

PRP

**INDEPENDENTLY
OVERSEEING
PRESS REGULATION**

PRESS RECOGNITION PANEL

Annual Report and Financial Statements

For the year ended 31 March 2019

**Press Recognition Panel Annual Report and Financial Statements
for the year ended 31 March 2019**

Presented to Parliament by Command of Her Majesty

Laid before the Scottish Parliament under Sections 12.4 and 13.1 of
the Royal Charter on Self-Regulation of the Press

4 June 2019
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CONTENTS

Legal and administrative information	6
Performance report	
1 Overview	7
1.1 Chair's foreword	7
1.2 Chief Executive's introduction	8
1.3 About us	9
2 Performance analysis	10
2.1 Highlights of our work in 2018/19	10
2.2 Forward look	12
Accountability report	
3 Corporate governance report	13
3.1 Directors' report	13
3.2 Statement of Board and Accounting Officer's responsibilities	16
3.3 Governance Statement	17
4 Remuneration	24
5 Parliamentary accountability and audit report	26
5.1 Regularity of expenditure	26
5.2 Fees and charges	26
5.3 Long term expenditure trends	27
Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	28
Financial statements	
Statement of income and retained earnings	30
Statement of financial position	31
Statement of cash flows	32
Notes to the financial statements	32

Legal and administrative information

Press Recognition Panel

The Press Recognition Panel is the independent body set up by the Royal Charter on Self-Regulation of the Press (“the Charter”) to ensure that regulators of the UK press are independent, properly funded and able to protect the public.

PRP address

Mappin House
4 Winsley Street
London
W1W 8HF

Web address

www.pressrecognitionpanel.org.uk

Bankers

Handelsbanken – Holborn Branch
2nd Floor
1 Kingsway
London
WC2B 6AN

Barclays Bank - Business
Atlas House
1-7 King Street
London
EC2V 8AU

External Auditors

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Board Members

David Wolfe QC
Harry Cayton CBE
Emma Gilpin Jacobs
Carolyn Regan
Harry Rich

Chief Executive

Susie Uppal

PERFORMANCE REPORT

1. Overview

1.1 Chair's foreword

This is the fifth annual report and accounts for the Press Recognition Panel (PRP) and it covers the period from 1 April 2018 to 31 March 2019.

During the year under review, we achieved all that we set out to do in our published Business Plan for 2018/19.

Following a detailed assessment, the PRP Board recognised the Independent Monitor of the Press (IMPRESS) as an approved regulator on 25 October 2016. In January 2017, the News Media Association (NMA) sought a Judicial Review of our decision and on 12 October 2017 the High Court rejected all of the NMA's arguments. The Judgment confirmed that the PRP acted independently, transparently and lawfully when we recognised IMPRESS.

The NMA were subsequently granted permission to appeal by the Court of Appeal. However, the NMA abandoned their appeal on 5 December 2018 and the case was dismissed by the Court of Appeal on 15 January 2019 with the NMA paying all of the PRP's costs.

On 1 March 2018, the Secretary of State for Digital, Culture, Media and Sport announced the outcome of the Government's consultation on part two of the Leveson Inquiry and stated that section 40 of the Crime and Courts Act 2013 would not be commenced, with the Government instead intending to ask Parliament to repeal it at the earliest opportunity. In February 2019, we published our third annual report on the recognition system and stated that we remain completely opposed to any kind of political interference in press regulation. That is one of the reasons why we continue to support the commencement of section 40. The law would take press regulation out of the political arena and give the public the protections that were intended following the Leveson Inquiry.

During the year, we met with a range of stakeholders and I would like to thank everyone who contributed to and informed our work. In light of this engagement, the PRP has continued to update and publish factsheets to address misinformation about the organisation and the recognition system. We remain available to engage with everyone with an interest in our work.

The PRP works in the public interest to promote a free press in a free and fair society and we are committed to independently overseeing an effective system of press self-regulation in the UK. The PRP has discharged its duties cost-effectively and transparently and will continue to do so in the future.



David Wolfe QC
Chair
Press Recognition Panel

PERFORMANCE REPORT

1.2 Chief Executive's introduction

This annual report and accounts highlights the work undertaken in 2018/19, provides a picture of the overall financial situation of the PRP, accounts for our expenditure and looks forward to some of our future plans.

The PRP's Business Plan for 2018/19 built on the work we had done in the previous year to put in place the systems and processes needed to meet our Charter obligations and to operate effectively as an organisation.

During 2018/19, we maintained a proportionate level of awareness of issues and gathered relevant information to effectively conduct oversight of the recognised Regulator. This supported the Cyclical Review of the Regulator that commenced on 25 October 2018. We have systems in place to receive feedback from third parties about the approved Regulator's compliance with the recognition criteria and this was taken into consideration as part of the assessment.

Throughout 2018/19, we met with stakeholders both proactively and reactively, to provide information about the recognition system and to address any misinformation about it and the PRP's role. Our third annual report on the state of recognition was informed by gathering views and information from others and careful monitoring of the landscape.

We remain committed to overseeing an effective system of press self-regulation that protects the public.



Susie Uppal
Chief Executive
Press Recognition Panel

PERFORMANCE REPORT

1.3 About us

Background – the PRP’s purpose and activities

Following the exposure of alleged criminal activity and growing complaints about the behaviour of the press in the UK in 2011, the Leveson Inquiry made a series of recommendations for a new, more effective regulatory system. The PRP has a key role to play in the new system. On 30 October 2013, our Charter was granted and on 3 November 2014 the PRP came into formal existence.

The PRP is entirely independent of the government, Parliament, the press or any other such interest. Independence and transparency are fundamental to the way in which we operate.

Our role

Our role is to consider whether or not independent press self-regulators meet, and continue to meet, the recognition criteria in the Charter. We do this by:

- determining applications for recognition from regulators;
- undertaking reviews of those regulators to determine whether they should continue to be recognised;
- removing recognition if a regulator no longer meets the criteria; and
- reporting publicly on any successes or failures of the recognition system.

Our values

We are committed to performing our duties:

- **Independently** - using to the full the complete freedom we have from the state, government or any other interest, and expressing our views honestly and courageously.
- **Fairly** - guided by the principle of understanding the public interest and always putting it first.
- **Openly** - asking questions, using the widest possible range of evidence available to us to make our decisions, and explaining them clearly.
- **Transparently** - wherever possible holding our meetings in public, publishing our papers, and making our meetings formal and documented – ensuring that the public and those we serve can see how we are putting our principles into practice.
- **Inclusively** – guided by the principles of equality and diversity as an employer, and in the way we work with colleagues and stakeholders, and in the way we conduct our business.

