 January 2006	499	607
New Cases	732	703
Cases Concluded at Assessment Stage	470	913
Cases for Further Consideration by the ODCE	154	130
Cases on hands at 31 December 2006	607	267

⁵⁰ All figures in this Appendix exclude annual return defaults for the comparability reasons outlined in Goal 2 of this Report. Accordingly, some of the figures shown above for 2005 differ from those in the ODCE's Annual Report for 2005.

Appendix 2.2.4

Cases Concluded at Detection Stage by Primary Manner of Disposal

Decisions at Detection Stage	Voluntary Reports	Mandatory Reports	Total 2006
Insufficient Evidence of Default	173	-	173
Default Appropriate for Civil Action	66	-	66
Cases Concluded by Remedy of Default/Warning	63	531	594
Matters not directly relevant to the ODCE	36	0	36
Other	44	0	44
Total Cases Closed	382	531	913
Cases Referred for Possible Enforcement	63	53	116
Cases Referred for Insolvency Examination	6	8	14
Cases Referred for further Consideration	69	61	130

Appendix 3.1

Overview of ODCE Proceedings in 2005 and 2006

Proceedings by Case Type	2005		2006	
Investigative				
• Successful	1		-	
• Unsuccessful	-		-	
• Ongoing	-		-	
Sub-Total		1		-
Civil Enforcement				
• Successful	10		9	
• Unsuccessful	1		-	
• Settled	1		3	
• Ongoing	20		20	
Sub-Total		32		32
Criminal Enforcement				
• Successful	19		25	
• Unsuccessful	-		2	
• Ongoing	9		1	
Sub-Total		28		28
Judicial Review and Others				
• Successful	2		6	
• Unsuccessful	1		1	
• Ongoing	5		2	
Sub-Total		8		9
All Proceedings				
• Successful	32		40	
• Unsuccessful	2		3	
• Settled	1		3	
• Ongoing	34		23	
Total		69		69

Appendix 3.2

Breakdown of Legal Proceedings in 2006 involving the Director

Type	Subject Matter	Section/Act etc. ⁵¹	Case Nos.	Case Status/Result
Superior Courts				
Appeal by ODCE	Disqualification of company directors	S. 160, 1990	1	Ongoing
Application by Respondent	Termination of ODCE Disqualification Proceedings	S. 160, 1990	1	Refused
Application by ODCE	Access to Inspectors' Papers	S. 12, 1990	1	Refused
Application by ODCE	Access to Bank Papers	S. 160, 1990	1	Granted
Application by ODCE	Disqualification of company directors	S. 160, 1990	27	Ten disqualifications and two restrictions (in seven cases) Settled (three cases) Ongoing (17 cases)
Application by ODCE	Vacation of High Court Order joining ODCE to restriction proceedings relating to liquidator's costs	S. 150, 1990	1	No Order made against the Director
Application by Respondent	Discovery sought from ODCE in liquidator's restriction proceedings	Order 31, Rule 29 of RSC	1	Application struck out
Application by ODCE	Compliance with obligation to deliver liquidator's report to the ODCE	S. 371, 1963	3	Granted (1) Ongoing (2)

⁵¹ The Acts referred to are the Companies Acts 1963 and 1990 and Council Regulation (EC) No. 1346/2000 of 29 May 2000. 'RSC' is the Rules of the Superior Courts.

Appendix 3.2 (continued)

Breakdown of Legal Proceedings in 2006 involving the Director

Type	Subject Matter	Section/Act etc.	Case Nos.	Case Status/ Result
Application by ODCE	Compliance with duty to hold AGM	S. 371, 1963	1	Granted
Intervention by ODCE	Interpretation of law relating to liquidation of Irish-registered company	S. 214, 1963 and EU Insolvency Regulation	1	Satisfactory determination of issues by the ECJ and Supreme Court
Intervention by ODCE	Participation in relief application by a restricted director	S. 152, 1990	1	Granted
Judicial Review by ODCE	Vacation of District Court Order compelling disclosure of reasons for prosecution	S. 40, 1990	1	Ongoing
Judicial Review by Defendant	Decision by ODCE to prosecute	S. 40, 1990	1	Ongoing
District Court (unless stated)				
Appeal to Circuit Court by Defendant	Acting as an auditor while disqualified	S. 187, 1990	1	Probation Act (3) in lieu of the earlier Convictions
Appeal to Circuit Court by Defendant	Acting as a company director while restricted and in breach of the statutory conditions	S. 161, 1990	1	Conviction (1) and Disqualification (1) upheld although penalties moderated
Prosecution	Acting as an auditor while disqualified	S. 187, 1990	1	Probation Act (12)
Prosecution	Acting as an auditor while unqualified	S. 187, 1990	1	Convictions (14) TICs ⁵² (5)

52 TIC identifies the number of charges taken into consideration when the Judge determined the case.

Appendix 3.2 (continued)

Breakdown of Legal Proceedings in 2006 involving the Director

Type	Subject Matter	Section/Act etc.	Case Nos.	Case Status/ Result
Prosecution	Acting as a director while disqualified	S. 161, 1990	1	Convictions (2) and Disqualification
Prosecution	Acting as a company director while restricted and in breach of the statutory conditions	S. 161, 1990	3	Convictions (3) Disqualifications (3) Probation Act (2)
Prosecution	Acting as a liquidator of a company while disqualified	S. 300A, 1963	1	Dismissal (1)
Prosecution	Excessive directors' transactions	S. 40, 1990	3	Probation Act (11 in two cases) Ongoing (one case)
Prosecution	Failure to keep proper books of account	S. 202, 1990	13	25 convictions, eight Probation Act and five TICs (in 12 cases); four charges dismissed (one case)
Prosecution	Provision of false information to the CRO	S. 242, 1990	2	Convictions (3) TICs (3) Dismissal (1)
Prosecution	Use of falsified company document	S. 243, 1990	1	Conviction (1)
TOTAL			69	

