Introduction

We are pleased to provide this report in accordance with the Funding Agreement between the Independent Press Regulation Trust (IPRT) and IMPRESS: The Independent Monitor for the Press CIC (IMPRESS).

The aim of the Funding Agreement is to ensure the establishment of IMPRESS as a truly independent press regulator, in line with the recommendations set out in Lord Justice Leveson’s Report into the Culture, Practices and Ethics of the Press (the Leveson Report) and the Royal Charter on Self-Regulation of the Press (the Charter).

In pursuing this aim, we hope to advance the IPRT’s charitable purpose of promoting high standards of ethical journalism and news publishing. We have kept this charitable purpose in mind throughout the activities described in this report.

The first payment under this Agreement was made on 3 November 2015. This report shows how the foundations for the future development of IMPRESS have been laid during the six-week period since then. In particular, the report shows how we have advanced the objectives set out in the IMPRESS Business Plan 2015-20 (the Plan).

We hope that this report shows the trustees of the IPRT that the Grant has been applied properly and effectively. If we can provide any further information, we would of course be delighted to do so.
1. Operating as an independent press regulator

We have put in place the following elements of an independent press regulator:

- A standards code and guidance on the code
- Advisory services
- A whistleblowing hotline
- A complaints-handling and investigations scheme
- An arbitration scheme

In developing these services, we have followed the criteria set out in the Charter. We are now preparing to submit a formal application to the Press Recognition Panel (PRP) for approval as a self-regulatory body.

The PRP have made it very clear, both in their published guidance and in private meetings, that, in order to be recognised, IMPRESS must amount to more than a set of written policies and procedures. We must have publishers on board, and we must have the operational capacity to regulate them in accordance with the Charter requirements.

Therefore, we have taken steps to ensure that we are ready to regulate at the earliest opportunity. With support from the specialist regulatory recruitment agency Gatenby Sanderson, we have appointed a core staff team, as follows:

- **Jonathan Heawood**, Chief Executive Officer
- **Edward Procter**, Chief Operating Officer
- **Rachel Knight**, Head of Business Development
- **Lee Hall**, Business Manager & Company Secretary
- **Brigit Morris**, Policy Officer

Edward Procter is the outgoing Chief Executive Officer of Sport Resolutions, an independent body providing dispute resolution services across a range of major sports. He has considerable experience of leading on the successful administration of mediation, arbitration and related services, and is now finalising the IMPRESS regulatory scheme policies and procedures. Edward will take up his full-time post as Chief Operating Officer with IMPRESS in May 2016 and will work in the interim on a consultancy basis.

We have commissioned the charity Public Concern at Work to provide a whistleblowing advice line. This will be operationally independent of IMPRESS, so
that callers will be able to raise ethical concerns in absolute confidence. This advice line will become operational on 4 January 2016.

Meanwhile, we have entered into a partnership agreement with the Chartered Institute of Arbitrators, also a registered charity, to administer an arbitration scheme in relation to relevant claims in defamation, breach of privacy and harassment. This agreement will also become operational on 4 January 2016.

With these elements in place, we intend to apply to the PRP for recognition on or around 20 January 2016. According to the guidance published by the PRP, the recognition process may take 85 days or more. Therefore, if our application is successful, we expect to achieve recognised status on or around 26 May.

2. Sustaining our operations financially

The generous financial support of the IPRT has enabled IMPRESS to move forward in its strategic objectives. In the long term, we expect to complement this grant income with fees from subscribing publishers.

We are therefore working with around 40 publishers who have expressed an initial interest in signing up to IMPRESS. Of these, we expect to have signed contracts with between five and ten by the point at which we apply to the PRP. We will continue to recruit further publishers over the coming months and years in line with the targets set out in the Plan.

As Head of Business Development, Rachel Knight will take lead responsibility for recruiting publishers. Rachel has many years’ experience of business development in the financial services sector, where she has developed markets for regulatory products. Like Edward, she is working initially on a consultancy basis, with a view to a full-time role in due course.

3. Ensuring a positive operating environment for IMPRESS

IMPRESS has been designed to inhabit the framework for independent self-regulation of the press which was created in the wake of the Leveson Report. This framework consists of the Charter and relevant provisions in the Crime and Courts Act 2013 and the Enterprise and Regulatory Reform Act 2013. Together, these create a framework within which a self-regulatory body such as IMPRESS may be
independently approved (or ‘recognised’); and publishers may be encouraged to subscribe to such a body through a system of incentives.

The incentives are set out in sections 34-42 of the Crime and Courts Act 2013 (the Act). This part of the Act provides for the possibility of exemplary damages awards against news publishers who do not subscribe to a recognised regulator, if they are sued in defamation, breach of privacy or harassment. News publishers who do subscribe to a recognised regulator will be protected against exemplary damages and against the risk of costs shifting. Although the Act was passed with cross-party agreement in the last Parliament, the current Government has so far failed to commence section 40, which contains the costs shifting provisions.

In a speech to the Society of Editors on 19 October 2015, the Secretary of State for Culture, Media and Sport, Rt. Hon John Whittingdale MP, said that he wanted to see the press comply with the form of regulation recommended by Lord Justice Leveson, as distilled in the Charter. However, the Secretary of State told the Society of Editors that he is ‘not convinced the time is right for the introduction of these costs provisions.’

At IMPRESS, we have met senior officials at the Department for Culture, Media and Sport (DCMS) to discuss the Secretary of State’s comments. We understand from these discussions that the Secretary of State does not intend to repeal section 40, but to examine its impact before laying a commencement order before Parliament.

We have therefore made a submission to DCMS which summarises the evidence relating to the benefits of commencing section 40 and the risks of non-commencement. We hope to demonstrate that commencement of section 40 is necessary to ensure the positive changes which the Secretary of State wishes to see, in terms of:

- incentivising independent and effective press regulation
- alleviating the chilling effect of the current costs regime; and
- enhancing access to justice.

