

02538908

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**REGISTRAR OF  
COMPANIES**

**Press Complaints Commission  
(Limited by guarantee)**

**Report and Financial Statements**

**Year ended**

**31 December 1995**



**IBDO**

**BDO Stoy Hayward  
Chartered Accountants**

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**PRESS COMPLAINTS COMMISSION (Limited by guarantee)**

**Annual report and financial statements for the year ended 31 December 1995**

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**Directors**

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**PRESS COMPLAINTS COMMISSION (Limited by guarantee)****Board of directors and members****Board of directors and members**

Jenny Brown	
Lady Browne-Wilkinson	(appointed April 1995)
Arzina Bhanji	(appointed March 1996)
Iris Burton	
Lady Elizabeth Cavendish LVO JP	(retired December 1995)
Thomas Clarke	(appointed July 1995)
Sir Brian Cubbon	(appointed April 1995)
Baroness Dean of Thornton-le-Fylde	
Geoffrey Elliott	(appointed February 1995)
Sir David English	
Brian Hitchen CBE	(resigned February 1995)
Gerald Isaaman	(resigned February 1995)
Keith Parker OBE	(resigned February 1995)
Prof Robert Pinker Bsc(Soc) Msc(Econ)	
Baroness Smith of Gilmorehill	(appointed April 1995)
The Lord Tordoff	(appointed April 1995)
Derek Tucker	(appointed February 1995)
The Rt. Hon. Lord Wakeham	(appointed January 1995)
David Williams	(appointed February 1995)
John Witherow	(appointed July 1995)

**Secretary**

Guy Black

**Business address and registered office**

1 Salisbury Square, London, EC4Y 8AE.

**Company number**

02538908

**Auditors**

BDO Stoy Hayward, 8 Baker Street, London, W1M 1JA.

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**PRESS COMPLAINTS COMMISSION (Limited by guarantee)****Report of the directors for the year ended 31 December 1995**

The directors present their report together with the audited financial statements for the year ended 31 December 1995.

**Results**

There was an excess of expenditure over income of £29,459 (1994 - £38,262) for the year, which will be carried forward.

The results do not include the value of free advertising space donated to the Commission by the newspaper industry.

**Principal activities of the Commission**

The Press Complaints Commission is an independent organisation which deals with complaints from members of the public about possible breaches by newspapers or magazines of their own Code of Practice.

The Commission was set up in 1991, following the closure of the Press Council. Lord Wakeham became Chairman of the PCC in January 1995.

**Trading review**

In 1995, over 2,500 complaints were brought to the PCC. Some 70% of those raising a possible breach of the Code - including 8 out of 10 of those which concerned inaccurate reporting - were resolved directly and swiftly by editors to the satisfaction of all those involved.

As in previous years, every critical adjudication of the Commission was published in full and with due prominence by the publication concerned.

As well as acting impartially to resolve and adjudicate on complaints about possible breaches of the Code, the Commission continued in 1995 to give general advice to editors on ethical issues related to the Code.

The Commission continues to be funded generously by the newspaper and magazine publishing industry. Because of this commitment by the industry to making self regulation work, the PCC operates without any cost either to the taxpayer or to those making complaints - while, at the same time, maintaining a guarantee of independence from the industry which funds it.

**Future activities**

In the coming year the commission will continue to further its objects with funds provided to it by the Press Standards Board of Finance Limited.

**Fixed assets**

The changes in fixed assets during the year are set out in note 7.

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**PRESS COMPLAINTS COMMISSION (Limited by guarantee)****Report of the directors for the year ended 31 December 1995 (Continued)****Directors' interests**

The directors who have served during the year, are also the Commission members, as shown on page 1. They have all undertaken to contribute such amounts as may be required, not exceeding £1, to the Commission's assets if it should be wound up.

**Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**By order of the Board**

G V Black

Secretary

Date

25.9.96

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**PRESS COMPLAINTS COMMISSION (Limited by guarantee)****Report of the auditors****To the shareholders of Press Complaints Commission (Limited by guarantee)**

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

*Respective responsibilities of directors and auditors*

As described on page 3 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

*Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

*Opinion*

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31 December 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD**  
Chartered Accountants  
and Registered Auditors  
London

25 September 1996

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**04 - 11 - 96****PRESS COMPLAINTS COMMISSION (Limited by guarantee)****Income and expenditure account for the year ended 31 December 1995**

	Note	1995 £	1994 £
Income	2	1,057,500	986,000
Administrative expenses		1,091,961	1,028,425
Operating deficit	3	(34,461)	(42,425)
Interest receivable		5,002	4,163
Deficit on ordinary activities		(29,459)	(38,262)
Retained deficit brought forward		(88,052)	(49,790)
Retained deficit carried forward		(117,511)	(88,052)

All amounts relate to continuing activities.

All recognised gains and losses are included in the income and expenditure account.

