

02538908

13 - 07 - 01

Company Registration No. 0253908

**Deloitte
& Touche**

PRESS COMPLAINTS COMMISSION
(Limited by guarantee)

Report and Financial Statements

31 December 2000

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



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PRESS COMPLAINTS COMMISSION
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& Touche**

REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

The Rt. Hon. Lord Wakeham JP, DL, FCA (Chairman)
Arzina Bhanji
Sir Brian Cubbon GCB
Paul Dacre
Philip Hall (resigned 23 May 2000)
Alison Hastings
Dr Arthur Hearnden OBE
The Hon. Dominic Lawson
John McGurk
Prof Robert Pinker BSc(Soc) MSc(Econ)
Viscountess Runciman DBE
Baroness Smith of Gilmorhill
Malcolm Starbrook
The Lord Tordoff
Russell Twist
The Right Rev. John Waine
Neil Wallis (appointed 5 September 2000)

SECRETARY

Guy Black

REGISTERED OFFICE

1 Salisbury Square
London EC4Y 8JB

BANKERS

Royal Bank of Scotland
London Drummonds Branch
49 Charing Cross
London SW1A 2DX

SOLICITORS

Sheridans
14 Red Lion Square
London WC1R 4QL

AUDITORS

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

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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 2000.

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 surplus of €36,289 (1999 - £469) for the year.

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

TRADING REVIEW

The commission received 2,225 complaints in 2000, broadly in line with the average of recent years. With every complaint it receives, the Commission's main aim is to try and get it sorted out quickly, amicably and to the satisfaction of the complainant. The PCC continued to achieve substantial success in that aim in 2000 - with an impressive proportion of those complaints where there was a prima facie breach of the Code being resolved. Some 84% of all complaints were dealt with in just forty 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 2000 to give general advice to editors on ethical issues related to the Code.

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.

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DIRECTORS' REPORT (continued)

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

27 June 2001

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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 as at the end of the financial year 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; 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.

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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 which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 2000 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

4 July 2001

**Deloitte
 Touche
 Tohmatsu**

Aberdeen, Belfast, Birmingham, Bracknell, 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: Stonecutler Court, 1 Stonecutler Street, London EC4A 3TR.
 Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

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13 - 07 - 01**PRESS COMPLAINTS COMMISSION**
(Limited by guarantee)**Deloitte
& Touche****INCOME AND EXPENDITURE ACCOUNT**
Year ended 31 December 2000

	Note	2000 £	1999 £
INCOME			
Administrative expenses	2	1,475,373 (1,422,764)	1,439,587 (1,412,742)
OPERATING SURPLUS	3	52,609	26,845
Interest receivable		710	-
Interest payable		(7,035)	(5,826)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		46,284	21,019
Tax on surplus on ordinary activities	6	(9,995)	(20,550)
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		36,289	469
Retained deficit brought forward		(97,118)	(97,587)
Retained deficit carried forward		(60,829)	(97,118)

All amounts derive from continuing operations.

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

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13 - 07 - 01**PRESS COMPLAINTS COMMISSION**
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31 December 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	7	39,973	37,128
CURRENT ASSETS			
Debtors	8	20,848	14,062
Cash at bank and in hand		16	6
CREDITORS: amounts falling due within one year			
	9	(121,666)	(148,614)
NET CURRENT LIABILITIES			
		(100,802)	(134,546)
TOTAL NET LIABILITIES			
		(60,829)	(97,118)
CAPITAL AND RESERVES			
Accumulated deficit		(60,829)	(97,118)

These financial statements were approved by the Board of Directors on *27 June* 2001.
Signed on behalf of the Board of Directors



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


Sir Brian Cubbon GCB
Directors

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13 - 07 - 01**PRESS COMPLAINTS COMMISSION**
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Year ended 31 December 2000**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 that it is, therefore, appropriate for the financial statements to be prepared on the 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

Deferred tax

Deferred taxation is provided in full on timing differences relating to pension and other post retirement benefits calculated at the rates at which it is expected that tax will arise. Deferred taxation is provided on other timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future without replacement, calculated at the rates at which it is expected that tax will arise.

