

PRP

INDEPENDENTLY
OVERSEEING
PRESS REGULATION

PRESS RECOGNITION PANEL

Annual Report and Financial Statements

For the year ended 31 March 2016

**Press Recognition Panel Annual Report and Financial Statements
for the year ended 31 March 2016**

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

20 July 2016

SG/2016/111

Ordered by the House of Commons to be printed on 20 July 2016

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Legal and administrative information

Press Recognition Panel (PRP)

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.

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Board Members

Dr David Wolfe QC
Harry Cayton CBE
Emma Gilpin-Jacobs
Carolyn Regan
Harry Rich
Tim Suter

Chief Executive

Susie Uppal

PERFORMANCE REPORT

1. Overview

1.1 Chair's foreword

This is the second annual report and accounts (ARA) for the Press Recognition Panel (PRP) and it covers the period from 1 April 2015 to 31 March 2016.

The PRP operates in a complex and dynamic landscape which is made up of a great many national, regional and local publishers, operating across print, online and in some cases both. The PRP and its Board are entirely independent of the government, Parliament, the press or any other such interest.

During the year under review the PRP achieved everything that we set out to do in our published business plan for 2015/16. Most importantly, we announced that press self-regulators could apply to the PRP for recognition and we would assess them against the 29 criteria specified in our Royal Charter.

I am pleased that our guidance to applicants applying for recognition was informed by input from a wide range of people who are interested in, and affected by, our work. This included campaign groups, media organisations, academics, commentators and members of the public.

During 2015/16 the Board and I met a wide range of stakeholders, and we have upheld our commitment to openness and transparency. I would like to thank everyone who contributed to and informed our work and I hope that they continue to engage with us.

The recognition system and the Royal Charter sit within a wider legislative landscape, which includes the provisions within the Crime and Courts Act 2013. The exemplary damages provisions of the Act came into force in November 2015. In October 2015, the Secretary of State for Culture, Media and Sport, John Whittingdale MP, said that he was not convinced that it was the time right for the introduction of the costs shifting provisions within the Act. The PRP has no influence over the timing of the commencement of those provisions and we will reflect on the impact of the delay in our State of Recognition report in autumn 2016.

The Royal Charter requires the PRP to report annually on any success or failure of the recognition system. We will fulfil this requirement when we publish our first State of Recognition report in September 2016. Other plans for 2016/17 include developing and adopting a system for reviewing approved regulators, in order to ensure that any approved regulators continue to meet the Royal Charter's recognition criteria. In 2016/17 we will also consult on our fee-charging structure and review our longer term funding position.

The PRP remains committed to operating independently, fairly, openly and transparently, and to overseeing an effective system of press self-regulation in the UK that helps to secure the public interest and ensures we continue to have a free and vibrant press.



David Wolfe
Chair, Press Recognition Panel

1.2 Chief Executive's introduction

The PRP's Business Plan for 2015/16 reflected our focus on putting in place the systems and processes needed to operate effectively as an organisation. I am pleased to report that we achieved the aims and objectives set out in the plan. Our most significant achievement was developing and issuing our guidance to press self-regulators wishing to apply for recognition in September 2015. This followed a UK-wide consultation, which included a number of meetings with stakeholders across the four countries of the UK.

We launched the consultation with a panel discussion event hosted by the London School of Economics. This was followed by a series of consultation events in Belfast, Birmingham, Cardiff, Durham, Glasgow, London and Manchester which were attended by a range of people including journalists, members of the public, academics and members of interest groups. We also ran a live, interactive webinar session which was made available afterwards on our website.

In January 2016 we received an application for recognition from the Independent Monitor of the Press CIC (IMPRESS). We subsequently launched two public calls for information, during which we invited third parties to review the application and share additional information with us that they are aware of that had not been included, but which may be relevant to the recognition assessment. The PRP Board will make a decision on the application later in 2016, and will take into account the considerable information generated during the application process.

Meaningful public consultation is central to our work, and we held insightful discussions about our work throughout 2015/16 with a range of stakeholders. In February 2016 we launched a consultation on our proposals for reviewing approved regulators. The consultation closed in April 2016 and we will announce our final decision on our approach to these reviews later in 2016.