Key issues and risks

Details of the key issues and risks facing the PRP that could affect delivery of our objectives are set out in the Governance Statement (section 3.3).

PERFORMANCE REPORT

2. PERFORMANCE ANALYSIS

2.1 Highlights of our work in 2018/19

The PRP's Business Plan for the year to 31 March 2019 was published in April 2018 and is available on our website.

Our objectives for 2018/19 were as follows and we comment on them below:

1. Oversee approved regulators
2. Meet our ongoing reporting requirements
3. Receive applications for recognition
4. Use insight from those who have an interest in our work to inform what we do
5. Develop a highly motivated, diverse and professional Executive Team
6. Ensuring our systems and processes are effective and provide value for money

1. Oversee approved regulators

Our complaints and feedback systems enable us to maintain a proportionate awareness of the regulatory landscape and of issues related to our work.

Cyclical Review

Article 4.1(b) requires the Board to review whether a Regulator which has been granted Recognition continued to meet the Recognition criteria and therefore should continue to be recognised. Schedule 2 paragraph 5(a) provides that the Board must review the Recognition of a Regulator as soon as practicable after the end of the period of two years beginning from the day of the Recognition. The Cyclical Review of IMPRESS commenced on 25 October 2018.

In line with our published guidance, we asked the Regulator to assess themselves against the Recognition criteria and to submit evidence to us to demonstrate that they continued to meet the Charter criteria. We specifically asked IMPRESS to identify areas of their arrangements that have changed since their original application for Recognition. The documents submitted by IMPRESS were published on our website. In accordance with Schedule 2, paragraph 6(a), we launched a public call for information on 29 November 2018 to 9 January 2019.

The Board considered the PRP Executive's Cyclical Review report and all the supporting documentation at their meeting on 26 March 2019. The Board confirmed that IMPRESS continued to be a recognised Regulator under the Charter. In accordance with Schedule 2, paragraph 10, the Board's decision was published on our website on 23 April 2019.

Judicial Review

The News Media Association applied for a Judicial Review of our decision to recognise IMPRESS as an approved Regulator. In October 2017, the High Court Judgment rejected all of the NMA's arguments and unambiguously affirmed that the Board had made a lawful decision. The Judgment confirmed that we acted independently, transparently, and lawfully when we recognised IMPRESS. The NMA was ordered to pay our costs and the High Court refused the NMA permission to appeal.

In April 2018, the NMA gained the Court of Appeal's permission to appeal the decision. The case was listed for hearing on 17 January 2019 but following the NMA's decision to abandon the appeal, the Court of Appeal dismissed the appeal on 15 January 2019 and ordered the NMA to pay the sum of £46,166.34 in settlement of the costs incurred by the PRP before the Divisional Court and the Court of Appeal.

2. Meet our ongoing reporting requirements

Annual report on the recognition system

In accordance with Article 4.1 (d) of the Charter, our third annual report on the recognition system was published on 12 February 2019. We reiterated our concern that there

PERFORMANCE REPORT

continues to be political involvement in press regulation because the system intended to bring that to an end has not yet been implemented in full. We reiterated that section 40 of the Crime and Courts Act 2013 should be commenced immediately. The law would take press regulation out of the hands of the politicians and give the public the protections that were intended following the Leveson Inquiry.

In preparing our report, we held a public call for information from 18 September 2018 to 8 October 2018. We received five responses and copies are available on the PRP's website where respondents have given permission for publication. The PRP also reviewed last year's report and considered the feedback received during the public call for information at that stage. The report was informed by what we had learned from a range of sources since the PRP was established, including our meetings and correspondence with stakeholders, all of which are available on our website.

We also selected a sample of publishers (Buzzfeed UK, Facebook, the Financial Times, Google, The Guardian, Huffpost UK, The Independent, LADBible, Pink News, Private Eye, Reuters, Snapchat, Twitter and Yahoo! News) to illustrate how different sections of the press have chosen to approach complaints and self-regulation following the Leveson Inquiry. Publishers were chosen for illustrative purposes and the review was not a formal assessment of the bodies against the Charter criteria. We have not assessed these bodies in that way, nor could we. The criteria apply to press regulators and an assessment can only be undertaken following an application for recognition from such a body.

We wrote to the publishers listed above, as well as IPSO, to invite them to share any information that they would like us to consider. The correspondence exchanged with publishers is available on our website.

3. Receive applications for recognition

The PRP has in place the systems and processes needed to assess future applications for recognition from regulators. During the financial year to 31 March 2019, no applications for recognition were received.

4. Use insight from those who have an interest in our work to inform what we do

The PRP continued to proactively and reactively engage with stakeholders during 2018/19 to provide information about the recognition system and to address any misinformation about it and the PRP's role. Details of the PRP's engagement and letters are all published on our website in line with our commitment to openness and transparency.

5. Develop a highly motivated, diverse and professional Executive Team

The Chief Executive is responsible for the resourcing requirements of the Executive Team and continues to ensure that business and organisational needs are met. Further details are provided in Section 3.1 below.

6. Ensuring our systems and processes are effective and provide value for money.

Performance management

The Business Plan for 2018/19 included objectives for the year and fed into the organisation's work plan. The Chief Executive reported to the Board each month on performance against those objectives.

Policies and procedures

The Board reviewed and updated key policies and procedures for the way the PRP operates between February and May 2019 and these are available on our website.

PERFORMANCE REPORT

2.2 Forward look

The PRP published its Business Plan for 2019/20 in April 2019. This sets our objectives and plans for the year which reflect our focus on ensuring we have the systems and processes in place to operate effectively and meet our Charter obligations.

Our objectives

We will:

1. Oversee approved regulators;
2. Meet our ongoing reporting requirements;
3. Receive applications for recognition; and
4. Use insight from those who have an interest in our work to inform what we do.

We will do this by:

5. Ensuring our systems and processes are effective and continue to provide value for money;
6. Maintaining a highly motivated, diverse and professional Executive team; and
7. Implementing our Board succession plans.