The notes on pages 7 to 10 form part of these financial statements

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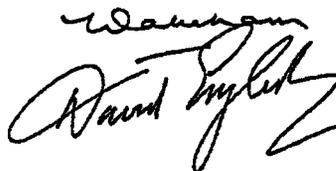
## PRESS COMPLAINTS COMMISSION (Limited by guarantee)

Balance sheet at 31 December 1995

	Note	1995		1994	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		14,968		31,035
<b>Current assets</b>					
Cash at bank		4,210		51,278	
Debtors	8	11,607		11,160	
		<u>15,817</u>		<u>62,438</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>148,296</u>		<u>181,525</u>	
<b>Net current liabilities</b>			(132,479)		(119,087)
<b>Total net liabilities</b>			<u>(117,511)</u>		<u>(88,052)</u>
<b>Capital and reserves</b>					
Accumulated deficit			<u>(117,511)</u>		<u>(88,052)</u>

The financial statements were approved by the Board on 25<sup>th</sup> SEPTEMBER 1996

The Rt Hon Lord Wakeham )  
 ) Directors  
 Sir David English )



The notes on pages 7 to 10 form part of these financial statements

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**PRESS COMPLAINTS COMMISSION (Limited by guarantee)**

Notes forming part of the financial statements for the year ended 31 December 1995

**1 Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

*Income*

The income of the Commission is made up from contributions received from the Press Standards Board of Finance Limited.

*Depreciation*

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land, over their expected useful lives. It is calculated at the following rates:

Furniture and equipment	- 20% per annum
Computer equipment	- 33% per annum

*Leased assets*

Annual rentals under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

**2 Income**

	1995 £	1994 £
Press Standards Board of Finance Limited contribution	1,057,500	986,000

**3 Operating deficit**

This is stated after charging:

Depreciation of own assets	27,133	25,622
Hire of assets under operating leases:		
Land and buildings	45,000	45,000
Other	16,898	13,124
Auditors' remuneration for audit services	10,575	10,575

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**PRESS COMPLAINTS COMMISSION (Limited by guarantee)**

Notes forming part of the financial statements for the year ended 31 December 1995 (Continued)

**4 Employees**

	1995 Number	1994 Number
The average weekly number of employees during the year was as follows:		
Office staff	15	13
Staff costs (including directors) consist of:		
	£	£
Wages and salaries	499,611	434,585
Redundancy costs	16,000	73,667
Social security costs	39,074	41,824
Other pension costs	23,473	18,880
	<u>578,158</u>	<u>568,956</u>
<b>5 Directors' remuneration</b>		
Commissioners' stipends	58,013	70,000
Chairman's remuneration - salary	88,125	54,888
- compensation for loss of office	-	70,000
	<u>146,138</u>	<u>194,888</u>

**6 Taxation**

As a result of tax losses incurred, no provision for corporation tax has been made in respect of the results for the year (1994 - £Nil). Tax losses of approximately £26,000 are available to set off against future profits, subject to Inland Revenue agreement.

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**PRESS COMPLAINTS COMMISSION (Limited by guarantee)**

Notes forming part of the financial statements for the year ended 31 December 1995 (Continued)

**7 Tangible assets**

	Computer equipment £	Office furniture and equipment £	Total £
<i>Cost</i>			
At beginning of year	29,321	99,529	128,850
Additions	8,850	2,216	11,066
	<hr/>	<hr/>	<hr/>
At end of year	38,171	101,745	139,916
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	25,487	72,328	97,815
Provided for the year	6,784	20,349	27,133
	<hr/>	<hr/>	<hr/>
At end of year	32,271	92,677	124,948
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 1995	5,900	9,068	14,968
	<hr/>	<hr/>	<hr/>
At 31 December 1994	3,834	27,201	31,035
	<hr/>	<hr/>	<hr/>

**8 Debtors**

	1995 £	1994 £
Other debtors	3,258	5,879
Prepayments and accrued income	8,349	5,281
	<hr/>	<hr/>
	11,607	11,160
	<hr/>	<hr/>

All amounts shown under debtors fall due within one year.

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**04 - 11 - 96****PRESS COMPLAINTS COMMISSION (Limited by guarantee)**

Notes forming part of the financial statements for the year ended 31 December 1995 (Continued)

**9 Creditors: amounts falling due within one year**

	1995 £	1994 £
Bank loans and overdrafts	14,049	-
Taxation and social security	38,693	45,331
Accruals and deferred income	95,554	136,194
	<u>148,296</u>	<u>181,525</u>

**10 Obligations under operating leases**

The following amounts fall due within one year under leases which expire:

	Land and buildings £	Other £	Total £
Within one year	22,500	-	22,500
In 2 - 5 years	-	32,502	32,502
	<u>22,500</u>	<u>32,502</u>	<u>55,002</u>