We are now seeking a meeting with the Secretary of State to discuss the situation, and the positive role which IMPRESS can play.

Thus, the operating environment for IMPRESS is fluid, but we are taking the necessary steps, on an ancillary basis to our dominant activities as an independent press regulator, to ensure that this environment enables us to provide benefit to the public.
4. Ensuring sound administration

In a governance review in August 2015, the IMPRESS Board identified a need to enhance their first-hand knowledge and understanding of news publishing. The Board therefore commissioned the IMPRESS Appointment Panel to recruit new Board members with a background at a senior level in journalism. After a fair and open recruitment process, the Board has now accepted the Panel’s nomination of Martin Hickman, formerly of The Independent and Emma Jones, formerly of The Sun, as new Board members. Both nominees have governance expertise alongside their professional experience. They will be taking up their posts in January 2016.

A Finance & Audit Committee, chaired by David Robinson, has been formed and will take responsibility for financial oversight on behalf of the Board. Sayer Vincent have been appointed as auditors.

Meanwhile, as mentioned above, the core members of the IMPRESS staff team have been appointed. Jonathan Heawood, Edward Procter and Rachel Knight will be joined on the senior management team by Lee Hall, as Business Manager & Company Secretary. Lee has filled a similar role at the charity Best Beginnings for the last seven years. He will have day-to-day responsibility at IMPRESS for financial management, office management and governance support.

Brigit Morris, our Policy Officer, is a former legal officer to the Australian Law Reform Commission in its landmark inquiry into privacy law. Now completing a postgraduate qualification in law at King’s College, London, Brigit is working for IMPRESS on a part-time basis, providing expert support with policy development.

The team will expand further in April 2016 with the appointment of Chris Elliott, the outgoing Readers’ Editor of The Guardian, as Editorial Standards Adviser. Chris will work with subscribing publishers to ensure that they have appropriate systems in place to ensure compliance and handle and record complaints.

To accommodate this growing team, we have recently moved into larger offices, at the same address, 83 Victoria Street. We have also increased our IT capacity, to ensure the highest reasonable level of security, given the confidential nature of our work.
5. Finances

The first payment under the Funding Agreement of £475,000 was gratefully received on 3 November 2015. At the point of writing (15 December 2015), interest of £54.02 has been earned and a total of £84,237.89 has been spent, as follows:

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>To date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration, including NI</td>
<td>37,824.08</td>
</tr>
<tr>
<td>Recruitment costs</td>
<td>12,624</td>
</tr>
<tr>
<td>Design &amp; Print</td>
<td>10,336.75</td>
</tr>
<tr>
<td>Travel</td>
<td>983.06</td>
</tr>
<tr>
<td>Subsistence</td>
<td>44.06</td>
</tr>
<tr>
<td>Advertising</td>
<td>718.80</td>
</tr>
<tr>
<td>Computer &amp; Web</td>
<td>660</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>625.48</td>
</tr>
<tr>
<td>Legal</td>
<td>14,841.56</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,929</td>
</tr>
<tr>
<td>Research</td>
<td>651.10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>84,237.89</strong></td>
</tr>
</tbody>
</table>

This expenditure is within our budget for the period, as set out in the Plan. Many of these costs (in particular, ‘Recruitment’, ‘Design’ and ‘Legal’) relate to our start-up expenditure and will not be ongoing. However, our fixed costs (in particular, ‘Remuneration’) will increase in 2016 as the new staff team takes shape. Full management accounts will be included with future reports and in due course auditors’ reports will of course be available.
6. Conclusion

I hope that this report helps the trustees of the IPRT to see the progress which IMPRESS has already made in the short period since the first instalment of the Grant was received.

In summary, we are:

- Preparing to seek recognition from the PRP, with all the requirements in place for compliance with the Charter.
- Actively recruiting publishers as subscribers, with interest from approximately 40 publishers and growing awareness of IMPRESS.
- Building support for the post-Leveson framework, with input into the policy-making process.
- Ensuring sound administration, with new Board members, a growing staff team, IT systems and sufficient office space.

Clause 4.4 of the Funding Agreement requires IMPRESS to notify the IPRT of any material changes to its Plan, Articles of Association, board of Directors, senior staff or auditors. For the avoidance of doubt, please accept this as notification that:

- We have not made any changes to our Plan or Articles of Association.
- Martin Hickman and Emma Jones have joined our board of Directors.
- Edward Procter, Rachel Knight and Lee Hall have joined our senior management team.
- Sayer Vincent have been appointed as auditors.

These changes are positive and will enable IMPRESS to achieve the aim of this Funding Agreement and the IPRT’s purpose more generally.

We would like to take this opportunity to thank the trustees of the IPRT for your generous support, and to send you all our warmest wishes for Christmas and the New Year.
IPRT Report

15 June 2016

Introduction

We are pleased to provide this report in accordance with the Funding Agreement between the Independent Press Regulation Trust (IPRT) and IMPRESS: The Independent Monitor for the Press CIC (IMPRESS).

The aim of the Funding Agreement is to ensure the establishment of IMPRESS as a truly independent press regulator, in line with the recommendations set out in Lord Justice Leveson’s Report into the Culture, Practices and Ethics of the Press (the Leveson Report) and the Royal Charter on Self-Regulation of the Press (the Charter).

In pursuing this aim, we hope to advance the IPRT’s charitable purpose of promoting high standards of ethical journalism and news publishing for the public benefit. We have kept this charitable purpose in mind throughout the activities described in this report.

This report shows how the Board and executive team of IMPRESS have advanced the objectives set out in the IMPRESS Business Plan 2015-20 (the Plan) in the period between our last report (15 December 2015) and this report (15 June 2016).