Our plans for 2019/20

Our plans include the following:

1. Oversee approved regulators

We will continue to oversee IMPRESS. We will maintain a proportionate level of active awareness of the press landscape and gather information as appropriate for effective and proportionate oversight.

We will continue to operate the systems that we have put in place to receive feedback from third parties about the approved Regulator's compliance with the Charter's recognition criteria.

2. Meet our ongoing reporting requirements

We anticipate publishing our fourth report on any success or failure of the recognition system in late 2019.

3. Receive applications for recognition

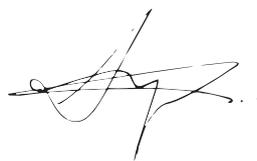
We have consulted publicly on and implemented our processes for receiving and assessing applications for recognition. Notwithstanding the current Government's intention to repeal section 40 causing ongoing uncertainty and continuing political involvement in press regulation, we remain prepared to determine future applications and fulfil our Charter obligations.

4. Implement our Board succession plans

We will develop and implement our Board succession plans to ensure the continued effectiveness of the Board and organisation.



David Wolfe QC
Chair
20 May 2019



Susie Uppal
Chief Executive

ACCOUNTABILITY REPORT

3. CORPORATE GOVERNANCE REPORT

3.1 Directors' report

This Directors' report is a report by the Chair (on behalf of the Board) and Chief Executive (as Accounting Officer) as those with authority and responsibility for directing and controlling the major activities of the PRP during 2018/19. Further details of the Chair, Board members and Chief Executive are provided in section 4 of this report. All relevant interests of Board members are available on the PRP's website.

Financial performance measures and results

The PRP's expenditure in the period ended 31 March 2019 was £341,018 including taxation. The PRP's initial funding requirements were financed by a grant from the Exchequer and the PRP now also receives annual fees payable by IMPRESS. The grant of £3m was recognised in the 2014/15 financial year. The framing of the Charter anticipated that the PRP would become self-funding through fees charged to recognised regulators. With the recognition system not yet in place, that has not happened and the remaining Exchequer funds will continue to be utilised to support our work until the recognition system is in place.

Information about the PRP's adoption of the going concern basis can be found in the notes to the financial statements.

The PRP strives for the best value for money in the goods and services it purchases, fully cognisant that part of its funds came from the public purse. The PRP has implemented a flexible organisational structure to minimise permanent staff and bring in expertise as necessary. Outsourcing some functions continues to allow the PRP to better meet peaks in workload and maximise its finances.

External environment

Information about the role, remit and external environment in which the PRP operates is available in section 1.3 (About us).

Employees, professional support and contractors

Information about the PRP's staff, professional support and contractors can be found in section 4 (Remuneration).

Procurement policy

The PRP is committed to achieving value for money, in terms of quality and price, for all of its procurement. To achieve this, the PRP endeavors to communicate clearly its requirements and evaluation criteria, as an informed purchaser, and to establish levels of competition appropriate to the size and complexity of the purchase. The PRP's Procurement policy was reviewed by the Board in February 2019 and is available on our website.

ACCOUNTABILITY REPORT

Environmental, social and community issues

While the PRP is not required to produce a sustainability report, it is committed to working with its suppliers and service providers to ensure that it takes account of the impact of its activities on the environment and community. The Board agreed a policy on corporate social responsibility and environmental sustainability in October 2015 and this was recently reviewed in May 2019. This is available on our website.

Significant features of the development and performance of the PRP in the financial period

This is summarised in section 2.1 (Performance analysis).

Future developments and the trends and factors that the PRP considers likely to impact on its work

The PRP's work to date has laid the foundations for a recognition system for the press, as prescribed by the Charter, that is able to command public confidence. The recognition system as envisaged under the Charter is not fully in place as section 40 has not yet been commenced. In March 2018, the current Government announced its intention to ask Parliament to repeal section 40. As of the 31 March 2019 it has not done so and this continues to create uncertainty about the recognition system. The continued involvement of politicians in press regulation has an impact on the implementation of the full system as agreed in Parliament and is a factor outside the PRP's control. The PRP's plans for the next period are summarised in section 2.2 (Forward look).

The principal risks and uncertainties facing the PRP and the approach to them

The PRP has a Risk Management policy to ensure a consistent Board overview of the effectiveness of management action to identify and mitigate risk. The risk management approach captures and assesses risks in relation to all key delivery, reputational and operational areas. This is considered in more detail in the Governance Statement at section 3.3. The Governance Statement also deals with information risk and data security.

Payment of creditors

In accordance with the Finance policy, all properly authorised and approved invoices will be routinely paid within supplier terms or 30 days of receipt unless a longer payment term has been agreed or there is a dispute. The PRP will aspire to pay all properly authorised and approved invoices within 10 working days; the PRP abides by the provisions of the [Prompt Payment Code](#). In 2018/19, the PRP aimed to pay 90% of invoices within 10 days of approval for payment. The actual figure was 99%.

Pension liabilities

The PRP implemented a pension scheme on 1 January 2016. During the year under report, four individuals received employer contributions into their pensions.

ACCOUNTABILITY REPORT

Equality, diversity and inclusion

The PRP is committed to eliminating discrimination and encouraging diversity. We believe that for our organisation to be successful, we need to work with the most talented and diverse range of people available. In delivering our legal responsibilities including those relating to the recognition of press regulators, and as an employer, our aim is to reflect all sections of society.

The Board has agreed a policy to provide equality and fairness for all in our legal and employment duties, and not to discriminate on grounds of any of the protected characteristics of age, disability, gender reassignment, race, religion or belief, ethnicity, sex, sexual orientation, marriage and civil partnership, pregnancy, maternity and political belief. The full policy is available on our website. Diversity data for our staff and non-executives is available in Section 4.

Auditors

The PRP's annual financial statements are audited externally by the Comptroller and Auditor General (C&AG) in accordance with paragraph 12 of the Charter. For the period ended 31 March 2019, a fee of £12,000 will be charged for the audit work. The services provided by the C&AG related only to audit work.

So far as the Chair, each individual Board member and the Chief Executive are aware, there is no relevant information of which the PRP's auditors are unaware. We have taken all the steps that ought to have been taken to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ACCOUNTABILITY REPORT

3.2 Statement of Board and Accounting Officer's responsibilities

Under paragraph 12 of the Charter, the Board is required to keep proper accounts and proper records in relation to the accounts. The Board is required to prepare a statement of accounts each financial year and must send a copy of the statement to the Comptroller and Auditor General (C&AG) as soon as practicable after the end of the financial year who will examine, certify and report on the statement.