Appendix 3.3

Details of Successful ODCE Enforcement Actions in 2006⁵³

Parties Sanctioned/ Reason for Sanction	Company Number	Penalty/Decision	Costs/Expenses
Acting as an auditor while disqualified			
Imelda McGuinness (on appeal in the Circuit Court)	173222 292489 306361	Probation Act (3) in lieu of convictions, €1,000 paid to Court Poor Box	-
Sean Connell	173222	Probation Act (12),	€300
Paul McCashin	292489	€4,000 paid to charity	
Edward McGovern	306361		
Michael Sean Scott			
Acting as an auditor while unqualified			
Muhammad Sabir Hafeez	-	Convictions (14), TICs (5) and €4,000 in fines	€1,000
Acting as a company director while disqualified			
John Francis Xavier O'Brien	369519 377456	Convictions (2), disqualification extended by one year and €3,800 in fines	€3,800
Acting as a company director while restricted and in breach of the statutory conditions			
Terence Doorley Susan Doorley	358850	Probation Act (2)	€300
Henning Fikentscher	370059	Conviction, disqualification for three years and €700 fine	€228

⁵³ This Appendix only contains information on enforcement proceedings initiated by the ODCE, where there was a successful result in 2006. It excludes other proceedings with a favourable outcome in which we participated. See Appendix 3.2 for these cases and the relevant text of the Annual Report

Appendix 3.3 (continued)

Details of Successful ODCE Enforcement Actions in 2006

Parties Sanctioned/ Reason for Sanction	Company Number	Penalty/Decision	Costs/Expenses
Shirley O'Donoghue (on appeal in the Circuit Court)	301104	Conviction and disqualification for five years upheld, six months' suspended sentence rescinded	€500
Colin Sullivan Amanda Sullivan	342544	Convictions (2), disqualifications (2) for five years and six months' suspended sentences (2)	€400
Excessive directors' transactions			
Gary Coyne	221994	Probation Act (7), €1,000 paid to charity	-
Kevin Murphy	173053	Probation Act (4)	€250
Failure to hold an annual general meeting			
Grangewood Estate Services (Rosslare) Ltd.	328005	Costs Order granted	To be taxed in default of agreement
Failure to keep proper books of account			
Chesteroak Ltd. John Gerard Mongan	304750	Conviction (1) of the Company and €200 fine, TIC (1) for John Gerard Mongan	-
Christie's Estate Agents Balbriggan Ltd. Gerard Murphy Mary Murphy	344452	Convictions (6), Probation Act (3) for Mary Murphy and €1,000 in fines	€500

Appendix 3.3 (continued)

Details of Successful ODCE Enforcement Actions in 2006

Parties Sanctioned/ Reason for Sanction	Company Number	Penalty/Decision	Costs/Expenses
Seamus Coyne Helen Coyne	375870	Probation Act (2) €200 to Court Poor Box	-
Churchwood Builders Ltd. William Sandall Vicki Sandall	141486	Convictions (3), €3,200 in fines	€450
Fogarty Lock & Safe Company Ltd. Michael Williams Elaine Williams	22682	Convictions (3), €450 in fines	€200
Harding Fabrications Ltd. Brendan O'Brien Keith O'Brien	373924	Convictions (2) and €200 in fines, Probation Act (1) for Keith O'Brien	€600
Intrum Justitia Ireland Ltd.	175808	Probation Act (2), €1,000 to charity	€300
James Johnston & Sons Ltd.	39891	Convictions (3) and €1,500 in fines	€250
Max Rugs Ltd. William McDonagh	336989	Convictions (2) and €500 in fines	-
Quain Oil Ltd. Kathleen Quain	351648	Convictions (2) and €1,150 in fines	€300
Shaun Rippington Majella Rippington	253783	Convictions (2), TICs (4) and €2,000 in fines	€600
This 'N' That Athenry Ltd.	336113	Conviction (1) and €150 fine	€250
Failure to submit a liquidator's report			
John Eddison	101346	Costs Order granted	€2,000

Appendix 3.3 (continued)

Details of Successful ODCE Enforcement Actions in 2006

Parties Sanctioned/ Reason for Sanction	Company Number	Penalty/Decision	Costs/Expenses
Provision of false information to the CRO			
John McElhinney	197074	Conviction (1) and €800 fine, Dismissal (1)	€290
Thomas Nolan	281146 343507	Convictions (2) and €3,200 in fines, TICs (3)	-
Use of falsified company documents			
Gary Anderson	340386	Conviction (1) and €500 fine	€300
Unfitness to act as a company officer due to failure to file annual returns leading to the company being struck off the Register of Companies			
Derek Walsh	324147	Disqualification (1) for five years	€2,000
Liam Igoe Eoin Martin Frank Martin	266631	Disqualification of Liam Igoe for five years; restriction of Eoin and Frank Martin, each for five years	Liam Igoe - to be taxed in default of agreement; Eoin and Frank Martin – €10,000 plus VAT
Ann Macken James Macken	274606	Disqualifications (2), each for five years	To be taxed in default of agreement
James Pierce Rosemary Pierce	227621	Disqualifications (2), each for five years	€2,000