Some of our other achievements for the year included developing a small and flexible staff team, completing our governance framework, relocating to more flexible premises that offer good value for money, updating our website to align the design with our visual identity, and tendering for IT services to ensure we continued to achieve the best value for money possible.

This annual report and accounts highlights the work undertaken in 2015/16 to deliver a robust and effective recognition system, and looks forward to some of our future plans.



Susie Uppal
Chief Executive, Press Recognition Panel

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 the Royal 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 absolutely 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 will do this in a fully transparent way 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 on any successes or failure of the recognition system.

Our values

We are committed to performing our duties:

- **Independently** – using to the full the complete freedom we have from 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.



PERFORMANCE REPORT

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 on page 20).

Funding

The Exchequer has granted the PRP £3m, and this has been received in full by the PRP. Further information about the PRP's financial performance measures and results can be found in the Directors' Report (section 3.1, page 15). Further information about the PRP's adoption of the going concern basis can be found in the notes to the Financial Statements (section 9, note 2, page 42).

2. Performance analysis

2.1 Highlights of our work in 2015/16

Opening to receive applications for recognition from regulators

In June 2015 we launched our public consultation on the recognition application process with a panel discussion event hosted by the London School of Economics. We then held a series of consultation events in Belfast, Birmingham, Cardiff, Durham, Glasgow, London and Manchester, which were attended by nearly 150 people, including journalists, members of the public, academics and members of interest groups. We also ran a live, interactive webinar session which was attended by over 40 individuals. We published a note of these events and meetings on our website, along with a recording of the webinar.

We received over 200 responses to the consultation from a range of respondents, which we considered when finalising our guidance to regulators applying for recognition. In September 2015 we announced that regulators could apply to the PRP for recognition, if they wished, and the guidance is available on our website.

Receiving an application for recognition

In January 2016 we received an application for recognition from IMPRESS. We subsequently launched two public calls for information during which we invited third parties to review the application and share additional information with us that they were aware of that had not been included, but which might be relevant to the recognition assessment. At the time of writing, IMPRESS's application was undergoing assessment by the PRP executive ahead of a recognition decision to be taken by the PRP Board in due course.

Consultation on ad hoc and cyclical reviews

The Royal Charter requires the PRP to review approved regulators to ensure they continue to meet the Charter's recognition criteria. The Charter also requires us to undertake ad hoc reviews in exceptional circumstances and where there is a significant public interest in undertaking a review.

In February 2016 we launched a public consultation on our proposals for conducting and reporting on these reviews. The consultation lasted for eight weeks and it closed on 11 April 2016. At the time of writing, the consultation feedback was being assessed ahead of the final outcome being announced later in 2016.

Infrastructure

In order to ensure that the PRP achieves value for money, the organisation reviewed its premises arrangements and relocated on 1 October 2015 to more flexible accommodation. The PRP also appointed JS2 Ltd to provide financial support to the organisation, and put in place additional financial arrangements, including the opening of a second bank account in March 2016. The PRP moved to new IT providers – Comis Technology Ltd – in January 2016.

Visual identity

In September 2015 we updated our website. The Board also agreed a common seal for the organisation, as required by the Royal Charter, and agreed a recognition mark that would be issued to approved regulators.

Performance management

At its May 2015 meeting, the PRP's Board agreed the Business Plan for 2015/16, which included objectives for the year, and which fed into the organisation's work plan. The Chief Executive reported on performance against those objectives at monthly Board meetings.

Governance

The Board met 12 times during the period 1 April 2015 to 31 March 2016. As much of the Board meeting as possible is conducted in public, and papers for the public session are published on our website in advance wherever possible. At each meeting the Board received financial management accounts in order to monitor financial performance.

At its July 2015 meeting, the Board agreed to the establishment of an Audit and Risk Committee (ARC) as a subcommittee of the Board to oversee the organisation's financial and risk management.