The accounts are prepared under UK Financial Reporting Standard 102 (FRS 102) with additional voluntary disclosure as considered appropriate to the size and remit of the PRP, including, where applicable and appropriate, relevant requirements of the UK government's *Financial Reporting Manual*.

In preparing the accounts, the Accounting Officer has:

- applied suitable accounting policies on a consistent basis;
- made judgements and estimates that are reasonable and prudent;
- stated where applicable accounting standards have been followed; and
- prepared the financial statements on a going concern basis.

The Chief Executive is the Accounting Officer of the PRP. The responsibilities of the Accounting Officer, including responsibility for the propriety and regularity of the finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the PRP's assets, are set out in the PRP's Finance policy. The PRP is required under the Charter to follow the general principles of HM Treasury's Managing Public Money. The Finance policy is based on these general principles and best practice.

As far as the Accounting Officer is aware, there is no relevant audit information of which the PRP's auditors are unaware. The Accounting Officer has taken all reasonable steps to make herself aware of any relevant audit information and to establish that the PRP's auditors are aware of that information.

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

3.3 Governance Statement

Scope of responsibility

As Chair and Chief Executive (and Accounting Officer) of the PRP, together with the Board, we have responsibility for maintaining a sound system of risk management, governance and internal control that support the achievement of the PRP's Charter obligations, policies, aims and objectives, whilst safeguarding the public funds and assets for which we are personally responsible. In particular, we take personal responsibility to ensure that the PRP:

- meets its obligations under, and acts in accordance with, the Charter, including applying a scheme of recognition, and managing the assets of the PRP efficiently and effectively so as to best achieve the PRP's purpose;
- complies with all statutory and administrative requirements on the use of public funds, including the general principles set out in Managing Public Money;
- operates within the limits of its authority; and
- operates in line with the statutory requirements of data protection legislation and in the spirit of the Freedom of Information Act 2000 (FOIA) (the FOIA does not apply to the PRP).

The Chief Executive (and Accounting Officer) is accountable through the Chair to the Board. The Board is responsible for ensuring the efficient discharge of the PRP's Charter functions and that the PRP complies with any statutory or administrative requirements for the use of public funds.

Corporate Governance framework of the PRP

The Board is responsible for the strategy and direction of the PRP. The Board meets at regular - usually bi-monthly - intervals, with a quorum of three members (minimum of 50% of the Board members - including the Chair - appointed at the time).

The functions of the PRP are determined by the Charter (para 4.3) as public functions. As a public body, the PRP is required to establish robust governance arrangements appropriate to its business, scale and culture. In accordance with this the Board annually reviews its Governance framework. The policies and procedures were reviewed and updated between February and May 2019 to ensure that they continue to remain fit for purpose. The policies and procedures are available on our website.

In addition, our website includes details of Board members' biographies and information about their relevant interests.

ACCOUNTABILITY REPORT

PRP Board

The PRP Board currently comprises five non-executive Board members (including the Chair). The Board met formally on seven occasions during the period 1 April 2018 to 31 March 2019. The Chief Executive attends every meeting. As much as possible of each Board meeting was conducted in public and papers for the public session were published on our website in advance. Minutes were published on our website at the earliest opportunity, including details of any decisions taken during the confidential session where possible.

	Meeting Attendance
David Wolfe (Chair)	7/7
Harry Cayton (Member)	5/7
Emma Gilpin Jacobs (Member)	7/7
Carolyn Regan (Member)	7/7
Harry Rich (Member)	6/7

Senior Independent Board member

In April 2018, Harry Cayton was appointed as Senior Independent Board member. No additional remuneration is attached to this role. The role serves as a sounding board for the Chair, serves as an intermediary for other Board members and formally appraises the Chair's performance annually.

Board member with responsibility for financial matters

In accordance with para 11.9 of the Charter, the Chair appointed Board member Harry Rich to take specific responsibility for reporting to the Board on the management of the finances of the PRP.

Audit and Risk Committee

The Board has constituted an Audit and Risk Committee (ARC), chaired by Harry Rich. The Board also agreed the appointment of Harry Cayton to the Committee. Kathryn Cearn OBE FCA FCCA was re-appointed to the ARC as an Independent member on 1 September 2018 for a further term of three years.

The ARC is responsible, on behalf of the Board, for advising the Accounting Officer on the maintenance of appropriate audit and risk processes and the governance of the external audit (managing the relationship with the external auditor and receiving audit reports). The PRP's accountants, JS2 Ltd, and representatives from the National Audit Office on behalf of the C&AG (the PRP's external auditor) attend all relevant meetings.

The minutes of ARC meetings and supporting paperwork as necessary, are circulated to the Board. The ARC met on four occasions during the period ending 31 March 2019.

ACCOUNTABILITY REPORT

	Meeting Attendance
Harry Rich (Chair)	4/4
Harry Cayton (Member)	4/4
Kathryn Cearns (Member)	4/4

Nominations Committee

The Board has a Nominations Committee to assist in the processes for the re-appointment of Board members and future Board appointments. The terms of reference are available on our website. Following an open recruitment competition, Cindy Butts was appointed as the Independent member of the Nominations Committee on 16 May 2018 for a three-year term. The Committee met three times during the year to discuss succession planning and details of the papers and the recommendations considered by the Board can be found on our website.

	Meeting Attendance
David Wolfe (Chair)	2/3
Harry Rich (Member)	3/3
Cindy Butts (Member)	3/3

ACCOUNTABILITY REPORT

Board performance

The performance of the Board, Committees and Board and Independent members is evaluated on an annual basis. The Board undertook its annual Board evaluation during November 2018 and assessed the responses in its meeting in December 2018. A summary of the key areas considered are below with an update.

Areas considered	Update
Review of performance information and financial reporting	<ul style="list-style-type: none">The Board continues to review performance against objectives and finances on a regular basis and the information provided is considered satisfactory.
Updating and refreshing knowledge in relation to the Industry and trends to ensure Members remain up to date throughout their terms of office.	<ul style="list-style-type: none">Members maintain a regular awareness of the issues that affect press regulation and are provided with a variety of press updates both on a daily basis and through the monthly CEO reports.A facilitated strategy session is scheduled for 2019 which will include consideration of the factors impacting on press regulation and the role of the organisation.
Maintain regular strategy sessions in view of the changing external environment and uncertainty caused by ongoing political involvement in the recognition system.	<ul style="list-style-type: none">Board strategic sessions continue to be scheduled to review plans for 2019 and the future.