Appendix 3.3 (continued)

Details of Successful ODCE Enforcement Actions in 2006

Parties Sanctioned/ Reason for Sanction	Company Number	Penalty/Decision	Costs/Expenses
Patrick Christy	262182	Disqualification for five years	To be taxed in default of agreement
Patrick Conway Michael Dineen	209373	Disqualifications (2), each for five years	€1,500
Unfitness to act as a company officer in consequence of an Inspectors' Report			
Pádraig Collery	None	Disqualification (1) for nine years	No Order

Appendix 3.4

ODCE Throughput of Possible Criminal Enforcement Cases

Cases for Possible Criminal Prosecution	2005	2006
Cases on hands with ongoing criminal proceedings at 1 January	10	9
Other cases on hands for possible enforcement at 1 January	274	359
New cases received for possible enforcement	159	109
Total Cases	443	487

Treatment of Cases during the Year	2005	2006
Cases where criminal proceedings were withdrawn	-	0
Cases where criminal proceedings were determined	19	27
Cases where criminal proceedings were adjourned	-	0
Other cases closed	56	170
Cases on hands with ongoing legal proceedings at year end	9	1
Cases on hands for possible enforcement at year end	359	290
Total Cases	443	487

Appendix 3.5

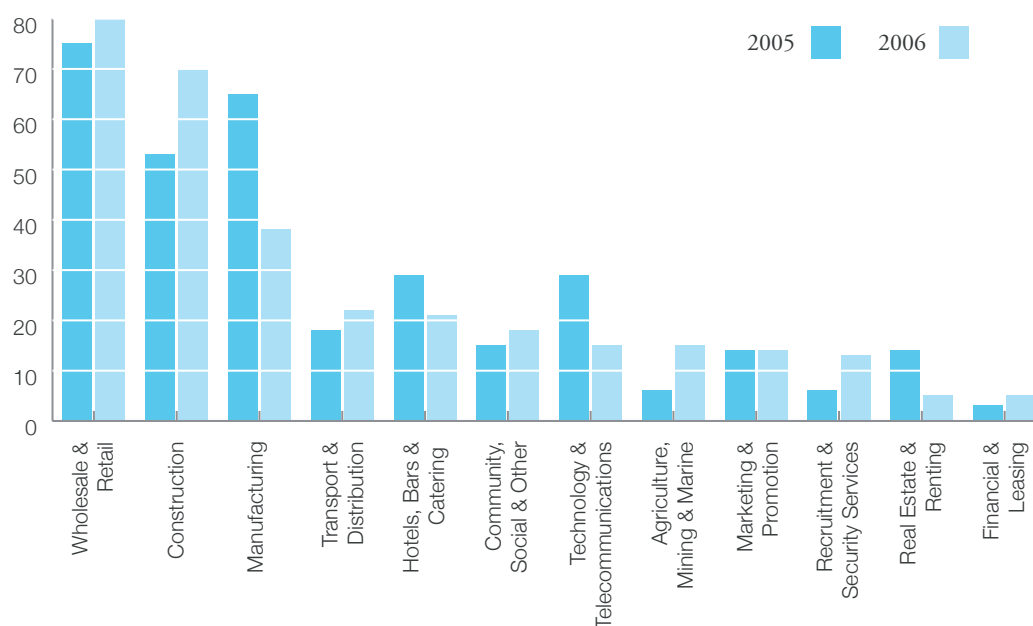
Breakdown of New Cases for Possible Enforcement by Character

New Cases by Character	Number
Failure to keep proper books of account	42
Restricted Person acting as Director while not permitted	17
Person acting as Auditor while not permitted	11
Disqualified Person acting as Director while not permitted	9
Falsification, etc. of company books and documents	8
Other Suspected Offences	22
Total Cases	109

Appendix 4.1

Liquidator Reports at 31 December 2006 - Sectoral Analysis

Insolvency by Sector	Section 56 Reports			
	2005		2006	
Wholesale & Retail	75	23%	80	25%
Construction	53	16%	70	22%
Manufacturing	65	20%	38	12%
Transport & Distribution	18	6%	22	7%
Hotels, Bars & Catering	29	9%	21	7%
Community, Social & Other	15	4%	18	6%
Technology & Telecommunications	29	9%	15	5%
Agriculture, Mining & Marine	6	2%	15	5%
Marketing & Promotion	14	4%	14	4%
Recruitment & Security Services	6	2%	13	4%
Real Estate & Renting	14	4%	5	2%
Financial & Leasing	3	1%	5	2%
Totals	327	100%	316	100%



Appendix 4.1.1

Liquidator Reports at 31 December 2006 – Reports Progressed

Classification	First Reports	Further Reports	Final Reports	Total Reports
Section 56 Reports received				
Reports brought forward from 2005	107	116	78	301
Reports received in 2006	316	404	251	971
Reports due and not received in 2006	13	4	N/A ⁵⁴	17
Compliance Rate	96%	99%	N/A	98%
Section 56 Reports determined				
Decisions due in 2006	322	366	258	946
Decisions issued in 2006	319	372	263	954
Conclusion Rate	99%	102%	102%	101%
Decisions where full relief was granted ⁵⁵	190	298	263	751
Decisions where partial relief was granted ⁵⁶	10	9	N/A	19
Decisions where relief at this time was granted ⁵⁷	78	39	N/A	117
Decisions where relief was not granted ⁵⁸	40	26	N/A	66
Other Decision made	1	0	N/A	1
Reports carried forward to 2007	104	148	66	318
No. of Liquidators Involved in Section 56 Reports	87	116	83	160
No. of Directorships Involved in Section 56 Reports	706	1,005	600	1,024

⁵⁴ N/A = not applicable.