The PRP's risk register is reviewed quarterly by the ARC and the Board. The PRP appointed the Comptroller and Auditor General as its external auditor, as required by the Charter.

More information about the PRP's governance, risk management and auditing arrangements is available in the Governance Statement (section 3.3, page 20).

Policies and procedures

The Board considered, and publicly consulted on, key policies for the way the PRP operates. These included policies for the retention and disposal of information, fixing the PRP's Common Seal, corporate social responsibility, health and safety, and the PRP's website. All of the PRP's policies are available on our website.

2.2 Forward look

The PRP published a Business Plan for 2016/17 in May 2016. The plan sets our objectives for the year which reflect our focus on ensuring we have the systems and processes in place to operate effectively as an organisation and meet our Royal Charter obligations.

Our objectives

We will:

- operate a system for dealing with applications for recognition from press self-regulators and exercise our oversight role;
- use insight from those who have an interest in our work to inform what we do.

We will do this by:

- ensuring our systems and processes are effective and provide value for money;
- developing a highly motivated, diverse and professional staff team;
- ensuring we work flexibly and adaptably.

Our plans for 2016/17

Our plans for 2016/17 include the following:

Reviewing IMPRESS's application for recognition

During the 2016/17 financial year we will assess IMPRESS's application, ahead of our Board making the final decision on whether or not to grant recognition.

Announcing the outcome of our consultation on reviewing approved regulators and adopting a system for reviews

Later in 2016 we will announce the outcome of our consultation on ad hoc and cyclical reviews of approved regulators and we will publish our process for reviewing approved regulators.

Preparing our State of Recognition report

The Charter requires the PRP to report on any success or failure of the recognition system. We will fulfil this requirement when we publish our first State of Recognition report in autumn 2016.



PERFORMANCE REPORT

When producing this report, we will consider the full range of views and perspectives of people and organisations with an interest in or affected by the PRP's work. In April 2016 we launched a call for information, and we invited stakeholders to share opinions and feedback with us.

Consulting on fee charging and considering our longer term strategy

The Exchequer has granted the PRP £3m, and this has been received in full by the PRP. A key focus for 2016/17 will be to develop our business strategy in relation to our longer term financial position.

We will consult publicly upon, and publish, a scheme for charging fees to regulators in relation to the functions of recognition and cyclical review, to come into force from the third anniversary of the PRP – 3 November 2017.

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 2015/16. The Board and Chief Executive influence the decisions of the PRP as a whole. Details of the Chair, Board Members and Chief Executive are provided on page 6 of this report (Legal and Administrative Information). All relevant interests of Board Members are recorded in the register of relevant interests, which is available on the PRP's website.

Financial performance measures and results

The PRP's expenditure in the period ended 31 March 2016 was £879,185. The PRP is financed by a grant from the Exchequer, sufficient to enable the PRP to commence its operations, and fulfil its purpose for at least the first three years of operation. The whole grant of £3m was recognised in full in the 2014/15 financial year, on the basis that there was no mechanism for monies to be recalled by the Exchequer – any other arrangement would have been seen to have impinged on the PRP's independence.

The Charter requires that the grant of these monies is in accordance with the general principles of Managing Public Money. In late 2016 or early 2017, the PRP plans to consult on a scheme for charging fees to regulators in relation to the functions of recognition and cyclical review, to come into force from the third anniversary of the PRP's inception (3 November 2017). Further information about the PRP's adoption of the going concern basis can be found in the notes to the financial statements (section 9, note 2, page 42).

The PRP is constantly striving for the best value for money in the goods and services it purchases, fully cognisant that its funds come from the public purse. The PRP has outsourced its finance, human resources, premises, facilities and IT functions. These outsourced arrangements provide the PRP with resilience, and their operation will be kept under review.

The PRP and its external environment

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

The PRP's employees

Information about the PRP's staff can be found in section 4 (Remuneration and staff report).

Professional support and contractors

Information about professional support and contractors can be found in section 4 (Remuneration and staff report).

ACCOUNTABILITY REPORT

Procurement policy

The PRP is committed to achieving value for money, in terms of quality and price, for all of its procurement. In order to achieve this, the PRP endeavours to clearly communicate 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 is available on our website.