Each Board member participated in an annual appraisal process in summer 2018 with one-to-one sessions with the Chair. The Senior Independent Board member undertook the Chair's appraisal and the Chair of the ARC appraised the Independent member of the ARC. The Independent member of the Nominations Committee did not have an appraisal as the appointment was made part-way through the appraisal year.

ACCOUNTABILITY REPORT

Risk and internal control framework

The Board considers the plans and the overall strategic direction of the PRP and provides ongoing challenge to the assumptions and risk classification made by the Executive. Risk is regularly discussed at Board meetings and explicitly identified in Board papers. The Board's tolerance for risk varies depending on the context and nature of individual risks and the Board puts in place suitable mitigation.

At every meeting, the ARC reviews the risk register and considers the way risks, or changes in risks, are identified, evaluated and controlled by the PRP. The Board receives a report of the ARC's findings at its next meeting and the Board also reviews the risk register four times a year. The Risk Management policy was most recently reviewed by the ARC in March 2019 and ratified by the Board in May 2019.

Together with the Board, the Chief Executive is responsible for initially identifying the major risks that are set out in the risk register, and for implementing a system of continuous assessment and review. The approach to risk is reviewed by the Board on an annual basis.

Clear roles and responsibilities for managing risks are defined in the PRP's Risk Management policy which may mean taking appropriate action to mitigate, anticipate or exploit the threats or opportunities that arise.

The PRP's risk profile and capacity to handle risk

The Board is ultimately accountable for the management of risk. The Risk Management policy defines how risks will be identified, assessed and managed to ensure that actual and potential risks are identified; risks are assessed and prioritised; where possible, risks are avoided or risks are reduced to an acceptable level. Assumptions about risk are regularly revisited and reconsidered.

Risks to the PRP fall into one or more of the following categories:

- **Delivery** – failure to deliver activities that meet the Charter objectives, including risks related to the broader environment within which the PRP operates.
- **Reputational** – adverse comment on the credibility of the PRP which diminishes its overall effectiveness.
- **Operational** – the inability of the internal processes of the PRP to function effectively (including financial, staffing, IT, premises and information security).

Assessment of risk management

Through its work in agreeing the PRP's Risk Management policy, risk register, and risk appetite, the Board and ARC have evaluated the quality of the PRP's management of risk during 2018/19 and have confirmed their assessment that the PRP's approach identifies the correct risks and that mitigating actions are appropriately focussed and implemented so as to support the PRP's programme of work to deliver the Charter objectives.

ACCOUNTABILITY REPORT

Reporting of risk

As Chair and Chief Executive, we have assessed that there are no significant omissions in relation to risk requiring further disclosure. Our assessment has been endorsed by the Board and ARC.

Principal risks

A summary of the emerging risks facing the PRP in achieving its priorities at this stage of operation have been assessed as follows (with a summary of mitigation activity accompanying each risk):

Principal emerging risks facing the PRP	Summary of mitigation activity
The Government legislates to repeal section 40 fully which has a negative impact on the success of the recognition system.	Whilst this risk is predominantly outside our control, the PRP proactively addresses misinformation associated with section 40 and the recognition system with stakeholders. The Board will continue to manage funds prudently to ensure we have sufficient resources to support the recognition system as it currently exists.
Insufficient budget to operate effectively in the long term ¹ .	The PRP's proactive and prudent management of funds and fees continues to provide satisfactory mitigation at present.

¹ See also the disclosure on going concern within the financial statements.

The wider framework of control

As well as a risk and control framework, the PRP exercises a wider system of internal control which is based on: a framework of regular management information; administrative procedures including a formal budgetary control system with segregation of duties; a system of delegation and accountability; project management disciplines; and the outsourcing of finance services to an external supplier, providing additional separation of duties. In addition, Board member Harry Rich is designated with specific responsibility, on behalf of the Board, for finance matters.

Role of internal audit

The ARC considered the need for an internal audit in its meeting on 26 March 2019. The Committee concluded that in view of the size, relative lack of complexity of the PRP and the control measures in place, an internal audit was not required at this stage.

Information risk and data security

The PRP is a data controller under the Data Protection Act 2018. There were no personal data related incidents in the period 1 April 2018 to 31 March 2019. The PRP updated its Privacy statement in preparation of the General Data Protection Regulation and contacted all of its stakeholders prior to the implementation of the Regulation. We have complied with the consent requirements of the Regulation in respect of our stakeholder database and our suppliers have updated their contractual terms to ensure compliance.

While it is not subject to the FOIA, the PRP has agreed that it will follow the spirit of the legislation and act as if FOIA applied to the PRP.

The PRP's Information Technology policy was reviewed by the Board in February 2019 and is available on our website.

ACCOUNTABILITY REPORT

During the period of this report, there were no reported data security incidents at the PRP.

Assessment of fraud risk

As Chair and Chief Executive, we have reviewed the arrangements for the PRP's assessment of the risk that the financial statements may be materially misstated due to fraud, the current processes for identifying and responding to the risks of fraud and any known instances of fraud. We consider that there is a low risk of misstatement due to fraud. The fact that appropriate segmentation of budgetary and authorisation processes are in place and that the organisation does not handle any physical cash, both significantly reduce the risk of fraud within the PRP. Appropriate processes for identifying and responding to the risks of fraud in day to day operations are nevertheless in place. There were no known instances of fraud to report during the period.

Compliance with Corporate Governance in central departments: Code of Good Practice 2011

In drawing up the Governance statement, the PRP has assessed its governance arrangements against the requirements outlined in the Corporate Governance in central departments: Code of Good Practice 2011. The requirement to "comply or explain" applies to any bodies within the scope of HM Treasury's Managing Public Money, and therefore the PRP. Our assessment, which has been endorsed by the ARC and the Board, is that the PRP complies with the Code insofar as it is applicable to it.

Review of the effectiveness of risk, governance framework and significant control issues

The ARC has provided advice to the Board on the adequacy of audit arrangements and on the implications of assurances provided in respect of risk and control in the PRP during 2018/19. The ARC's review has been informed by comments made by the external auditors (the NAO) during meetings and correspondence.