We hope that the report shows the trustees of the IPRT that the Grant has been applied properly and effectively. If we can provide any further information, we would of course be delighted to do so.
1. Operating as an independent press regulator

At the point of writing (15 June 2016), IMPRESS has recruited 31 publications as members. IMPRESS will only be open for complaints against publications which have put the necessary systems in place to ensure that complaints are handled properly. Therefore, these publications are now undergoing compliance checks. When these checks have been completed, and we are confident that our publications are capable of handling complaints properly, we will award the ‘Trust in Journalism’ mark to regulated publications. An example of this mark may be seen on the ‘Shropshire Live’ publication, which was the first to complete the compliance checks: http://www.shropshirelive.com/ (scroll to the foot of the page).

In our experience, independent news publishers are determined to act ethically and responsibly. However, they lack expertise in the rapidly evolving area of media law. As a result, they may avoid subjects which they do not need to avoid and, conversely, they may create problems for themselves by taking unnecessary risks. In order to help publishers act ethically – and thereby, to avoid generating complaints – we have facilitated discussions with insurers and lawyers, who will be able to mitigate the risks that publishers face.

Meanwhile, we are consulting on a standards code which will reflect the importance of sound journalism ethics in the era of digital publication. We have commissioned the agency Britain Thinks to run a series of focus groups and a public poll. These have shown the public commitment to journalistic principles such as accuracy, respect for privacy, respect for children and the avoidance of discrimination. The public also believe that these principles will be best upheld by an independent body such as IMPRESS, rather than by a government or industry-backed regulator. These findings will inform a series of roundtable meetings over the next two months and a draft code, which will be the subject of further public consultation over the summer. We expect to finalise and launch the new code this autumn.

We submitted an application for recognition as an approved regulator by the Press Recognition Panel (PRP) on 20 January 2016. This application was subsequently published in full by the PRP, who issued a call for information which generated a number of submissions. We addressed the points raised in these submissions and made some changes to our application, which we submitted in March.

The PRP then issued a second call for information which generated further submissions. We are now in the process of addressing this second round of submissions. We expect to meet the PRP executive in early July to confirm whether we have been able to address their outstanding concerns about our application. We understand that the executive may then make a recommendation to their Board, for consideration at a meeting on 23 August.
2. Sustaining our operations financially

We are grateful for the continuing support of IPRT. In addition to this grant income, we are also beginning to generate a small amount of income in the form of regulatory fees. In time, we expect to increase the proportion of our income which comes from regulated publishers. However, we recognise that it will be a challenge for small, independent publishers to provide sufficient funding for IMPRESS to meet its obligations under the Charter. Therefore, we expect to maintain a mixed funding model, with income from a blend of sources.

We have launched a consultation on our financial arrangements, which will run for four weeks until Wednesday 6 July. The Board will meet later in July for a strategy day at which they will reflect on the findings of this consultation before developing a long-term strategy for the organisation's sustainability.

3. Ensuring a positive operating environment for IMPRESS

IMPRESS operates in a highly mobile environment. In order to ensure that political decision-makers are aware of the important role that IMPRESS may play in this environment, we have held meetings with the Secretary of State for Culture, Media & Sport, Rt Hon John Whittingdale MP; the Chair of the House of Commons Select Committee on Culture, Media & Sport, Jesse Norman MP; the Opposition Spokesperson on Culture, Media & Sport, Rt Hon Maria Miller MP; and the Chair of the House of Lords Select Committee on Communications, Lord Best.

In order to ensure that our stakeholders in the media and civil society remain engaged with and supportive of IMPRESS’s activities, we have developed a programme of weekly mailings. We use these mailings to provide updates on our work and to raise awareness of issues affecting the future of journalism, ethics and public trust in the media. Our analysis shows that these mailings reach a wide audience.

IMPRESS representatives have also spoken publicly in a range of forums. Walter Merricks CBE, Chair of IMPRESS, gave a keynote speech at the London School of Economics on 20 January to announce IMPRESS’s application to the PRP. He also spoke about IMPRESS at an annual conference on defamation and privacy law. Jonathan Heawood, Chief Executive Officer of IMPRESS, spoke at a conference on democracy attended by a number of charities and non-profit organisations, and a meeting of the Computer Society of Great Britain attended by senior professionals in the field of IT. Further speaking engagements are planned for the autumn.
4. Ensuring sound administration

The IMPRESS Board has grown to accommodate two new members, Martin Hickman and Emma Jones, as mentioned in our last report to the IPRT. The Board meets on a monthly basis and is responsible for overseeing the organisation’s work and strategic development.

David Robinson chairs the IMPRESS Finance & Audit Committee, alongside two other Board members – Walter Merricks and Deborah Arnott – and two external members – James Flint and Richard Fass. The Committee has developed clear policies and procedures to ensure sound financial management and oversight.

Now that IMPRESS has a staff team, including consultants and temporary staff, of eight, we are looking for larger office accommodation. We expect to move in the New Year. Many of our members are based outside London and may welcome the opportunity to hold meetings and interviews in London. Therefore, we are considering the opportunity to take premises which have extra capacity for such meetings. In time, this may become an additional revenue stream.
5. Finances

In the period between our last report (15 December 2015) and this report (15 June 2016), we have incurred total costs of slightly more than £300,000, as follows:

<table>
<thead>
<tr>
<th>Expenditure</th>
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<tbody>
<tr>
<td>Staff &amp; Board</td>
<td>£186,374</td>
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<tr>
<td>Travel &amp; Meetings</td>
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<tr>
<td>Communications &amp; Research</td>
<td>£41,946</td>
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<tr>
<td>Office &amp; Administration</td>
<td>£50,072</td>
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<tr>
<td>Legal &amp; Professional</td>
<td>£17,463</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£300,338</strong></td>
</tr>
</tbody>
</table>

This expenditure is within our budget for the period, as set out in the Plan. Our monthly expenditure has grown over the period and we expect it to stabilise now. We continue to include a healthy contingency in all our financial planning, in light of the unpredictability of our operating environment.

