

02538908

19 - 10 - 98



Company Registration No. 0253908

PRESS COMPLAINTS COMMISSION
(Limited by guarantee)

Report and Financial Statements

31 December 1997

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR



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**Deloitte &
Touche**

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

REPORT AND FINANCIAL STATEMENTS 1997

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PRESS COMPLAINTS COMMISSION
 (Limited by guarantee)

REPORT AND FINANCIAL STATEMENTS 1997

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

The Rt. Hon. Lord Wakeham DL, JP, FCA	(Chairman)
Arzina Bhanji	
Jenny Brown	(resigned 1 August 1997)
Lady Brown-Wilkinson	
Iris Burton	
Jim Cassidy	(appointed 31 January 1997)
Thomas Clarke	
Graham Collyer	(appointed 28 February 1997)
Sir Brian Cubbon GCB	
Baroness Dean of Thornton-le-Fylde	
Geoffrey Elliott	(resigned 28 February 1997)
Sir David English	(deceased 10 June 1998)
John Griffiths	(appointed 28 February 1997)
Prof Robert Pinker Bsc(Soc) Msc(Econ)	
Baroness Smith of Gilmorehill	
The Lord Tordoff	
Derek Tucker	(resigned 31 January 1997)
The Rt. Rev. John Waic	(appointed 31 August 1997)
David Williams	(resigned 28 February 1997)
John Witherow	

SECRETARY

Guy Black

REGISTERED OFFICE

1 Salisbury Square
 London EC4Y 8AE

AUDITORS

Deloitte & Touche
 Chartered Accountants
 Hill House
 1 Little New Street
 London EC4A 3TR

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PRESS COMPLAINTS COMMISSION
(Limited by guarantee)**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors present their annual report and the audited financial statements for the year ended 31 December 1997.

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.

RESULTS

The Commission made a surplus of £108,520 (1996 - deficit of £60,450) for the year.

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

TRADING REVIEW

In 1997, nearly 3,000 complaints were made to the PCC - higher than in any previous year. Of those raising a possible breach of the Code, nine in ten were resolved directly between the editor and the complainant as a result of the Commission's intervention. This was a record proportion and done in record time - an average of forty four days.

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 1997 to give general advice to editors on ethical issues related to the Code. This included advice on the portrayal in the media of persons with mental illness and of the treatment of children of public figures.

The PCC continues to be funded generously by the newspaper and magazine publishing industry. This commitment to effective self regulation allows the PCC to operate without cost either to taxpayer or to those complaining. At the same time, a clear majority of lay members on the Commission ensures the independence of the PCC from those who fund 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.

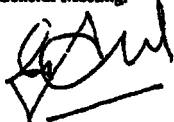
DIRECTORS' INTERESTS

The directors who have served during the year as shown on page 1, are also the Commission members. 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.

AUDITORS

Deloitte & Touche have been appointed as auditors following the resignation of BDO Stoy Hayward. Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



G V Black
Secretary *G V Black* 1998

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**Deloitte &
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Public Sector
Member

PRESS COMPLAINTS COMMISSION
(Limited by guarantee)

STATEMENT OF 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 surplus or deficit 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;
- 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.

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Deloitte & Touche



Deloitte & Touche
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PRESS COMPLAINTS COMMISSION
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AUDITORS' REPORT TO THE MEMBERS

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 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 as at 31 December 1997 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

8 October 1998

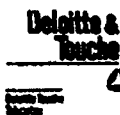
**Deloitte Touche
Tomasette**

Aberdeen, Bath, Belfast, Birmingham, Bodnall, Bristol, Cambridge, Cardiff, Crawley,
Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes,
Newcastle upon Tyne, Nottingham, St Albans and Southampton

Principal place of business at which a list of partners' names is available:
Stonecutter Court, 1 Stonecutter Street, London EC4A 3TR.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on
investment business.

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PRESS COMPLAINTS COMMISSION
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INCOME AND EXPENDITURE ACCOUNT
Year ended 31 December 1997

	Note	1997 £	1996 £
INCOME	2	1,310,840	1,255,000
Administrative expenses		(1,188,206)	(1,318,162)
OPERATING SURPLUS/(DEFICIT)	3	122,634	(63,162)
Interest receivable		1,204	2,712
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		123,838	(60,450)
Tax on surplus on ordinary activities	6	(15,318)	-
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION		108,520	(60,450)
Retained deficit brought forward		(177,961)	(117,551)
Retained deficit carried forward		(69,441)	(177,961)

All income and operating surplus/deficit derives from continuing operations.

There were no recognised gains or losses other than the surplus or deficit for the current or prior financial year and, accordingly, no statement of total recognised gains or losses is shown.