The PRP did not experience any significant control issues during the period 1 April 2018 to 31 March 2019 and considers that there are no significant weaknesses to address.

PRP position in relation to government

HM Treasury have placed the PRP within the Ministry of Justice's Departmental Boundary for accounting purposes from 1 April 2018. They have stated that this is purely an administrative action and there is no change to the Lord Chancellor's responsibilities as stated under the Charter.

Government accounting rules apply in cases where there is a degree of governmental control over public bodies. We disagree that this is the case for the PRP. The Charter establishing the PRP was designed to ensure that the PRP remained entirely independent of government and as a matter of fact the government does not have control over the activities of the PRP. As required by the Charter, the PRP prepares and publishes its own annual accounts and financial statements that are audited by the NAO, in which it states that it has no ultimate controlling entity and no part of government is a related party (see Note 10 to the financial statements).

It is the Board's view that the PRP should not be included in any Departmental Boundary and HM Treasury have been requested to remove the PRP from the Ministry of Justice's accounts for financial year 2019 moving forward. We do not agree that this erroneous position should remain, notwithstanding HM Treasury's view that this is an administrative action.

ACCOUNTABILITY REPORT

4. Remuneration

Board and Independent members remuneration policy

The Charter gives the Board the power to set the remuneration of the Chair and Board members. At its meeting on 18 December 2014, the Board took into account a comprehensive analysis of pay rates across public bodies prepared by an external agency when setting its rates. The rates have since been reviewed annually with due regard to any changes in prevailing rates payable to members of boards of public sector bodies. The Board considered remuneration rates for both the Board and Independent members in December 2018 and concluded that the current annualised rates continued to remain appropriate at this time. The Chair commits at least 60 days per annum and Board members commit at least 20 days per annum to their work with the PRP. The Board minutes and supporting papers are published on our website.

Board Appointments

Current Board members were appointed by an Appointments Committee, itself appointed by the Commissioner for Public Appointments, for a fixed term of five years.

	Date Appointed	Date Appointment Ends
David Wolfe (Chair)	17 June 2014	16 June 2019
Harry Cayton (Member)	3 November 2014	2 November 2019
Emma Gilpin Jacobs (Member)	3 November 2014	2 November 2019
Carolyn Regan (Member)	3 November 2014	2 November 2019
Harry Rich (Member)	3 November 2014	2 November 2019

There is no compensation payable for loss of office for Board members before the expiry of their term of appointment. Board members may be eligible for re-appointment for one subsequent term of office for a fixed term of up to three years. The Nominations Committee is assessing the re-appointment periods for the Board with due regard to staggering the appointments to ensure continuity of the Board.

Following the recommendation of the Nominations Committee (chaired for this purpose by the Senior Independent Board member) and endorsed by the Board in May 2019, the Chair was reappointed for a three-year term from 17 June 2019 to 16 June 2022 (further details can be found on the PRP website).

Future Board appointments will be dealt with by the Nominations Committee (details are set out in section 3.3).

Remuneration of Chair, Board and Independent members

The remuneration of the Chair and Board members is shown in the table below and has been subject to audit. There were no benefits in kind. In accordance with FRS 102, Board members are included in this report on the basis that Board members are members of key management personnel.

ACCOUNTABILITY REPORT

Remuneration 2018/19 (audited)

	Year to 31 March 2019** £	Year to 31 March 2018 £
David Wolfe (Chair)*	30,000	30,000
Harry Cayton (Member)	6,000	6,000
Emma Gilpin Jacobs (Member)	6,000	6,000
Carolyn Regan (Member)	6,000	6,000
Harry Rich (Member)**	8,500	7,750

* The figure for David Wolfe excludes employer pension contributions of 2.5% throughout the year. These totalled £750 in the year to 31 March 2019.

** Harry Rich was paid additional remuneration of £2,500 annually to reflect the additional duties he incurs as Chair of the ARC.

The Independent member of the ARC, Kathryn Cearn, was paid £1,500 during 2018/19. The Independent member of the Nominations Committee, Cindy Butts, was paid £300 during 2018/19 (following appointment in May 2018).

Staff remuneration (audited)

Susie Uppal was appointed as Executive Director on 26 January 2015 on a fixed term contract and was appointed Chief Executive on a permanent basis with effect from 1 December 2015. In the 2018-2019 financial year, the working hours of the Chief Executive varied between 3 and 4 days per week depending on the needs of the business. The remuneration of the Chief Executive was £87,208 in the year to 31 March 2019 (£115,000 full time equivalent per annum, as set by the Board in January 2015).

All permanent staff, including the Chief Executive, were offered a contribution by the PRP to their private pensions of up to 10% of their salaries (to be matched by the employee). Employer pension contributions towards the Chief Executive's pension totalled £8,721 in the year to 31 March 2019.

The total remuneration for Executive staff in the period ending 31 March 2019 was £137,968 as set out in Note 5 to the financial statements.

Costs of staff are as follows (audited):

- median staff remuneration £39,188 (annualised, FTE remuneration of all staff, including temporary staff) (2017/18: £46,014)
- range of staff remuneration £39,188 to £115,000 (2017/18: £42,028 to £115,000)
- ratio between remuneration of highest paid member of staff and median staff remuneration 2.93 (2017/18: 2.50)

The PRP staff's average sickness absence was 0.8 days per full time equivalent.

ACCOUNTABILITY REPORT

Staff policies

The PRP has an Employee Handbook that is available to staff and includes policies and procedures affecting staff, such as details of salary arrangements, holidays, sickness absence, social networking policy, capability and disciplinary procedures.

Diversity data

As at 31 March 2019, the PRP had two permanent employees, five non-executive Board members and two non-executive members in the roles of Independent member of the Audit and Risk Committee and Independent member of the Nominations Committee. Diversity data for the combined non-executive and staff group as at 31 March 2019 is as follows (based on a response rate of 90%):

Age: 3 aged 41-50; 5 aged 51-60

Disability: no declarations

Gender: 6 female; 2 male (no declarations of identity being different from their gender at birth)

Sexual orientation: 2 bisexual; 2 gay or lesbian; 4 heterosexual

Ethnic origin: 2 Asian British; 1 Black British; 2 White British; 3 White other background

Religion or belief: 1 Muslim, 1 Christian; 2 Jewish; 2 None; 2 prefer not to say

Expenditure on consultancy

To maximise value for money and in the context of the limited size of the organisation, some of the PRP's core services are outsourced. During the course of 2018/19, the PRP engaged the services of a range of consultants to assist with accountancy services, regulatory matters, communications and IT support and paid £67,205 for these services.