An auditor’s report will be available for the financial year 2015-16 in due course.
6. Conclusion

We hope that this report helps the trustees of the IPRT to see the progress which IMPRESS has made in the short period since our last report.

In summary, we are:

- In the process of applying for recognition as an approved press regulator by the Press Recognition Panel.
- Developing a mixed income mode, to ensure our financial security and sustainability.
- Building support for IMPRESS among key stakeholders.
- Ensuring sound governance and administration.

Clause 4.4 of the Funding Agreement requires IMPRESS to notify the IPRT of any material changes to its Plan, Articles of Association, board of Directors, senior staff or auditors. For the avoidance of doubt, please accept this as notification that we have not made any such changes.

We would like to take this opportunity to thank the trustees of the IPRT for their generous support of IMPRESS.

Jonathan Heawood
Chief Executive Officer
IPRT Report

December 2016

Introduction

We are pleased to provide this report in accordance with the Funding Agreement between the Independent Press Regulation Trust (IPRT) and IMPRESS: The Independent Monitor for the Press CIC (IMPRESS).

The aim of the Funding Agreement is to ensure the establishment of IMPRESS as a truly independent press regulator, in line with the recommendations set out in Lord Justice Leveson’s Report into the Culture, Practices and Ethics of the Press (the Leveson Report) and the Royal Charter on Self-Regulation of the Press (the Charter).

In pursuing this aim, we hope to advance the IPRT’s charitable purpose of promoting high standards of ethical journalism and news publishing for the public benefit. We have kept this charitable purpose in mind throughout the activities described in this report.

This report shows how the Board and executive team of IMPRESS have advanced the objectives set out in the IMPRESS Business Plan 2015-20 (the Plan) in the period June – November 2016.

We hope that the report shows the trustees of the IPRT that the Grant has been applied properly and effectively. If we can provide any further information, we would of course be delighted to do so.
1. Operating as an independent press regulator

At the point of writing (15 December 2016), IMPRESS has received applications from 54 publications, of which 30 have so far put in place the necessary governance arrangements to enter into Regulatory Scheme Agreements with IMPRESS.

IMPRESS is able to accept complaints in relation to articles first published or acts occurring from the date that the Regulatory Scheme Agreement has been entered into. 21 publications are still in the process of putting in place complaints systems and three have withdrawn their applications.

In the period up to 15 December 2016, IMPRESS received a total of 29 complaint notifications. Of these:

- 3 were advisory notice requests which were accepted and distributed to all IMPRESS publishers within 24 hours.
- 9 were complaints about an IMPRESS-regulated publisher. Of these, 5 were referred back to the publisher for resolution, 3 were rejected for being more than one year old and 1 related to a regulated publisher who was not regulated by IMPRESS on the date the article first appeared.
- 1 complaint was about a publisher who had applied to join IMPRESS but had not entered into a Regulatory Scheme Agreement. This was referred back to the publisher for resolution.
- 14 complaints related to articles that appeared in titles not regulated by IMPRESS such as the Daily Mail, Daily Express, Guardian and Canary.
- 2 were complaints in which the name of the publication was withheld.

We have continued to explore ways in which we can raise the governance standards of subscribing publishers and increase the benefits to publishers of joining IMPRESS. An insurance scheme to protect publishers against the costs of participating in IMPRESS’s arbitration system is in an advanced stage of development. Plans are also underway to provide a legal advice scheme and a training programme for publishers.

The development of a new standards code for IMPRESS has been completed, following an extensive period of public consultation. An implementation plan has been devised to formally announce the code in March and to prepare publishers to start using it from June onwards. The IMPRESS code is based around core journalistic principles relating to accuracy, privacy, children, discrimination and so on. It differs from the Editors’ Code in some important respects in the areas of discrimination, children, the public interest and issues specific to digital publication.
IMPRESS’s compliance with the recognition criteria set out under the Charter was confirmed by the Press Recognition Panel (PRP) on 25 October 2016. The Government has subsequently announced a consultation into the commencement of the legal incentives to join a recognised regulator set out in section 40 of the Crime and Court Act 2013. IMPRESS is planning to submit a response to the consultation in which we will explain that in applying to become an approved regulator under the Charter we had a legitimate expectation that section 40 would be in force.

2. Sustaining our operations financially

We are grateful for the continuing support of IPRT. In addition to this grant income, we are beginning to generate a small amount of income in the form of regulatory fees. In time, we expect to increase the proportion of our income which comes from regulated publishers. However, we recognise that it will be a challenge for small, independent publishers to provide sufficient funding for IMPRESS to meet its obligations under the Charter. In addition, the uncertainty surrounding section 40 has led some publishers to choose not to join IMPRESS at present. Therefore, we expect to maintain a mixed funding model, with income from a blend of sources.

3. Ensuring a positive operating environment for IMPRESS

Since our last report, IMPRESS has given evidence to both the House of Commons Select Committee on Culture, Media and Sport and the House of Lords Select Committee on Communications. We have also met the recently-appointed Secretary of State for Culture, Media and Sport, Rt. Hon Karen Bradley MP. And we have held individual meetings with a number of Peers and Members of Parliament. On every occasion, we have taken the opportunity to set out our belief in the importance of independent and effective regulation of the press.

In order to ensure that our stakeholders in the media and civil society remain engaged with and supportive of IMPRESS’s activities, we have developed a programme of weekly mailings. We use these mailings to provide updates on our work and to raise awareness of issues affecting the future of journalism, ethics and public trust in the media. Our analysis shows that these mailings reach a wide audience.