⁵⁵ Full relief was granted in cases where the ODCE was satisfied, on the basis of information provided by the liquidator or otherwise, that all of the directors of the insolvent company had satisfactorily demonstrated that they had acted honestly and responsibly in the conduct of the company's affairs.

⁵⁶ Cases of Partial Relief are those in which such circumstances apply in respect of some, but not all, of the company's directors.

⁵⁷ Relief 'at this time' was granted in cases where the ODCE was satisfied that the liquidator needed more time to investigate properly the circumstances giving rise to the company's demise. The ODCE requires such liquidators to submit a second report, after which a fresh relief decision is made.

⁵⁸ Relief was not granted in cases where the ODCE was satisfied, on the basis of information provided by the liquidator or otherwise, that none of the directors of the insolvent company had satisfactorily demonstrated that they had acted honestly and responsibly in the conduct of the company's affairs.

Appendix 4.2.1

Cases where 'Restriction Orders' were made against Directors by the High Court in 2006 pursuant to Section 56

Company		Restricted Directors		Date Restricted From	Court Outcome [See Explanatory Note at end of this Table]
No.	Name				
257205	Abbeyleix Engineering Limited	Carter Carter	Robert Eleanor	03/04/2006 03/04/2006	Full Restriction
338035	Addoceo Digital Media Limited	Rooney	Dermot	01/12/2006	Full Restriction
350209	Alexander Catering Limited	Kiernan	Mark	28/11/2006	Partial Restriction
245023	Alliance Guard Limited	McDonald Treacy	Martin Thomas	09/05/2005 28/11/2006	Full Restriction
184308	Ansilbury Limited	Murray Murray	Stephanie Kieran	29/05/2006 29/05/2006	Full Restriction
354576	ATG Contractors Limited	Green Green	Aidan Mary	23/10/2006 23/10/2006	Full Restriction
301749	Beta Rose Limited	Harrington	Donal	12/01/2006	Full Restriction
111990	Bula Resources (Holdings) Public Limited Company	Kelly Yazigi	Tom Omar	04/12/2006 04/12/2006	Full Restriction
347236	Cabvertise Limited	Maguire	Peter	06/03/2006	Partial Restriction
349958	Camelot Hair Studios Limited	Connolly	Sinead	24/04/2006	Full Restriction
317896	Charboneau Catering Limited	Kiernan	Mark	28/11/2006	Partial Restriction

Appendix 4.2.1 (continued)

Cases where 'Restriction Orders' were made against Directors by the High Court in 2006 pursuant to Section 56

Company		Restricted Directors		Date Restricted From	Court Outcome [See Explanatory Note at end of this Table]
No.	Name				
287467	Citrico Ireland Limited	Heinz	Edward	13/02/2006	Full Restriction
353795	Club Tivoli Limited	Davis	Paul	31/01/2006	Full Restriction
287050	Conway Brothers (Civil Engineering) Sligo Limited	Conway	John	19/06/2006	Full Restriction
		Conway	Patrick	19/06/2006	
		McDermott	Rodney	19/06/2006	
268272	C.T.I. Communications Limited	Connaughton	Melissa	29/05/2006	Full Restriction
		Connaughton	Joseph	29/05/2006	
303739	Data Dispatch Management Services Limited	McDonough	Dara	30/11/2006	Full Restriction
		Gallagher	Tracey	30/11/2006	
148194	DCS Limited	Hendley	Conor	04/04/2006	Partial Restriction
206550	Dialogue Systems Limited	Giblin	Eamon	24/04/2006	Full Restriction
		Keogh	Eamon	24/04/2006	
39402	Dillonbrook Estates Limited	Burke	Nora	24/07/2006	Full Restriction
200375	Document Imaging Systems Limited	Blowers	Kenneth	19/12/2006	Partial Restriction
363848	Dundalk Business School Limited	Laul	Sanjay	02/05/2006	Full Restriction
		Prabakaran	Thirunavikara	02/05/2006	
		Rahim	Faisal	02/05/2006	
289413	E & R Construction Limited	Keane	Joe	04/05/2006	Partial Restriction
189448	E.S Hygiene Systems Limited	Cleary	Conor	29/05/2006	Full Restriction
		Walsh	Declan	29/05/2006	

Appendix 4.2.1 (continued)

Cases where 'Restriction Orders' were made against Directors by the High Court in 2006 pursuant to Section 56

Company		Restricted Directors		Date Restricted From	Court Outcome [See Explanatory Note at end of this Table]
No.	Name				
346218	Elara Computer Systems Limited	Browne Mak	Paul Choongyu	27/11/2006 27/11/2006	Full Restriction
294055	Enniscorthy Courier Services Limited	Dempsey Dempsey	Martin Kathleen	06/04/2006 06/04/2006	Full Restriction
328371	Equas Incentives & Design Limited	Heaney	Damien	13/03/2006	Full Restriction
346191	Fleetplant Limited	Ford McBride	Trevor Sue	08/05/2006 08/05/2006	Full Restriction
314543	Foko Contract Limited	Drennan Drennan McKevitt	Paola Robert Bernard	29/05/2006 29/05/2006 01/12/2006	Full Restriction
223795	Foko Limited	Drennan Drennan McKevitt	Robert Paola Bernard	29/05/2006 29/05/2006 01/12/2006	Full Restriction
345425	G & S Building Contractors Limited	Farrelly Nolan	Gerard Suzanne	22/05/2006 22/05/2006	Full Restriction
224494	Greenmount Holdings Limited	Kelly	Darragh	06/11/2006	Partial Restriction
103829	Hambra Construction Limited	Hurley Moran	Brian Padraic	09/10/2006 09/10/2006	Full Restriction
325310	Heavens Gate Limited	Dineen Dineen	Margaret Patrick	22/05/2006 22/05/2006	Full Restriction
325918	Humptone Limited	Rooney Rooney	Lorraine Alan	08/05/2006 08/05/2006	Full Restriction