5. Parliamentary accountability and audit report

5.1 Regularity of expenditure (audited)

The PRP constantly strives for the best value for money on the goods and services it purchases, and in accordance with the Charter's requirement, the PRP's finances are managed in accordance with the general principles of HM Treasury's *Managing Public Money*.

As Accounting Officer of the PRP, the Chief Executive has considered her responsibility to notify the Board of material irregularity, impropriety and non-compliance with the general principles of HM Treasury's *Managing Public Money* and confirms that no instances of material irregularity, impropriety or funding non-compliance were discovered in the year under report. There have been no losses/ special payments made during the year.

ACCOUNTABILITY REPORT

5.2 Fees and charges (audited)

The Exchequer granted the PRP £3m at the commencement of its operation and this was received and recognised in full by the PRP in 2014/15. It was anticipated in the framing of the Charter that the PRP would become self-funding through fees charged to recognised regulators. With the recognition system not in place that has not yet happened and we have continued to deploy the remainder of those funds to support our work. We will continue to manage the grant expenditure in accordance with the general principles of HM Treasury's *Managing Public Money*.

The fee charging scheme guidance, including details of the fees to be charged, is available on our website. Article 11.3 of the Charter states that the aim of the charging scheme is to recover the PRP's full costs of determining applications for recognition and for conducting cyclical reviews. The fee is payable irrespective of the outcome of the cyclical review and must cover the PRP's direct and indirect costs. Other than in exceptional circumstances (Article 11.7 of the Charter), the PRP's only means of generating future income is charging regulators' fees.

IMPRESS' fees were £220,000 for the year to 3 November 2019. This is being recognised as income in the accounts on a time pro-rata basis. Accordingly, £130,795 has been deferred to be recognised in the following year.

5.3 Long-term expenditure trends

The Board has held regular strategic discussions about the PRP's future work, organisational design and the issue of long-term funding. Details about our spending plans are contained in the PRP's Business Plan 2019/20 which is available on our website.



David Wolfe QC
Chair
20 May 2019



Susie Uppal
Chief Executive

ACCOUNTABILITY REPORT

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS AND THE HOUSE OF LORDS

Opinion on financial statements

I have audited the financial statements of the Press Recognition Panel for the year ended 31 March 2019 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of the profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Press Recognition Panel in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Press Recognition Panel's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Board and Accounting Officer are responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view.
- such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- assessing the company's ability to continue as a going concern, disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

ACCOUNTABILITY REPORT

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Press Recognition Panel's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which requires me to report to you if, in my opinion:

- adequate accounting records have not been kept by the company, or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration report and the Accountability and Audit Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Accounting Officer's Remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Sir Amyas C E Morse
Comptroller and Auditor General
24 May 2019

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

FINANCIAL STATEMENTS

STATEMENT OF INCOME AND RETAINED EARNINGS

	Notes	Year to 31 March 2019	Year to 31 March 2018
Income		£	£
Bank interest		2,406	2,006
Fees		220,000	89,205
Judicial review income		46,166	-
Total Income		268,572	91,211
Expenditure			
All costs	4	(340,566)	(476,785)
Total Expenditure		(340,566)	(476,785)
Net deficit for the period before tax			
		(71,994)	(385,574)
Taxation	6	(452)	(392)
Net deficit for the period after tax			
		(72,446)	(385,966)
Reserves brought forward		860,393	1,246,359
Reserves Carried Forward		787,947	860,393

There were no recognised gains and losses other than those shown in the above Statement of Income and Retained Earnings.

The notes on pages 32 to 37 form part of these financial statements.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

	Notes	Year to 31 March 2019 £	Year to 31 March 2018 £
Current Asset			
Debtors	7	11,799	130,566
Cash at bank and in hand		935,991	892,902
		947,765	1,023,468
Current Liabilities			
Creditors:			
Amounts falling due within one period	8	(159,843)	(163,075)
Net Current Assets		787,947	860,393
Net Assets		787,947	860,393
Reserves			
Reserves		787,947	860,393
		787,947	860,393

The notes on pages 32 to 37 form part of these financial statements.

Approved and authorised for issue by:



David Wolfe QC
Chair
20 May 2019



Susie Uppal
Chief Executive

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

	Year to 31 March 2019 £	Year to 31 March 2018 £
Cash flows from operating activities		
Net (deficit) for the financial year	(72,446)	(385,966)
Adjustments for:		
Interest received	(2,406)	(2,006)
Taxation	452	392
Decrease/(Increase) in debtors	118,767	(91,447)
Decrease /(Increase) in creditors	(3,232)	115,894
Cash from / (used in) operating activities	41,135	(363,133)
Income taxes paid	(452)	(392)
Net cash from / (used in) operating activities	40,683	(363,525)
Cash flows from investing activities		
Interest received	2,406	2,006
Net increase/ (decrease) in cash and cash equivalents	43,089	(361,519)
Cash and cash equivalents at the beginning of the period	892,902	1,254,421
Cash and cash equivalents at the end of the period	935,991	892,902

The notes on pages 32 to 37 form part of these financial statements.

Notes to the financial statements

1. Organisation information

The Press Recognition Panel (PRP) is a body established by Royal Charter.

2. Basis of preparation

These financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

Going concern

In accordance with the requirements set out in the Charter, the Exchequer granted to the PRP such sums of money as are sufficient to commence its operations and thereafter fulfil its purpose for the first three years after the date the Charter became effective.

The PRP Board informed the Ministry of Justice and HM Treasury of its intention to use the funding beyond the initial years as the recognition system was not as yet in place. In addition to the grant reserves, the Charter makes provision for a scheme for charging fees in relation to the functions of recognition and cyclical review. One regulator has been

FINANCIAL STATEMENTS

approved and is now paying these fees. Moreover, in the event that the Board considers that its income is likely to be insufficient to meet its expenditure relating to (a) legal or other expenses arising from litigation or threatened litigation, (b) ad hoc reviews or (c) wholly unforeseen events, it has the right to request further reasonable sums from the Exchequer. In response, the Exchequer will grant such sums as the Exchequer considers necessary to ensure the purpose of the PRP is not frustrated by a lack of funding.