Walter Merricks CBE, Chair of IMPRESS, has appeared on the BBC Radio 4 Today programme. Jonathan Heawood, CEO of IMPRESS, has given speeches at a number of events, including the Westminster Media Forum, the UK Policy Forum and the Association of Online Publishers annual summit. He has also appeared on the BBC Radio 4 Media Show, in debate with Sir Alan Moses, Chair of IPSO.
The IMPRESS code consultation took evidence from almost 60 individuals and organisations. This process enabled us to build relationships with a number of highly-experienced stakeholders in the field of media standards and regulation, including Ofcom, the BBC, the Information Commissioner’s Office and the Advertising Standards Authority.

As part of the Code Consultation, we commissioned research from Britain Thinks, which suggested very low levels of public trust in the media. Later in the year, in November, we commissioned similar research from YouGov, which revealed that public trust had fallen even lower, perhaps as a result of the controversy over ‘fake news’ in relation to the EU referendum and the US presidential election. YouGov’s research also revealed that only 3% of the population trust newspaper publishers to set up a press regulator. We have taken every opportunity to raise awareness of this research, in order to help stakeholders understand the importance of independent press regulation. However, we do not expect our research to receive much coverage in the mainstream press.

4. Ensuring sound administration

The Board continues to meet on a monthly basis and is responsible for overseeing the organisation’s work and strategic development.

David Robinson chairs the IMPRESS Finance & Audit Committee, alongside Board member Deborah Arnott and two external members, James Flint and Richard Fass. The Committee has developed clear policies and procedures to ensure sound financial management and oversight. Our inaugural set of accounts (attached) were healthy and we have registered for VAT.

At the end of 2016, IMPRESS will move into new offices on Farringdon Street, London. This office is considerably larger than our previous serviced offices and will give us the space to grow and develop. The office is on an eight-year lease with a four-year break clause.
### 5. Finances

In the 6 months from June – November 2016, we incurred total costs of £473,475, as follows:

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<th>Expenditure</th>
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</tr>
</thead>
<tbody>
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<td>Staff &amp; Board</td>
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<td>Travel &amp; Meetings</td>
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<td>Communications &amp; Research</td>
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<td>Office &amp; Administration</td>
<td>£35,852</td>
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<tr>
<td>Legal &amp; Professional</td>
<td>£24,476</td>
</tr>
<tr>
<td>Capital depreciation</td>
<td>£4,311</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£473,475</strong></td>
</tr>
</tbody>
</table>

This expenditure is well within our budget for the period, as set out in the Plan. We continue to include a healthy contingency in all our financial planning, in light of the unpredictability of our operating environment.

A set of audited annual accounts for the financial year 2015-16 is also included with this report.
6. Conclusion

We hope that this report helps the trustees of the IPRT to see the progress which IMPRESS has made in the short period since our last report.

In summary, we have:

- Been recognised by the Press Recognition Panel as the first truly independent and effective regulator in the history of the UK press.
- Attracted applications from more than 50 news publications which wish to be regulated by IMPRESS.
- Begun to regulate 30 of these publications which have put in place the necessary governance arrangements.
- Developed an original standards code which draws on international best practice in journalism standards.
- Advocated consistently with Government and Parliament for the full implementation of the post-Leveson legislative framework.
- Continued to ensure sound governance and administration.

Clause 4.4 of the Funding Agreement requires IMPRESS to notify the IPRT of any material changes to its Plan, Articles of Association, board of Directors, senior staff or auditors. For the avoidance of doubt, please accept this as notification that we have not made any such changes.

We would like to take this opportunity to thank the trustees of the IPRT for their generous support of IMPRESS.

Jonathan Heawood
Chief Executive Officer
Introduction

We are pleased to provide this report in accordance with the Funding Agreement between the Independent Press Regulation Trust (IPRT) and IMPRESS: The Independent Monitor for the Press CIC (IMPRESS).

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In pursuing this aim, we hope to advance the IPRT’s charitable purpose of promoting high standards of ethical journalism and news publishing for the public benefit. We have kept this charitable purpose in mind throughout the activities described in this report.

This report shows how the Board and executive team of IMPRESS have advanced our objectives in the period December 2016 – May 2017.

We hope that the report shows the trustees of the IPRT that the Grant has been applied properly and effectively. If we can provide any further information, we would of course be delighted to do so.
1. Operating as an independent press regulator

At the point of writing, IMPRESS has received applications from a total of 73 publishers. Of these, 37 have completed our compliance procedures and are fully regulated. They are responsible collectively for 65 news publications.

Our main regulatory activity in this period has been to assess publisher applications against the internal governance standards set out in Paragraph 2 of the IMPRESS Regulatory Scheme. We only enter into a Regulatory Scheme Agreement with news publishers who have demonstrated compliance with these internal governance standards.

Once publishers have satisfied us that they meet our expectation, they enter into a five-year Regulatory Scheme Agreement with IMPRESS. The effective date of the Agreement marks the commencement of IMPRESS’s regulatory remit and the publisher's regulatory obligations.

We undertook an end-of-year compliance check of all 26 publishers regulated by IMPRESS as of 31 March 2017. This consisted of:

- An audit of all regulated publications to check that the IMPRESS Trust in Journalism kitemark and information about how to complain were clearly displayed in a prominent position in each title.
- Verification of information held by IMPRESS about publishers, including the titles of all regulated publications and the names and contact details of editors and legal and compliance contacts.
- A signed declaration by all regulated publishers to confirm that they had corrected any areas of non-compliance and that they continued to comply with the internal governance standards set out in Paragraph 2 of the IMPRESS Regulatory Scheme.
- Reporting of end-of-year statistics about circulation and complaints handling and records of any compliance breaches or legal actions.

In the course of monitoring our members’ compliance, we have identified and addressed a number of issues.

We have found some inconsistency in the display of the IMPRESS Trust in Journalism kitemark and information about how to complain. In addition, the redesign of web pages and the integration of online complaint forms has meant that the final stage of the compliance process has sometimes taken far longer than expected.
Some of the smaller publications in IMPRESS’s membership are owned and edited by a single individual who relies on a network of volunteer contributors. Others are recently created businesses that publish new titles.

