

THE PRESS STANDARDS BOARD
OF FINANCE LIMITED

Report and Financial
Statements for the
Year ended 31st March 1996

PRESSBOF



A Company Limited by Guarantee

Registered in England & Wales No 2554323

THE PRESS STANDARDS BOARD OF FINANCE LIMITED

(A Company Limited by Guarantee)

DIRECTORS' REPORT

The Directors submit their report and financial statements for the year ended 31st March 1996.

Principal activity

PRESSBOF is an independent body set up by the main organisations representing newspaper and magazine publishers. The organisations now represented on the Board of Directors are -

The Newspaper Publishers Association
The Newspaper Society
Periodical Publishers' Association
The Scottish Daily Newspaper Society
Scottish Newspaper Publishers' Association

The principal activity of PRESSBOF is to collect funds for the purpose of financing the self-regulatory arrangements for newspapers and magazines in the U.K. centred on The Press Complaints Commission.

Financial results

The results for the year and the state of affairs at 31st March, 1996 are set out in the attached financial statements.

PRESSBOF is precluded by its Memorandum from making any distribution to its members.

Review of activities and future developments

Registrations fees collected so far for the calendar year 1995 amounted to 96% of the target set by the Directors. Efforts continue to extend the number of contributing publishers.

The rate of registration fees for 1996 has been increased by 3½% of the 1995 scale.

Directors

The Directors who served throughout the year were -

H. J. Roche (Chairman)
Sir Frank Rogers
David R. J. Pollock
Sir Ray Tindle
James Evans
Dugal Nisbet-Smith
Clifford D. Jakes
Ian R. Locks
A. Grahame Thomson
James B Raeburn

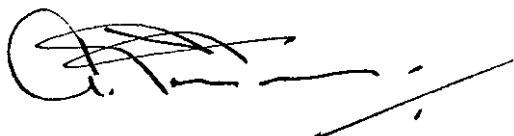
James Evans and David R. J. Pollock fall to retire by rotation at the Annual General Meeting and are recommended for re-election.

Clifford Jakes has indicated his wish to retire at the Annual General Meeting. The Directors recommend the election of Robin Miller to fill the vacancy on the Board.

Auditors

The Auditors, McEwen & Company, have signified their willingness to continue in office and a resolution reappointing them as Auditors and authorising the Directors to fix their remuneration will be proposed at the Annual General meeting.

By order of the Board

A handwritten signature in dark ink, appearing to be 'G. J. ...', followed by a long horizontal line and a diagonal slash.

Secretary

8th May 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to

- * select suitable accounting policies and then apply them consistently;
- * make judgments and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

McEwen & Company



ANNE McEWEN, C.A.
JOHN PRIOR, C.A.

CHARTERED ACCOUNTANTS

2 Broadcroft, Kirkintilloch,
Glasgow G66 1HP

Telephone: 0141-776 1258

Fax. No.: 0141-775 1428

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AUDITORS' REPORT TO THE MEMBERS OF THE PRESS STANDARDS BOARD OF FINANCE LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at March 31, 1996 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

McEwen & Company

CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
KIRKINTILLOCH

May 9, 1996

THE PRESS STANDARDS BOARD OF FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
Turnover	2	1,145,804	1,090,977
Charges	3	1,100,000	1,012,500
		<hr/> 45,804	<hr/> 78,477
Other Operating Charges	5	70,951	100,033
		<hr/> (25,147)	<hr/> (21,556)
Operating Deficiency			
Interest receivable		27,078	23,319
		<hr/>	<hr/>
Surplus on ordinary activities before taxation		1,931	1,763
Taxation on ordinary activities	6	483	441
		<hr/>	<hr/>
Surplus on ordinary activities after taxation		1,448	1,322
Accumulated surplus brought forward		8,416	7,094
		<hr/>	<hr/>
Accumulated surplus carried forward		9,864	8,416
		<hr/> <hr/>	<hr/> <hr/>

There were no gains or losses for the
year other than those already dealt
with in the Profit and Loss Account.

THE PRESS STANDARDS BOARD OF FINANCE LIMITED

BALANCE SHEET AT 31ST MARCH 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
CURRENT ASSETS			
Bank		16,252	14,489
CREDITORS			
Amounts falling due within one year	7	6,388	6,073
		<u> </u>	<u> </u>
NET CURRENT ASSETS		<u>9,864</u>	<u>8,416</u>
RESERVES			
Profit and Loss account		9,864	8,416

Approved by the Board on 8th May 1996

X  X Director

X  X Director

9,846

8,416

THE PRESS STANDARDS BOARD OF FINANCE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 1996

	<u>1996</u>	<u>1995</u>
	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		
Operating Deficiency	(25,147)	(21,556)
Increase/(Decrease) in Creditors	273	(8,675)
	<u> </u>	<u> </u>
	(24,874)	(30,231)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	27,078	23,319
TAXATION		
Corporation tax paid	(441)	(434)
	<u> </u>	<u> </u>
NET CASH INFLOW (OUTFLOW)	<u>1,763</u>	<u>(7,346)</u>
INCREASE IN CASH AND CASH EQUIVALENTS		
Increase/(Decrease) in Cash at Bank	<u>1,763</u>	<u>(7,346)</u>

THE PRESS STANDARDS BOARD OF FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 1996

1. Accounting Policies

- (a) The accounts have been prepared under the historical cost convention.
- (b) Registration fee income is credited to the Profit and Loss Account in the period in which it is received.

2. Turnover

Turnover is attributable to one continuing activity and represents the registration fees collected from newspaper and magazine publishers during the year.

3. Charges

Charges represent payments to The Press Complaints Commission for the self-regulatory arrangements for newspapers and magazines in the United Kingdom.

4. Directors' Emoluments

The emoluments of the Chairman were £15,000 (1995 - £15,000). Social security contributions amounted £1,530 (1995 - £1,530). No other directors received any emoluments. (1995 - Nil).

5. Other Operating Charges

	<u>1996</u>	<u>1995</u>
	£	£
Other Operating Charges comprise:-		
Directors' emoluments	16,530	16,530
Secretarial and accounting services	44,403	38,787
Travelling	4,445	4,068
Printing and Stationery	2,368	2,072
Telephone and postage	1,288	1,311
Consultancy Fees	-	35,250
General Expenses	566	722
Auditors' Remuneration	1,351	1,293
	<u>70,951</u>	<u>100,033</u>
	=====	=====

THE PRESS STANDARDS BOARD OF FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 1996 (cont'd)

6. Tax Arising on Ordinary Activities

Corporation Tax payable at 25% £ 483 (1995 - £ 441)

7. Creditors

Amounts falling due within one year	<u>1996</u>	<u>1995</u>
	£	£
Corporation tax	483	441
P.A.Y.E. & Social Security	1,882	1,882
Accrued Charges	4,023	3,750
	<u>6,388</u>	<u>6,073</u>
	<u>=====</u>	<u>=====</u>

8. Transactions with Directors

Secretarial and accounting services (Note 5) are provided by Grahame Thomson & Company, Chartered Accountants, of which Mr A. Grahame Thomson, a Director of PRESSBOF, is the proprietor.