The overall situation as regard to the recognition system remains uncertain. To date, section 40 of the Crime and Courts Act 2013 has not been implemented and may now not be implemented in view of the current Government's stated intention to repeal it. Press regulation remains a voluntary matter for the industry and, apart from IMPRESS which has been recognised, there are no regulators seeking recognition under the Charter. The Board has shaped its business model with due consideration of this uncertainty and designed an organisational structure that is flexible, to ensure that costs continue to be completely covered by available resources in the future. The PRP has consistently been prudent with its expenditure and budgeted accordingly. The Board has a reasonable expectation that in view of this operational and financial position, the PRP has adequate resources to operate as a going concern for the foreseeable future. For these reasons, the Board is satisfied that the going concern basis has been adopted appropriately in preparing the financial statements.

Critical judgements and significant estimates

The PRP has analysed its arrangement with IMPRESS and fees received in the context of FRS 102's approach to revenue recognition, in particular as to whether the cyclical review undertaken in respect of a recognised regulator constitutes a "significant" act which would require deferral of recognition of revenue. Although the cyclical review is a specific act in relation to the regulation of IMPRESS, the PRP's view is that in substance, the process of regulation involves carrying out an indeterminate number of acts over time, of which the cyclical review is only one albeit a more formal one, and it is dependent on all the other relevant acts over time. Fees are therefore recognised evenly over the period to which the fee relates.

The other critical judgement is in relation to the going concern, as detailed in the above section.

There are no significant accounting estimates.

3. Principal accounting policies

The following principal accounting policies have been applied:

Revenue

The government grant received has been recognised using the performance model. It is a grant that does not impose specified future performance-related conditions on the PRP and so was recognised in income when the grant proceeds were received.

As detailed in Note 2 above, fees are recognised evenly over the period to which the fee relates.

Judicial review income

This relates to the full and final settlement of costs reclaimed from the News Media Association arising from the Court of Appeal Order of 15 January 2019. Further details are in section 2.1 of the Performance report, under 'Judicial Review'.

Fixed assets

Items are capitalised where the purchase price exceeds £1,000.

Cash at bank and in hand

All cash is held in bank accounts.

Pensions

Contributions are made to individual personal pension plans which are defined contribution schemes. The pension costs charged to the Statement of Income and Retained Earnings in the year are those actually paid or due to be paid into the pension plans.

FINANCIAL STATEMENTS

VAT

The Press Recognition Panel is not registered for VAT. All expenditure in the accounts is inclusive of VAT where it has been charged by the supplier.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Income and Retained Earnings over the period in which the cost is incurred.

Going Concern

Please see page 32 for further details.

4. EXPENDITURE

	Year to 31 March 2019	Year to 31 March 2018
	£	£
Board remuneration	60,238	61,963
Independent committee member remuneration	1,800	1,275
Board travel and subsistence	48	13
Consultants and contractors and related costs		
Information technology	1,984	3,255
HR	3,907	4,069
Accountancy and finance	24,182	26,400
Communications	29,740	30,771
Regulatory affairs	7,392	4,404
Legal	2,862	20,458
Consultation document	6,767	9,515
Website and visuals	1,701	3,597
Office costs	37,052	63,253
Other information technology costs	2,116	5,645
Audit fees	12,000	12,000
Insurance	2,584	6,593
Printing and stationery	2,187	4,504
Training and conferences	274	526
Subscriptions and publications	4,390	7,026
Other costs	1,374	792
	202,598	266,059
Staff costs (see Note 5)	137,968	210,726
	340,566	476,785

FINANCIAL STATEMENTS

5. STAFF NUMBERS AND COSTS

	Year to 31 March 2019 Number	Year to 31 March 2018 Number
The average number of employees (full time equivalent) during the period was:	1.4	2.4

As at 31 March 2019 the PRP employed 2 members of staff (31 March 2018: 3).

	Year to 31 March 2019 £	Year to 31 March 2018 £
Wages and salaries	113,536	175,845
Social security costs	13,149	20,668
Employer pension contributions	11,283	14,213
	137,968	210,726

	Year to 31 March 2019 £	Year to 31 March 2018 £
Remuneration in respect of the Board members was as follows:		
Wages and salaries	56,500	58,750
Social security costs	2,988	3,013
Pension contributions	750	200
	60,238	61,963

6. TAXATION

Bank interest is paid gross. Tax is payable on bank interest and is accrued in the financial statements in the year in which the interest relates.

FINANCIAL STATEMENTS

7. DEBTORS

	Year to 31 March 2019 £	Year to 31 March 2018 £
Fees receivable	-	110,000
Prepayments	5,932	12,718
Accrued income	258	182
Other debtors	5,609	7,666
	11,799	130,566

8. CREDITORS

	Year to 31 March 2019 £	Year to 31 March 2018 £
Amounts falling due within one year		
Accruals	21,558	20,048
Taxation and social security	5,097	5,631
Pension contributions	1,208	1,035
Deferred income (see below)	130,795	130,795
Other creditors	1,185	5,566
	159,843	163,075

	Year to 31 March 2019 £	Year to 31 March 2018 £
Deferred income		
Deferred income brought forward	130,795	-
Released in the year	(130,795)	-
Deferred income in the year: Fees	130,795	130,795
Deferred income carried forward	130,795	130,795

FINANCIAL STATEMENTS

9. LEASING COMMITMENTS

The PRP's future minimum operating lease payments for serviced offices are:

	Year to 31 March 2019	Year to 31 March 2018
	£	£
Within one year	3,542	28,064
	3,542	28,064

The lease commitment at 31 March 2019 was 8 months (at 31 March 2018: 8 months)

10. RELATED PARTY TRANSACTIONS

The PRP is governed by Royal Charter and has no ultimate controlling entity.

For the purpose of related party disclosure, members of the Board together with the Chief Executive have been identified as Key Management Personnel.

No transactions were identified as relevant for disclosure in relation to the period under report.

11. FINANCIAL RISK MANAGEMENT

Liquidity risk

The objective of the PRP in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The PRP expects to meet its financial obligations through timely monitoring of costs against budgets and reforecasts.

12. EVENTS AFTER THE REPORTING PERIOD DATE

Post balance sheet event

There have been no post balance sheet events either to disclose or to adjust the accounts. The date the Accounts are authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.



Press Recognition Panel
Mappin House, 4 Winsley Street, London, W1W 8HF

pressrecognitionpanel.org.uk