It is inevitably challenging for any individual who is both publisher and editor to manage complaints in such a way as to effectively address any conflicts of interest. In any case, such publishers have very limited resources to devote to compliance issues. As a result it has taken a considerable amount of time for some publishers to put in place the required systems. Several publishers who applied to join IMPRESS several months ago have not yet completed the compliance process and entered into a Regulatory Scheme Agreement with IMPRESS.

Some of the first publishers to apply to join IMPRESS operate new business models, including crowdfunding and funding by micropayments, which give journalists the capacity to post news stories directly on to online platforms. It can be challenging for such publishers to maintain high journalistic standards and to handle complaints effectively, as required by the IMPRESS Regulatory Scheme.

We continue to work with all applicants and regulated publishers to ensure their full compliance with the IMPRESS Regulatory Scheme.

The first applications to join IMPRESS were from independent publishers who had relatively modest circulation levels compared to well established national titles. Complaint volumes have been very light and, until recently, our complaints handling procedures remained largely untested. This is now beginning to change. The first adjudication by the IMPRESS Board was published in July 2017.

In this period, we have sought to simplify pre-regulation compliance into an eight-step process. Model policies, procedures, wording and logo designs have been developed which publishers can adopt or adapt to meet their requirements. These can be downloaded from the IMPRESS website. Many publishers have reported concerns about the amount of paperwork required to complete the process and we are considering how this can be streamlined further through an online system.

We have also worked closely with publishers so that any contracts between publishers and contributors are amended to ensure adherence to the Standards Code and other aspects of the IMPRESS Regulatory Scheme. Where single owner/editors are likely to face conflicts of interests in handling complaints against their own material, we have worked with those publishers to provide complainants with an option of complaining directly to IMPRESS.

During the coming months we plan to consult on implementing a system for monitoring the ongoing compliance of regulated publishers.
2. Sustaining our operations financially

We are grateful for the continuing support of IPRT. In addition to this grant income, we have begun to see a small amount of income in the form of regulatory fees from participating publishers. We are also aware of other potential donors. Therefore, we are now taking steps towards the establishment of a charity which will be able to raise funds on behalf of IMPRESS and undertake other relevant activities.

3. Ensuring a positive operating environment for IMPRESS

In December 2016, the IMPRESS Chair, Walter Merricks CBE, and CEO, Jonathan Heawood, gave evidence to both the House of Commons Select Committee on Culture, Media and Sport and the House of Lords Select Committee on Communications. In January 2017, we made a submission to the Government consultation on implementation of the Leveson Report. And in March, we made a submission to the Commons Select Committee’s inquiry into fake news.

Also in this period, Jonathan Heawood has spoken at relevant events including the Oxford Media Convention. IMPRESS representatives have attended events such as a debate on media freedom hosted by the Joseph Rowntree Reform Trust in York. And Jonathan Heawood has spoken to students about press regulation at universities including Leeds and UEA.

In February 2017, we opened the Sir Harry Evans room at the IMPRESS offices on New Bridge Street, London. Sir Harry was able to attend a lunch in his honour, at which he was joined by journalists, publishers and a range of Thalidomide campaigners with whom Sir Harry has worked over many years. Sir Harry spoke about the important work of IMPRESS in supporting the kind of investigative journalism for which he is rightly celebrated.

IMPRESS has continued to appear in the media on a regular basis. Jonathan Heawood was interviewed for the Radio 4 Today Programme and the BBC Sunday Politics show, and has also given interviews to the Drum, the Guardian and Press Gazette.

4. Ensuring sound administration

The IMPRESS Board has reviewed the standards expected of Board members and members of subcommittees. This has led to the drafting of a new Code of Conduct,
which is currently out for consultation before being adopted in September 2017. At the same time, Board members will undergo training in governance. This autumn, the IMPRESS Appointment Panel will open a new round of Board recruitment, to ensure that all relevant skills are represented on the Board.

These changes are designed to ensure that the Board is capable of operating with the maximum efficiency and effectiveness.

At the end of 2016, IMPRESS moved into new offices on New Bridge Street, London. Our staff team now includes seven permanent roles, supported by two consultants on temporary part-time contracts.

5. Finances

In the 6 months from December 2016 – May 2017, we incurred total costs of £560,473, as follows:

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>To date</th>
</tr>
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<tbody>
<tr>
<td>Staff &amp; Board</td>
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<td>Travel &amp; Meetings</td>
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<td>Communications &amp; Research</td>
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<td>Legal &amp; Professional</td>
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<td>Capital depreciation</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>£560,473</strong></td>
</tr>
</tbody>
</table>

This expenditure is within our budget for the year as a whole.

6. Conclusion

We hope that this report helps the trustees of the IPRT to see the progress which IMPRESS has made in the period since our last report.

We would like to take this opportunity to thank the trustees of the IPRT once again for their generous support of IMPRESS.

Jonathan Heawood
Chief Executive Officer
Introduction

We are pleased to provide this report in accordance with the Funding Agreement between the Independent Press Regulation Trust (IPRT) and IMPRESS: The Independent Monitor for the Press CIC (IMPRESS).

The aim of the Funding Agreement is to ensure the establishment of IMPRESS as a truly independent press regulator, in line with the recommendations set out in Lord Justice Leveson’s Report into the Culture, Practices and Ethics of the Press (the Leveson Report) and the Royal Charter on Self-Regulation of the Press (the Charter).

In pursuing this aim, we hope to advance the IPRT’s charitable purpose of promoting high standards of ethical journalism and news publishing for the public benefit. We have kept this charitable purpose in mind throughout the activities described in this report.

This report shows how the Board and executive team of IMPRESS have advanced our objectives in the period July-December 2017.