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

	2000	1999
	£	£
Press Standards Board of Finance Limited contribution	1,475,373	1,439,500
Other miscellaneous income	.	87
	<u>1,475,373</u>	<u>1,439,587</u>

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Year ended 31 December 2000**3. OPERATING SURPLUS**

	2000	1999
	£	£
This is stated after charging:		
Depreciation of own assets	18.423	17,084
Loss on disposal of computer equipment	-	13,615
Hire of assets under operating leases:		
Land and buildings	30,000	30,000
Other	33,927	20,029
Auditors' remuneration:		
Audit services	9,400	9,050
	<u>9,400</u>	<u>9,050</u>

4. EMPLOYEES

	2000	1999
	No.	No.
The average weekly number of employees during the year was as follows:		
Office staff	15	17
	<u>15</u>	<u>17</u>
	£	£
Staff costs (including directors) consist of:		
Wages and salaries	797,471	769,005
Social security costs	58,508	74,033
Other pension costs	45,027	42,687
	<u>901,006</u>	<u>885,725</u>

5. DIRECTORS' REMUNERATION

	2000	1999
	£	£
Commissioners' stipends	103,958	80,371
Chairman's remuneration - salary	156,564	155,687
	<u>260,522</u>	<u>236,058</u>

The increase in commissioners' stipends is due to a reclassification of the way in which some payments have been dealt with in the past. All stipends are now included as salary rather than some being classified as consultancy fees, as had been the case with regard to some payments in previous years.

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Year ended 31 December 2000**6. TAXATION**

The tax charge in the accounts is made up as follows:

	2000 £	1999 £
UK corporation tax at the rate of 20% (1999 - 20%)	9,995	12,036
Adjustment in respect of prior years	-	8,514
	<u>9,995</u>	<u>20,550</u>

7. TANGIBLE FIXED ASSETS

	Computer equipment £	Office furniture and equipment £	Total £
Cost			
At beginning of year	46,361	111,307	157,668
Additions	20,968	-	20,968
Disposals	-	-	-
At 31 December 2000	<u>67,329</u>	<u>111,307</u>	<u>178,636</u>
Depreciation			
At beginning of year	15,454	104,786	120,240
Charge for the year	17,119	1,304	18,423
Disposals	-	-	-
At 31 December 2000	<u>32,573</u>	<u>106,090</u>	<u>138,663</u>
Net book value			
At 31 December 2000	<u>34,756</u>	<u>5,217</u>	<u>39,973</u>
At 31 December 1999	<u>30,907</u>	<u>6,521</u>	<u>37,428</u>

8. DEBTORS

	2000 £	1999 £
Prepayments and accrued income	<u>20,848</u>	<u>14,062</u>

All amounts shown under debtors fall due within one year.

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Year ended 31 December 2000**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000 £	1999 £
Bank loans and overdrafts	97,723	92,422
Corporation tax	13,619	13,294
Other taxation and social security	-	9,290
Accruals and deferred income	10,324	33,608
	<u>121,666</u>	<u>148,614</u>

10. PROVISION FOR LIABILITIES AND CHARGES

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

	Provided		Unprovided	
	2000 £	1999 £	2000 £	1999 £
Capital allowances in excess of depreciation	-	-	518	3,634

11. OBLIGATIONS UNDER OPERATING LEASES

	Land and buildings 2000 £		Land and buildings 1999 £	
	£	Other 2000 £	£	Other 1999 £
The following amounts fall due within one year under leases which expire:				
In less than one year	-	9,320	-	-
In two to five years	-	20,157	-	29,477
After five years	30,000	-	30,000	-
	<u>30,000</u>	<u>29,477</u>	<u>30,000</u>	<u>29,477</u>

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& Touche**

ADDITIONAL INFORMATION
Year ended 31 December 2000

The additional information contained on page 13 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.