Appendix 4.2.1 (continued)

Cases where 'Restriction Orders' were made against Directors by the High Court in 2006 pursuant to Section 56

Company		Restricted Directors		Date Restricted From	Court Outcome [See Explanatory Note at end of this Table]
No.	Name				
302142	Information to Industry Limited	Cryan Landers Singh	Bernadette Thomas Narinder	17/07/2006 15/05/2006 15/05/2006	Full Restriction
368573	Jet Ahu Limited	Simpson Simpson	David Robert	15/05/2006 15/05/2006	Full Restriction
75599	Kennedy Print Limited	Kennedy	Michael	06/02/2006	Full Restriction
194821	Logart Limited	Roberts Wynne	Gerry Daphne	22/05/2006 22/05/2006	Full Restriction
349572	Luke Flood Transport International Limited	Flood Flood Flood Flood	Ann John Luke Jnr Luke Snr	20/02/2006 20/02/2006 20/02/2006 20/02/2006	Full Restriction
186716	Maltona Limited	Morone Viscardi	Salvatore Carlo	23/10/2006 23/10/2006	Full Restriction
337552	MCW Construction Limited	McHugh McHugh	Barry Úna	19/06/2006 19/06/2006	Full Restriction
79131	M.M. Bakeries & Company Limited	Murray	Shane	19/01/2006	Full Restriction
368484	Morande Ireland Limited	Martin	Keith	31/07/2006	Full Restriction
382448	MP Building & Gardening Supplies Limited	Keenan	Martin	13/03/2006	Partial Restriction
150667	Nolan Switchgear Limited	Nolan	Sean Gerard	20/02/2006	Full Restriction

Appendix 4.2.1 (continued)

Cases where 'Restriction Orders' were made against Directors by the High Court in 2006 pursuant to Section 56

Company		Restricted Directors		Date Restricted From	Court Outcome [See Explanatory Note at end of this Table]
No.	Name				
315272	Oakbrook Homes Limited	McGeary McGeary O'Neill	Thomas Colm Gerard	14/07/2006 14/07/2006 14/07/2006	Full Restriction
354190	Odesa Transport Limited	Byrne Taggart	Noel Brigid	18/12/2006 18/12/2006	Full Restriction
360823	O'Malley Electrical and Mechanical Limited	O'Malley O'Malley O'Malley	Hugh Margaret Patrick	19/06/2006 19/06/2006 19/06/2006	Full Restriction
299311	Oughterard Plumbing & Heating Supplies Limited	Stewart Stewart	James John Paul	25/04/2006 25/04/2006	Full Restriction
347580	Podium Design Installation Limited	Darmody Doyle	Pádraig Jennifer	03/07/2006 03/07/2006	Full Restriction
336062	Skyloft Conversions Limited	Marsh Marsh	Kevin William	20/03/2006 20/03/2006	Full Restriction
318196	Space Works Limited	O'Shea O'Shea	Stephen Ruth	16/10/2006 16/10/2006	Full Restriction
263852	Status Hydraulics Limited	Hannigan Holohan	Hugh Robert	06/03/2006 15/05/2006	Full Restriction
107334	Symco (Irl) Limited	Grogan Purcell	Paul William	14/07/2006 14/07/2006	Full Restriction
352663	T & J Tiles Limited	Coen O'Hora	Thomas John Patrick	20/11/2006 20/11/2006	Full Restriction

Appendix 4.2.1 (continued)

Cases where 'Restriction Orders' were made against Directors by the High Court in 2006 pursuant to Section 56

Company		Restricted Directors		Date Restricted From	Court Outcome [See Explanatory Note at end of this Table]
No.	Name				
212786	Tedworth Construction Limited	Ainscough Ainscough	Simon Linda	27/02/2006 27/02/2006	Full Restriction
329194	The Embroidery Shop Limited	Doyle	Declan	24/04/2006	Full Restriction
330661	Tony Lyons Energy Consultancy Limited	Lyons	Anthony	15/05/2006	Full Restriction
173806	Triple M. Catering Equipment Company Limited	McManus McManus	Martin Carmel	10/07/2006 10/07/2006	Full Restriction
324610	Uni-Data Electrical Services Limited	Elbourne McLoughlin Straino	David Declan Peter	26/06/2006 26/06/2006 26/06/2006	Full Restriction
377551	Williamfitz Limited	Whelan	Margaret	27/02/2006	Full Restriction
246443	Williams Ventilation Limited	Kelly Kelly	Clare Michael	23/01/2006 23/01/2006	Full Restriction

Note: “**Full Restriction**” in the table above indicates an outcome where the Court restricted or disqualified **all** of the directors against whom the liquidator took restriction or disqualification applications pursuant to section 150 or 160 of the 1990 Act where the ODCE had not relieved the liquidator under section 56 of the 2001 Act.