We hope that the report shows the trustees of the IPRT that the Grant has been applied properly and effectively. If we can provide any further information, we would of course be delighted to do so.
1. Operating as an independent press regulator

We continued to actively engage with publishers and to expand IMPRESS’s membership base.

We received a further 35 applications from publishers, taking the total number of applications to 88. Notable new publishers to join during the period were The Canary, Evolve Politics, Irish World, Chichester Post and Emerging Europe.

We lost one member, following the decision of Caerphilly Observer to resign its membership of IMPRESS.

We took a further 24 publishers through our pre-regulation compliance checks. This resulted in 39 new publications being regulated by IMPRESS, taking the total number of regulated publications to 83. Collectively, our regulated titles reached nearly 8 million readers each month, at the end of December 2017.

As our membership base increased, we started to receive a steady flow of complaints. During the 01 July to 31 December 2017 period, we received 74 complaints about our member publications.

We published one arbitration award (Dennis Rice and Byline) and considered one further application for arbitration which was refused for falling outside the scope of the CIArb/IMPRESS Scheme.

We published three complaint adjudications about the accuracy of published articles, all three of which resulted in the publication of front page corrections. In each case the investigation was completed within 42 days. The most notable investigation and adjudication concerned an article published by The Canary about the BBC political journalist Laura Kuenssberg (Jamie Thunder and The Canary) which received extensive media coverage, almost all of which was very positive.

We completed six further investigations, two of which were published and the other four of which will be published within the next few weeks.

We expanded our regulation team to four full time staff comprising a Head of Regulation, a Complaints and Investigation Manager, Complaints Executive and a Regulatory Assistant.

We started to regulate against a new IMPRESS Standards Code from July 2017 onwards and delivered training to publishers in September.
2. Sustaining our operations financially

We are grateful for the continuing support of IPRT. In addition to this grant income, we have begun to see a small amount of income in the form of regulatory fees from participating publishers. We are also aware of other potential donors and have plans in place to apply for funding from a variety of sources.

3. Ensuring a positive operating environment for IMPRESS

On 13 July, Jonathan Heawood spoke about fake news and trust at the Westminster Media Forum, alongside Matt Tee of IPSO, Martin Moore of King’s College London and Matt Rogerson of the Guardian, on a panel chaired by Baroness (Patience) Wheatcroft.

In this period, we held meetings with a Members of Parliament, including Oliver Letwin, Damian Collins, Ed Miliband and Paul Farrelly, to discuss implementation of the post-Leveson framework.

On 23 August, Jonathan Heawood and Martin Hickman met Simon Milner at Facebook to discuss the impact of social media on the news economy.

On 19 September, Rachel Botsman, the author of a new study of trust in the digital economy, spoke at the IMPRESS offices at an event attended by a select number of guests who contributed to the lively debate and discussion.

On 10 October, the IMPRESS AGM was held in which the first IMPRESS Annual report was officially circulated to the board and members in attendance.

The first IMPRESS Annual Report was distributed to all Members of Parliament, publisher members, prospective members, selected peers, media lawyers and other stakeholders.

Jonathan Heawood and Ed Procter gave evidence to the Competition and Markets Authority Inquiry into the Fox takeover of Sky, alongside IPSO. This gave IMPRESS the opportunity to explain the process of recognition and its distinctiveness from IPSO and to assist the Inquiry in understanding what has happened as a result of the Leveson Inquiry.

The Data Protection Bill has moved through the House of Lords during this period. Crossbench peers made two attempts to amend the Bill to include the IMPRESS Standards Code with other journalism codes that are listed in relation to the
journalistic exemption from aspects of the data protection regime. The first amendment – at committee stage – was sponsored by Lord Skidelsky; the other – at report stage – by Baroness O’Neill. Both amendments were withdrawn because of lack of support from the Labour Party, which subsequently changed its position on these issues and voted in support of successful amendments to commence a version of section 40 of the Crime and Courts Act 2013 and to launch Part Two of the Leveson Inquiry. These amendments now form part of the Bill, and will be debated in the Commons in the next couple of months.

IMPRESS has separately applied to the Department for Digital, Culture, Media and Sport (DDCMS) for the inclusion of the IMPRESS Standards Code in the legislation. We are assured that the IMPRESS Standards Code is ‘under consideration’ but that the Government will have to consult the Information Commissioner’s Office before reaching a decision. We have also liaised with the ICO, which ‘stands ready’ to respond to any Government consultation on this issue.

4. Ensuring sound administration

The IMPRESS Code of Conduct (which was under consultation when we last reported) has been finalised and is being adhered to by all IMPRESS representatives. Directors have received training in governance as part of their role.

In December, two new directors were appointed by the Appointment Panel, David Leigh and Andrea Wills. David brings to the Board a wealth of investigative journalism experience whilst Andrea has exceptional senior experience of broadcast journalism regulation and standard setting.

These changes are designed to ensure that the Board is capable of operating with the maximum efficiency and effectiveness.

Our staff team now has seven members and we are currently recruiting an eighth, a Communications Executive, to support our busy communications function.
5. Finances

In the 6 months from July 2017 – December 2017, we incurred total costs of £560,977, as follows:

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>To date</th>
</tr>
</thead>
<tbody>
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<td>Staff &amp; Board</td>
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<td>Communications &amp; Research</td>
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<td>Office &amp; Administration</td>
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<td>Legal &amp; Professional</td>
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<td>PRP fee</td>
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<td>Capital depreciation</td>
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<tr>
<td>Total</td>
<td>£560,977</td>
</tr>
</tbody>
</table>

This expenditure is within our budget for the year as a whole.

6. Conclusion

We hope that this report helps the trustees of the IPRT to see the progress which IMPRESS has made in the period since our last report.

We would like to take this opportunity to thank the trustees of the IPRT once again for their generous support of IMPRESS.

Jonathan Heawood  
Chief Executive Officer
Introduction

We are pleased to provide this report in accordance with the Funding Agreement between the Independent Press Regulation Trust (IPRT) and IMPRESS: The Independent Monitor for the Press CIC (IMPRESS).

