



02538908

**29 - 06 - 99**

**Deloitte &  
Touche**

Member Firm  
Member

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

**REPORT AND FINANCIAL STATEMENTS 1998**

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

**REPORT AND FINANCIAL STATEMENTS 1998**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

The Rt. Hon. Lord Wakeham DL, JP, FCA	(Chairman)
Arzina Bhanji	
Lady Browne-Wilkinson	
Iris Burton	(resigned 31 July 1998)
Jim Cassidy	
Thomas Clarke	(resigned 31 July 1998)
Graham Collyer	
Sir Brian Cobbon GCB	
Paul Dacre	(appointed 14 December 1998)
Baroness Dean of Thornton-le-Fylde	(resigned 31 July 1998)
Sir David English	(deceased 10 June 1998)
John Griffiths	
Phillip Hall	(appointed 1 August 1998)
The Hon. Dominic Lawson	(appointed 1 September 1998)
Prof Robert Pinder BSc(Soc) MSc(Econ)	
Patricia Roberts Cairns	(appointed 1 August 1998)
Viscountess Ruth Runcimon	(appointed 1 October 1998)
Baroness Smith of Glimorehill	
The Lord Tordoff	
The Rt. Rev. John Waine	
John Withrow	(resigned 8 September 1998)

**SECRETARY**

Guy Black

**REGISTERED OFFICE**

1 Salisbury Square  
London EC4Y 8JB

**AUDITORS**

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

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Members of  
Deloitte & Touche

**PRESS COMPLAINTS COMMISSION**  
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#### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

#### **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 had a deficit of £28,146 (1997- surplus of £108,520) 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 1998, just over 2,500 complaints were made to the PCC. 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 with nearly three quarters of all complaints completed within forty three working 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 1998 to give general advice to editors on ethical issues related to the Code. This included advice on payments to criminals and on coverage of the Royal Princes.

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.

#### **YEAR 2000**

The Directors consider the principal risk relating to systems that are not year 2000 compliant relates to the Company's own computer systems and equipment installed in the executive and administrative offices. The Company's information and recording systems are simple and use well known and widely available software packages. The Company runs a small computer network for which the hardware is due to be replaced at the beginning of 1999. Any failures in the hardware or software will be dealt with by modification or replacement. It is unlikely that any year 2000 failure would cause a material loss or interruption to the Company's operations. The Company has also undertaken a review of its exposure in the buildings which it owns and manages. This review identified no material costs required to ensure year 2000 compliance.

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Deloitte Touche  
Accountants

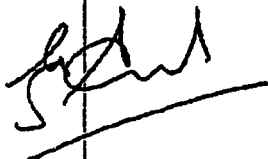
**PRESS COMPLAINTS COMMISSION**  
(Limited by guarantee)

**DIRECTORS' REPORT**

**AUDITORS**

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

2<sup>nd</sup> June 1999

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Accountants

**PRESS COMPLAINTS COMMISSION**  
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**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  
11th House  
1 Little New Street  
London EC4A 3TRTelephone: National 0171 936 3000  
International + 44 171 936 3000  
Fax (Sp. 3): 0171 963 9517  
LDE: DX 599**AUDITORS' REPORT TO THE MEMBERS OF****PRESS COMPLAINTS COMMISSION****(Limited by guarantee)**

We have audited the financial statements on pages 6 to 11 which have been prepared under the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 4 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 1998 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*Chartered Accountants and  
Registered Auditors

23 June 1999

**Deloitte Touche  
Tuchman**Aberdeen, Belfast, Birmingham, Blackpool, 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:  
Stonemaster Court, 1 Stonemaster Street, London EC4A 4TR.Authorised by the Institute of Chartered Accountants in England and Wales to carry on  
investment business. 5

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 Chartered Accountants  
 Limited

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

**INCOME AND EXPENDITURE ACCOUNT**  
 Year ended 31 December 1998

	Note	1998 £	1997 £
<b>INCOME</b>	2	1,207,300	1,310,840
Administrative expenses		(1,244,881)	(1,188,206)
<b>OPERATING (DEFICIT)/SURPLUS</b>	3	(37,581)	122,634
Interest receivable		446	1,204
<b>(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(37,135)	123,838
Tax on deficit/surplus on ordinary activities	6	8,989	(15,318)
<b>(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(28,146)	108,520
Retained deficit brought forward		(69,441)	(177,961)
Retained deficit carried forward		(97,587)	(69,441)

All amounts derive from continuing operations.