“**Partial Restriction**” in the table above indicates an outcome where the Court restricted or disqualified one or more **but not all** of the directors against whom the liquidator took restriction or disqualification applications pursuant to section 150 or 160 of the 1990 Act where the ODCE had not relieved the liquidator under section 56 of the 2001 Act. The following **Appendix 4.2.2** lists the persons that were disqualified in all section 56 cases.

Appendix 4.2.2

Cases where Disqualification Orders were made against Directors by the High Court in 2006 pursuant to Section 56

Company No.	Company Name	Disqualified Directors		Date Disqualified From	Date Disqualified To
301749	Beta Rose Limited	Harrington	Donal	12/01/2006	11/07/2008
39402	Dillonbrook Estates Limited	Kirrane	Michael	24/07/2006	23/07/2016
240310	Irish Chrome Industries Limited	Hannigan	Hugh	06/03/2006	05/03/2013
337545	Lee View Communications	Jones	Daniel	31/07/2006	30/07/2019
290335	Nationwide Transport Limited	Larkin	Jason	13/04/2006	12/04/2011
		Whelan	Gerard	13/04/2006	12/04/2011
257692	Tom Driver & Son (Builders)	Driver	Bridget	09/10/2006	18/10/2011
		Driver	Peter	09/10/2006	18/10/2011
		Driver	Thomas	09/10/2006	18/10/2011

Appendix 4.2.3

Cases where Restriction Declarations or Disqualification Orders were *not* made against Directors by the High Court in 2006 pursuant to Section 56

Company Name	Company Number	Date of Court Order
AMS I.T. Consultants Limited	299060	25/01/2006
Ansaback (Ireland) Limited	301301	09/03/2006
Clowater Limited	208959	08/03/2006
G.& M. Developments Limited	161537	09/03/2006
Human Resource Solutions Limited	312581	29/11/2006
Kienridge Properties Limited	294717	20/02/2006
Lnwood Wholesale Limited	366109	07/03/2006
Metrical Solutions Limited	351709	04/07/2006
Mommas Kitchen Limited	304563	01/12/2006
Motor Store Limited	58619	07/03/2006
Mueller Ireland Limited	76970	30/11/2006
Ribonwood Developments Limited	348344	08/03/2006
Ronan Whyte Construction Limited	310966	07/03/2006
Santos Employment Services Limited	327358	29/11/2006

Appendix 5.1.1

Approved versus Actual Staffing Complement by Grade at end-2006

Grade	Approved	Actual
Accountant Grade I	2	2
Accountant Grade III	1	0
Assistant Principal	4	4
Clerical Officer ⁵⁹	5	6.6
Corporate Compliance Manager	1	1
Detective Garda	4	3
Detective Inspector	1	1
Detective Sergeant	2	1
Director	1	1
Executive Officer	4	4
Higher Executive Officer/Systems Analyst	4	3.2
Legal Adviser	3	3
Principal Officer	2	2
Principal Solicitor	1	1
Solicitor	2	2
Total	37	34.8

⁵⁹ The indicated number includes a Legal Secretary who is employed on a contract basis. The fractional figures here and elsewhere indicate work-sharing patterns.