The aim of the Funding Agreement is to ensure the establishment of IMPRESS as a truly independent press regulator, in line with the recommendations set out in Lord Justice Leveson’s Report into the Culture, Practices and Ethics of the Press (the Leveson Report) and the Royal Charter on Self-Regulation of the Press (the Charter).

In pursuing this aim, we hope to advance the IPRT’s charitable purpose of promoting high standards of ethical journalism and news publishing for the public benefit. We have kept this charitable purpose in mind throughout the activities described in this report.

This report shows how the Board and executive team of IMPRESS have advanced our objectives in the period December 15th 2017 - June 15th 2018.

We hope that the report shows the trustees of the IPRT that the Grant has been applied properly and effectively. If we can provide any further information, we would of course be delighted to do so.
1. Operating as an independent press regulator

We continued to actively engage with publishers and to expand IMPRESS’s membership base.

We received a further 19 applications from publishers, taking the total number of applications to 105. Notable new publishers to join during the period were Climate Change News, Rights Info, Lighthouse Media, Iraq Business News and 5Pillars Media.

We took a further 17 publishers through our pre-regulation compliance checks. This resulted in 62 publishers being regulated by IMPRESS, taking the total number of regulated publication titles to 106. Collectively, our regulated titles reached over 8 million readers each month.

As our membership base increased, we continued to receive a steady flow of complaints. During the 15 December 2017 to 15 June 2018 period, we received 31 complaints about our member publications.

We published one arbitration award (Jonny Gould and Evolve Politics) which resulted in a small damages award and costs award being made against the publisher. We considered one further application for arbitration which was refused for falling outside the scope of the CIArb/IMPRESS Scheme.

We issued one advisory notice to our members about unwarranted press intrusion.

We published six complaint adjudications about the accuracy of published articles, four of which resulted in the publication of front page corrections. In each case the investigation was completed within 42 days.

We commenced seven new investigations, three of which were published as adjudications, two were rejected after preliminary investigations and two of which are ongoing. We are in the process of assessing five complaints to ascertain whether they meet the threshold to be investigated.

We presented three webinars for our members on GDPR, lessons from IMPRESS’s first ten adjudications and digital strategies for local news.

We commenced a consultation with our members to include breaches of the Data Protection Act within the scope of the IMPRESS/CIArb Arbitration Scheme.
2. Sustaining our operations financially

We are grateful for the continuing support of IPRT. In addition to this grant income, we have begun to see a small amount of income in the form of regulatory fees from participating publishers. We are also aware of other potential donors and have plans in place to apply for funding from a variety of sources.

We are in the process of completing a business development plan which aims to increase revenues from membership subscriptions and other third-party funders.

3. Ensuring a positive operating environment for IMPRESS

Jonathan Heawood has changed his role slightly to focus more on fundraising and financial sustainability.

Jonathan presented at a Network of European Foundations (NEF) meeting at the Barrow Cadbury Trust on 1 March. Several major foundations are collaborating on a new fund for European democracy and solidarity. They are looking for opportunities to support quality journalism as a counterweight to the erosion of democratic discourse on social media.

Jonathan attended a colloquium on fake news and online disinformation at the European Commission in Brussels in February. He spoke about the importance of incentivising quality journalism.

Jonathan attended a round table run by Shadow Minister of State for Digital Liam Byrne to discuss the need to amend the data protection bill to include protections for quality journalism.

Jonathan gave evidence on hate speech to the Home Affairs Select Committee, as did Sir Alan Moses. The Committee discussed IPSO upholding only 1 complaint in over 8000 related to coverage of Muslims in the press, and how this number would have been higher with IMPRESS’s Code.

Jonathan spoke about the future of local journalism on Radio 4’s PM programme.

The inaugural IMPRESS Trust in Journalism conference will take place in November. We are in the process of organising an event in Belfast in October, in partnership with Ulster University.
We spoke to delegations of investigative journalists from Bosnia and Turkey in conjunction with the Foreign Office and Ethical Journalism Network.

In April, we presented at a breakfast seminar hosted by the All Party Parliamentary Group on the Media at Westminster, to provide an update on the activities of IMPRESS and to address myths about IMPRESS published by some sections of the national press.

We asked MPs to support an amendment to the domestic Data Protection Bill which would have the effect of including the IMPRESS Standards Code alongside the codes of other media regulators. This was not put to a vote and we are now seeking to address this issue of including the IMPRESS Code with DCMS.

4. Ensuring sound administration

We are working with a communications company to upgrade our CRM system that will see it linked to our website. This will allow members of the public to file their complaints online, providing a more professional and efficient complaints experience. This upgrade will also save considerable staff time as the complaints will be automatically populated into the CRM.

We have adopted a new risk policy and process that has seen the Board get more involved in the consideration of risk.

We have contracted the services of an independent Service Complaints Reviewer so that complaints about our services and processes can be fairly dealt with.

The NMA were given permission to appeal the decision of the Administrative Division of the High Court which found that the PRP acted lawfully in recognising IMPRESS.
5. Finances

In the 6 months from December 15th 2017 to June 15th 2018, we incurred total costs of £504,806, as follows:

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<th>Expenditure</th>
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<td>Staff &amp; Board</td>
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<td>Communications &amp; Research</td>
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<td>Office &amp; Administration</td>
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<td>PRP fee</td>
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<td>Capital depreciation</td>
<td>£ 12,815</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£504,806</strong></td>
</tr>
</tbody>
</table>

This expenditure is within our budget for the year as a whole.

6. Conclusion

We hope that this report helps the trustees of the IPRT to see the progress which IMPRESS has made in the period since our last report.

We would like to take this opportunity to thank the trustees of the IPRT once again for their generous support of IMPRESS.

Ed Procter
Chief Operating Officer