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



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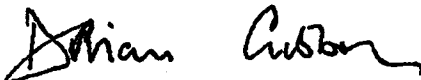
PRESS COMPLAINTS COMMISSION  
(Limited by guarantee)BALANCE SHEET  
31 December 1998

	Note	1998 £	1997 £
<b>FIXED ASSETS</b>			
Tangible assets	7	21,766	19,654
<b>CURRENT ASSETS</b>			
Debtors	8	21,246	20,134
Cash at bank and in hand		72	12,226
		21,318	32,360
<b>CREDITORS: amounts falling due within one year</b>	9	(140,671)	(121,455)
<b>NET CURRENT LIABILITIES</b>		(119,353)	(89,095)
<b>TOTAL NET LIABILITIES</b>		(97,587)	(69,441)
<b>CAPITAL AND RESERVES</b>			
Accumulated deficit		(97,587)	(69,441)

These financial statements were approved by the Board of Directors on 2<sup>nd</sup> June 1999.  
Signed on behalf of the Board of Directors



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


Sir Brian Cubbon GCB  
Directors

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

**NOTES TO THE ACCOUNTS**  
Year ended 31 December 1998

**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	- 33% per annum reducing balance
Office furniture and equipment	- 20% 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**

	1998	1997
	£	£
Press Standard Board of Finance Limited contribution	1,207,300	1,303,500
Other miscellaneous income	-	7,340
	<u>1,207,300</u>	<u>1,310,840</u>

**3. OPERATING (DEFICIT)/SURPLUS**

	1998	1997
	£	£
This is stated after charging:		
Depreciation of own assets	8,744	7,732
Hire of assets under operating leases:		
Land and buildings	30,000	30,000
Other	19,674	16,271
Auditors' remuneration:		
Audit services	8,225	7,000
Other services	-	10,164
	<u>          </u>	<u>          </u>

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 Accountants

**PRESS COMPLAINTS COMMISSION**  
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**NOTES TO THE ACCOUNTS**  
 Year ended 31 December 1998
**4. EMPLOYEES**

	1998 No.	1997 No.
The average weekly number of employees during the year was as follows:		
Office staff	17	15
	£	£
Staff costs (including directors) consist of:		
Wages and salaries	656,296	661,141
Social security costs	53,155	42,110
Other pension costs	38,781	26,182
	<u>748,232</u>	<u>729,433</u>

**5. DIRECTORS' REMUNERATION**

	1998 £	1997 £
Commissioners' stipends	78,803	74,561
Chairman's remuneration - salary	98,492	95,310
Aggregate emoluments	<u>177,295</u>	<u>169,871</u>

**6. TAXATION**

The tax (credit)/charge in the accounts is made up as follows:

	1998 £	1997 £
UK corporation tax at the rate of 21.75% (1997 - 21.75%)	(7,256)	15,318
Adjustment in respect of prior years	(1,733)	-
	<u>(8,989)</u>	<u>15,318</u>

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**PRESS COMPLAINTS COMMISSION**  
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**NOTES TO THE ACCOUNTS**  
 Year ended 31 December 1998

**7. TANGIBLE FIXED ASSETS**

	Computer equipment £	Office furniture and equipment £	Total £
<b>Cost</b>			
At beginning of year	59,753	109,156	168,909
Additions	8,705	2,151	10,856
At 31 December 1998	<u>68,458</u>	<u>111,307</u>	<u>179,765</u>
<b>Depreciation</b>			
At beginning of year	48,137	101,118	149,255
Charge for the year	6,706	2,038	8,744
At 31 December 1998	<u>54,843</u>	<u>103,156</u>	<u>157,999</u>
<b>Net book value</b>			
At 31 December 1998	<u>13,615</u>	<u>8,151</u>	<u>21,766</u>
At 31 December 1997	<u>11,616</u>	<u>8,038</u>	<u>19,654</u>

**8. DEBTORS**

	1998 £	1997 £
Corporation tax recoverable	8,989	-
Prepayments and accrued income	12,257	20,134
	<u>21,246</u>	<u>20,134</u>

All amounts shown under debtors fall due within one year.

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1998 £	1997 £
Bank loans and overdrafts	97,996	30,548
Corporation tax	-	15,318
Other taxation and social security	-	17,676
Accruals and deferred income	42,675	57,913
	<u>140,671</u>	<u>121,455</u>

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**29 - 06 - 99****Deloitte &  
Touche**Chartered  
Accountants**PRESS COMPLAINTS COMMISSION**  
(Limited by guarantee)**NOTES TO THE ACCOUNTS**  
Year ended 31 December 1998**10. OBLIGATIONS UNDER OPERATING LEASES**

	Land and buildings 1998 £	Other 1998 £	Land and buildings 1997 £	Other 1997 £
The following amounts fall due within one year under leases which expire:				
In less than one year	-	10,353	-	-
In two to five years	-	8,379	-	18,303
After five years	30,000	-	30,000	-
	<u>30,000</u>	<u>18,732</u>	<u>30,000</u>	<u>18,303</u>