Environment, 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. This is available on our website.

Objectives and strategy for achieving them

The PRP business plan for the financial year 1 April 2015 to 31 March 2016 was published in July 2015 and 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, pages 11 to 13 (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 Royal Charter, that is able to command public confidence. The outcomes of this work – independence in regulation, improved complaints resolution through arbitration amongst other things – will depend on circumstances beyond the PRP's immediate control. The PRP's plans for the next period are summarised in section 2.2 (Forward look).

A function of the PRP as set out in the Charter is to report to Parliament and the Scottish Parliament on the success or failure of the recognition system. We have also voluntarily agreed to submit reports to the Welsh Assembly and Northern Ireland Assembly. We will be publishing our first State of Recognition report in autumn 2016.

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

The PRP has agreed 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 6. The Governance statement also deals with information risk and data security.

Payment of creditors

In accordance with its 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 2015/16, the PRP aimed to pay 90% of invoices within 10 days of approval for payment. The actual figure was 100%.

Pension liabilities

The PRP has no pension scheme, so there are no pension liabilities to report for the current financial year. The PRP's staging date for auto-enrolment is 1 August 2017 – this is the date that automatic pension enrolment duties start. During the year under report, the Board agreed that permanent staff should be offered a contribution by the PRP to their private pensions of up to 10% of their salary (to be matched by the employee); as at 31 March 2016, no member of staff had taken up this offer.

Equality, diversity and inclusion

The PRP is committed to eliminating discrimination and encouraging diversity amongst everyone who works with us. 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 be truly representative of 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 on page 33.

ACCOUNTABILITY REPORT

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 2016, a fee of £12,500 will be charged for the audit work that has been performed. 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.



Dr David Wolfe QC
Chair
11 July 2016



Susie Uppal
Chief Executive

3.2 Statement of Board and Accounting Officer's responsibilities

Under paragraph 12 of the Royal Charter on Self-Regulation of the Press, 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 as soon as practicable after the end of the financial year. The PRP has engaged the Comptroller and Auditor General as its auditor by agreement, who will examine, certify and report on the statement each year.

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 (FRM).

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.

HM Treasury appointed the Chair of the PRP as the Accounting Officer on 7 November 2014. In December 2015, the Chair of the Board wrote to HM Treasury to advise that Accounting Officer designation should be transferred to the Chief Executive. HM Treasury wrote to the Chief Executive on 26 February 2016 confirming her appointment as 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 Managing Public Money (MPM) published by HM Treasury. The Finance Policy is based on MPM.

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 the steps that she ought to have taken 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 judgments required for determining that it is fair, balanced and understandable.

3.3 Governance statement

Brief history of the PRP and its principal activities

The PRP was created as a legal body on 3 November 2014 by a Royal Charter following the Leveson Report into the culture, practices and ethics of the press. The role of the PRP, which is entirely independent of the government, Parliament, the press or any other such interest, is to consider whether or not press regulators meet the recognition criteria recommended by the Leveson Report, and which are incorporated into the Charter.

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 supports 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 relevant principles and policies set out in the HM Treasury publication 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 (the Freedom of Information Act 2000 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 monthly – intervals, with a quorum of three Members (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 has adopted a Governance Framework, which was considered and agreed in December 2014 and reviewed in December 2015. The Framework follows the requirements set out in the *UK Corporate Governance Code* and other good practice guidance provided by various authorities. An assessment of the PRP's Governance Framework against the *UK Corporate Governance Code* is set out on page 30. The Governance Framework is available on our website.

The following additions were made to the Governance Framework in 2015/16:

- Audit and Risk Committee terms of reference
- Business continuity
- Retention and disposal policy
- Policy for fixing the PRP's Common Seal
- Data Protection Act policy
- Procurement policy
- Corporate social responsibility policy
- Health and safety policy
- Freedom of Information Act policy
- Publication scheme
- Arrangements for Board succession
- Nominations Committee terms of reference

In addition, our website includes details of Board Members' biographies and information about their relevant interests. Board Members are required to declare any interest they may have in Board meeting discussions at the start of each meeting and these are recorded within the minutes. All relevant interests of Board Members are recorded in the Register of Interests, which is available on the PRP's website.