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PRESS COMPLAINTS COMMISSION
 (Limited by guarantee)

BALANCE SHEET
 31 December 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible assets	7	19,654	26,950
CURRENT ASSETS			
Debtors	8	20,134	12,603
Cash at bank and in hand		12,226	22
		32,360	12,625
CREDITORS: amounts falling due within one year	9	(121,455)	(217,536)
NET CURRENT LIABILITIES		(89,095)	(204,911)
TOTAL NET LIABILITIES		(69,441)	(177,961)
CAPITAL AND RESERVES			
Accumulated deficit		(69,441)	(177,961)

These financial statements were approved by the Board of Directors on *30th Dec 1998* 1998.
 Signed on behalf of the Board of Directors

Wakham

The Rt. Hon. Lord Wakham DL, JP, FCA

B. Cubbon

Sir Brian Cubbon
 Directors

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PRESS COMPLAINTS COMMISSION
(Limited by guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 December 1997

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Income

The income of the Commission represents contributions received from the Press Standards Board of Finance Limited. The directors consider that this financial support will continue for the foreseeable future and therefore that it is appropriate for the financial statements to be prepared on a going concern basis.

Depreciation

Depreciation is provided on a reducing balance basis so as to write off cost, less estimated residual values, of all tangible fixed assets, over their expected useful lives. It is calculated at the following rates:

Computer equipment	- 20% per annum reducing balance
Office furniture and equipment	- 30% per annum reducing balance

Leased assets

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

Pension contributions

The Commission makes pension contributions to the personal pension plans of its employees. Contributions are charged to the profit and loss account as they fall due.

2. INCOME

	1997 £	1996 £
Press Standard Board of Finance Limited contribution	<u>1,310,840</u>	<u>1,255,000</u>

3. OPERATING SURPLUS/(DEFICIT)

	1997 £	1996 £
This stated after charging:		
Depreciation of own assets	7,732	16,575
Hire of assets under operating leases:		
Land and buildings	30,000	45,000
Other	16,271	20,498
Auditors' remuneration:		
Audit services	7,000	10,575
Other services	<u>10,164</u>	<u>-</u>

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PRESS COMPLAINTS COMMISSION
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NOTES TO THE ACCOUNTS
Year ended 31 December 1997

4. EMPLOYEES

	1997 No.	1996 No.
The average weekly number of employees during the year was as follows:		
Office staff	15	15
	£	£
Staff costs (including directors) consist of:		
Wages and salaries	592,836	606,271
Redundancy costs	-	19,500
Social security costs	42,110	39,991
Other pension costs	26,182	39,516
	<u>661,128</u>	<u>705,278</u>

5. DIRECTORS' REMUNERATION

	1997 £	1996 £
Commissioners' stipends	74,561	81,500
Chairman's remuneration - salary	95,310	91,650
Aggregate emoluments	<u>169,871</u>	<u>173,150</u>

6. TAXATION

	1997 £	1996 £
The tax charge in the accounts is made up as follows:		
UK corporation tax at the rate of 21.75% based on the profit for the year	15,318	-

The tax charge is disproportionately low due to the existence of losses brought forward of £72,033

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PRESS COMPLAINTS COMMISSION
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NOTES TO THE ACCOUNTS
Year ended 31 December 1997

7. TANGIBLE FIXED ASSETS

	Computer equipment £	Office furniture and equipment £	Total £
Cost			
At beginning of year	59,753	108,720	168,473
Additions	-	436	436
At 31 December 1997	<u>59,753</u>	<u>109,156</u>	<u>168,909</u>
Depreciation			
At beginning of year	42,415	99,108	141,523
Charge for the year	5,722	2,010	7,732
At 31 December 1997	<u>48,137</u>	<u>101,118</u>	<u>149,255</u>
Net book value			
At 31 December 1997	<u>11,616</u>	<u>8,038</u>	<u>19,654</u>
At 31 December 1996	<u>17,338</u>	<u>9,612</u>	<u>26,950</u>

8. DEBTORS

	1997 £	1996 £
Other debtors	-	4,399
Prepayments and accrued income	20,134	8,204
	<u>20,134</u>	<u>12,603</u>

All amounts shown under debtors fall due within one year.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank loans and overdrafts	30,548	77,194
Corporation tax	15,318	
Other taxation and social security	17,676	46,536
Accruals and deferred income	57,913	93,806
	<u>121,455</u>	<u>217,536</u>

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19 - 10 - 98**Deloitte &
Touche**Chartered
Accountants**PRESS COMPLAINTS COMMISSION**
(Limited by guarantee)**NOTES TO THE ACCOUNTS**
Year ended 31 December 1997**10. OBLIGATIONS UNDER OPERATING LEASES**

	Land and buildings £	Other £	Total £
The following amounts fall due within one year under leases which expire:			
In two to five years	-	18,303	18,303
After five years	30,000	-	30,000
	<u>30,000</u>	<u>18,303</u>	<u>48,303</u>