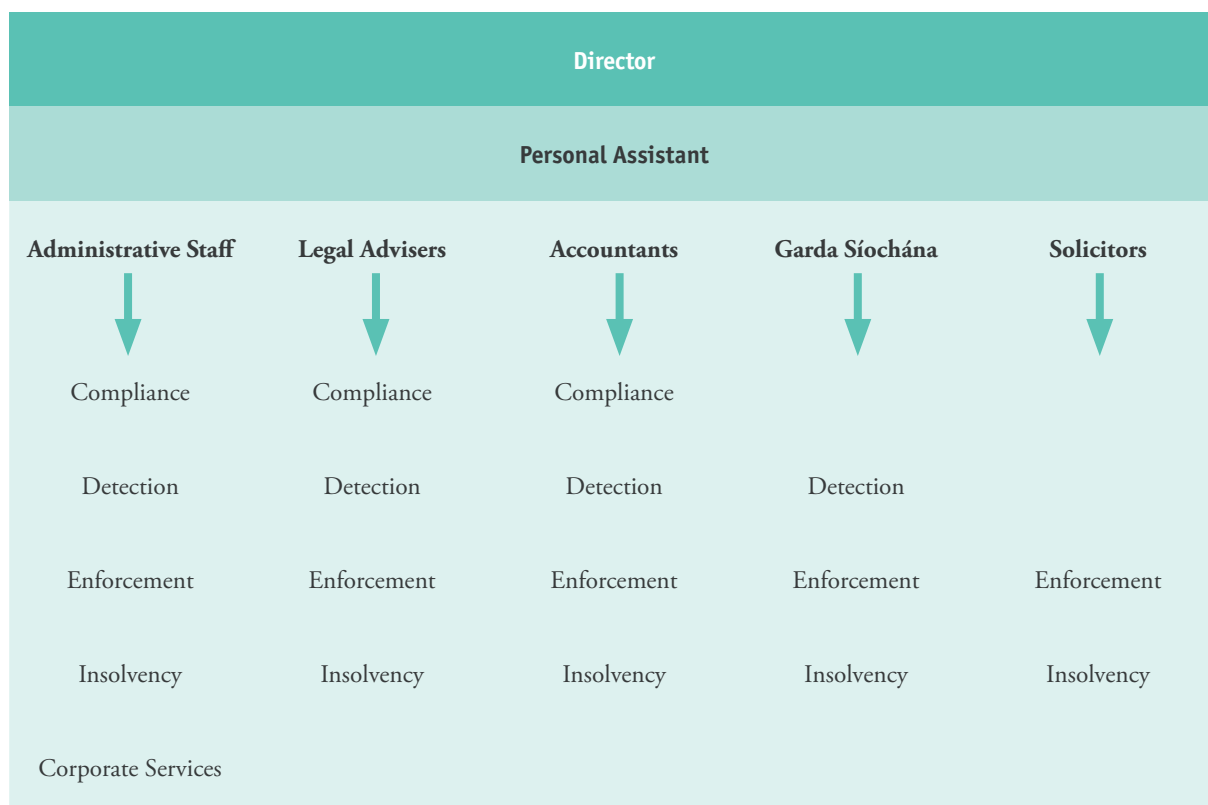
Appendix 5.1.2

Breakdown of Expenditure against Allocation in 2006

Source of Allocation/Expenditure	€000s	€000s
Allocation		4,713.0
Exchequer Grant		
Expenditure		
Salaries, Wages and Allowances	1,915.3	
Advertising and Publicity	165.8	
Office Premises	231.2	
Legal Expenses	452.0	
Consultancy Services	240.1	
Computerisation	53.3	
Printing	106.9	
Incidental Expenses	15.8	
Travel and Subsistence	33.4	
Telecommunications	49.6	
Postal/Courier Services	18.5	
Photocopying	48.9	
Human Resource Development	24.9	
Total Expenditure		3,355.7
Amount Surrendered		1,357.3

Appendix 5.2.1

Principal Relationships between ODCE Staff and Functional Areas



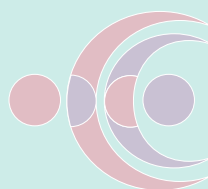
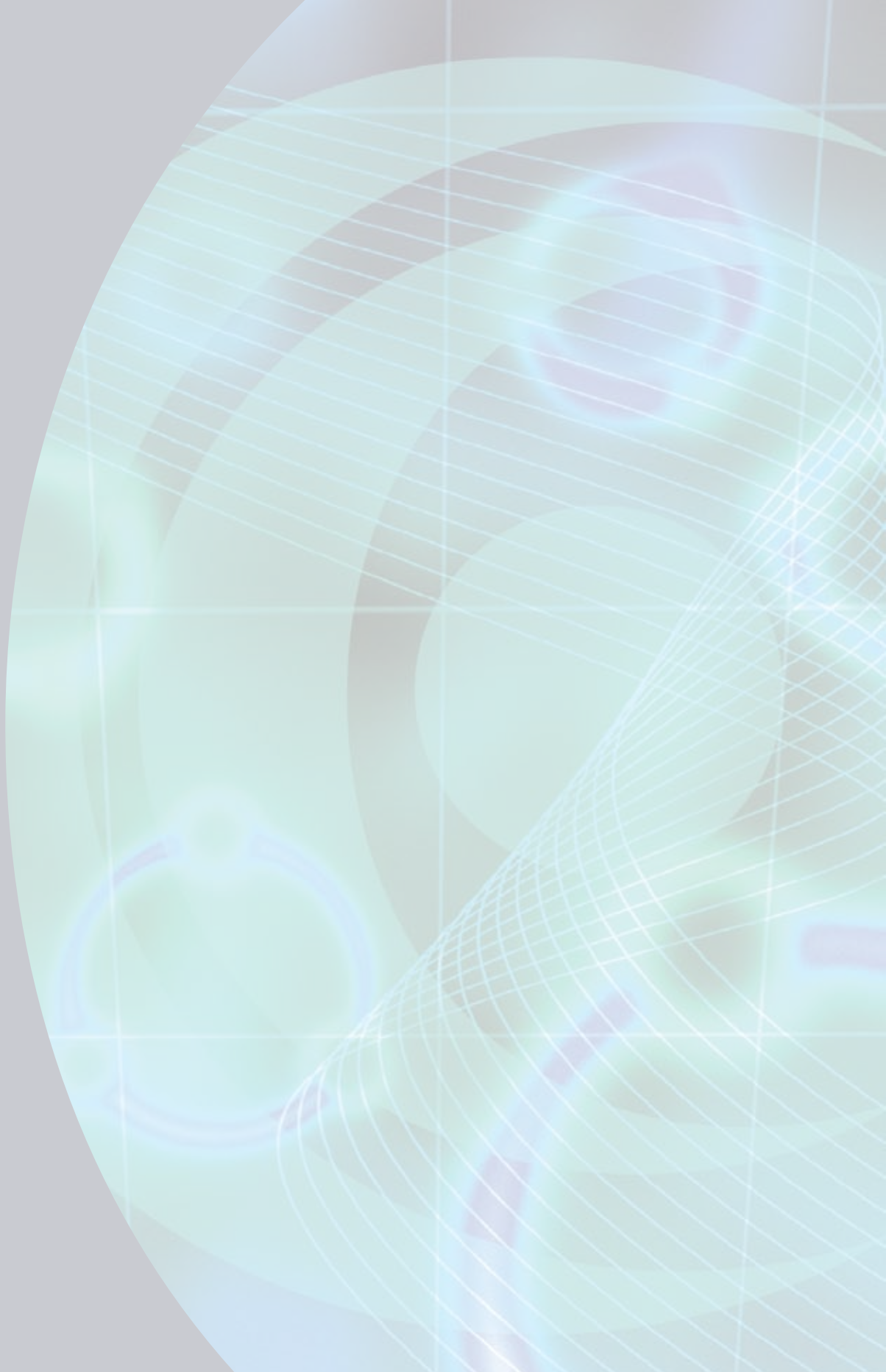
Appendix 5.3.1

Top 50 Document Downloads from the ODCE Website in 2006 .v. 2005

Title/Subject of Document ⁶⁰	2005	2006	Trend
Decision Notice D/2006/1 - ODCE Guidance on Audit Committees	-	78,675	New
Draft ODCE Guidance - The Governance of Apartment Owners' Management Companies (Annex to Consultation Paper C/2006/2)	-	14,386	New
Comparative Study of Corporate Governance Codes Relevant to the EU and its Member States	21,590	10,600	↓
ODCE Annual Report 2005 (in full or in part)	-	7,285	New
Decision Notice D/2002/1 - Book 2 - Company Directors	8,989	6,141	↓
List of Insolvent Companies in Liquidation, May/June 2005	3,618	6,017	↑
Inspectors' Report into NIB/NIBFS (in full or in part)	6,168	5,162	↓
List of Insolvent Companies in Liquidation, January/ December 2003	6,134	4,815	↓
Cadbury Report - Report of the Committee on the Financial Aspects of Corporate Governance	4,592	4,686	↑
List of Insolvent Companies in Liquidation, May/June 2004	5,491	3,945	↓
Information Notice I/2005/1 - List of 'Relief' Decisions issued in 2004 for Insolvent Companies in Liquidation	6,098	3,752	↓
Decision Notice D/2002/1 - Book 1 - Companies	5,259	3,690	↓
Decision Notice D/2002/2 - The Duty of Auditors to Report to the Director of Corporate Enforcement	4,604	3,196	↓
List of Insolvent Companies in Liquidation, November/ December 2004	5,916	3,160	↓
List of Insolvent Companies in Liquidation, January/ February 2004	4,588	2,946	↓
List of Insolvent Companies in Liquidation, March/April 2005	1,731	2,887	↑
A Guide to Transactions Involving Directors	4,760	2,750	↓
List of Insolvent Companies in Liquidation, January/ December 2002	4,015	2,690	↓
Introduction to the ODCE	2,290	2,676	↑
List of Insolvent Companies in Liquidation, September/ October 2004	3,910	2,646	↓
List of Insolvent Companies in Liquidation, January/ February 2005	1,510	2,620	↑
Consultation Paper C/2006/1 - Draft ODCE Guidance on Audit Committees	-	2,620	New
Decision Notice D/2002/1 - Book 5 - Auditors	3,055	2,349	↓
High Court Judgement of Ms Justice Finlay-Geoghegan on 9 March 2006 - ODCE v. Pádraig Collery	-	2,320	New
Decision Notice D/2002/1 - Book 7 - Liquidators, Receivers and Examiners	3,076	2,304	↓
List of Insolvent Companies in Liquidation, March/April 2004	3,101	2,302	↓
Interim Review of ODCE Activity in 2005	-	2,293	New

⁶⁰ Where comparison with 2005 is not available, either the document was not available in 2005, or it did not feature in the most popular downloads of 2005.

Title/Subject of Document	2005	2006	Trend
Decision Notice D/2002/1 - Book 3 - Company Secretaries	3,319	2,275	↓
ODCE Complaint Form	1,795	2,257	↑
List of Insolvent Companies in Liquidation, July/August 2004	2,764	2,197	↓
Decision Notice D/2002/1 - Book 4 - Members and Shareholders	3,151	2,118	↓
List of Insolvent Companies in Liquidation, January/ February 2003	2,739	2,043	↓
Fógra Cinnidh D/2006/1 - Treoir OSFC faoi Choistí Iniúchta	-	1,810	New
High Court Judgment of Mr Justice O'Neill on 10 October 2006 - Aidan Higgins and James Stafford v. ODCE	-	1,658	New
ODCE Annual Report 2004 (in full or in part)	9,529	2,857	↓
ODCE Indictable Offences Report Form	2,459	1,472	↓
High Court Judgement of Mr Justice Kelly on 26 October 2005 - ODCE v. Nigel D'Arcy	1,872	1,456	↓
Greenbury Recommendations - Best Practice in Determining and Accounting for Directors' Remuneration	1,303	1,305	↑
High Court Judgment of Mr Justice Kelly on 23 July 2004 - NIB and NIBFS	1,039	1,262	↑
List of Insolvent Companies in Liquidation, January/ December 2005	-	1,256	New
ODCE Principles of Quality Customer Service	101	1,253	↑
Consultation Paper C/2006/2 - Draft ODCE Guidance on the Governance of Apartment Owners' Management Companies	-	1,247	New
Liquidators' Report Form under Section 56 of the 2001 Act	1,546	1,237	↓
Draft Guidance on the Obligation of Company Directors to Prepare Compliance Policy and Annual Compliance Statements under the Companies (Auditing and Accounting) Act 2003	178	1,189	↑
Guidance Notes for the completion of Liquidators' Reports under Section 56 of the 2001 Act	763	1,151	↑
High Court Judgement of Mr Justice O'Leary on 21 December 2005 - ODCE v. Patrick and Paul Rogers	-	1,123	New
Information Notice I/2005/2 - Investment Funds, Companies and Miscellaneous Provisions Act 2005	3,873	1,123	↓
Press Statement – Issue of the ODCE Annual Report 2005	-	1,120	New
Press Statement - Launch of ODCE Consultation Paper on the Governance of Property Management Companies	-	1,114	New
List of Insolvent Companies in Liquidation, November/ December 2005	-	1,033	New



Office of the Director
of Corporate Enforcement

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Fhorfheidhmiú Corparáideach*