ACCOUNTABILITY REPORT

PRP Board

The PRP Board comprises six non-executive Board Members (including the Chair). The Chief Executive attends every meeting. The Board met formally on twelve occasions during the period 1 April 2015 to 31 March 2016.

	Meeting Attendance
David Wolfe (Chair)	12/12
Harry Cayton (Member)	11/12
Emma Gilpin-Jacobs (Member)	10/12
Carolyn Regan (Member)	11/12
Harry Rich (Member)	9/12
Tim Suter (Member)	12/12

Senior Independent Director

In March 2015, the Board agreed the appointment of Tim Suter to the role of Senior Independent Director. He was appointed to the role for a period of two years (with the possibility of re-appointment for another two years, up to a maximum of four years). No additional remuneration is attached to this role.

The role serves as a sounding board for the Chair and is responsible for holding annual meetings with Board Members, without the Chair present, to appraise the Chair's performance. Where there is a disagreement or dispute between the Chair and Board Members, or between the Chair and the Chief Executive, the Senior Independent Director can intervene.

Audit and Risk Committee

At its meeting on 30 June 2015, the Board agreed to constitute an Audit and Risk Committee (ARC), to be chaired by Board Member Harry Rich who would be paid additional remuneration of £1,500 annually to reflect the duties he would incur as ARC Chair. The Board also agreed the appointment of Board Member Harry Cayton to the Committee, but with no additional remuneration.

Kathryn Cearns FCA FCCA was appointed to the ARC as an independent member on 1 September 2015 for an initial term of three years. This appointment assists with competent analysis of the financial statements and understanding good financial management disciplines. In the period ending 31 March 2016, the independent member committed five days to the role at a fee of £300 a day.

ACCOUNTABILITY REPORT

The ARC is responsible, on behalf of the Board, for advising the Accounting Officer on the maintenance of appropriate audit and risk processes within the PRP 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 Comptroller and Auditor General (the PRP's external auditor) attend all relevant meetings.

The papers and minutes of ARC meetings are circulated to the Board respectively before and after each meeting. The Audit and Risk Committee met formally on three occasions during the period ending 31 March 2016.

	Meeting Attendance
Harry Rich (Chair)	3/3
Harry Cayton (Member)	3/3
Kathryn Cearns (Member)	3/3

Nominations Committee

At its meeting on 23 February 2016, the Board agreed to constitute a Nominations Committee. The Nominations Committee is responsible, on behalf of the Board, for:

- keeping under review and making recommendations in relation to the processes for the appointment, re-appointment and appraisal of Board Members and any other non-executives engaged by the PRP;
- making recommendations on appointments and re-appointment processes in line with agreed policy;
- identifying and nominating candidates for the approval of the full Board to fill vacancies as and when they arise (operating as a Selection Panel);
- nominating for the approval by the full Board the re-appointment of any Board Member at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute in the light of the knowledge, skills and experience required; and
- making recommendations to the full Board in relation to extensions and emergency appointments and the disqualification, suspension and removal from office of the Chair and Board Members.



ACCOUNTABILITY REPORT

The Committee is advisory only; the Board has responsibility in the Royal Charter for determining Board appointments. The Committee will meet on an ad hoc basis in order to deal with appointment and re-appointment matters as they arise. An independent member will be recruited to the Committee ahead of the first phase of the re-appointment cycle, as all Board Members' terms come to an end at the same time. The Board has determined that it would be helpful to have advice and an external perspective from an individual independent of the PRP to assist (it is generally regarded as best practice for Board Members not to participate in decisions about their own re-appointment, however, the Royal Charter does not allow for any other mechanism).

Board performance

The performance of the Board, its committees and individual Board Members is evaluated on an annual basis. The Board undertook its first annual evaluation during summer 2015, the outcomes of which were reported to the Board in September 2015 and included a number of areas for development. A summary of the actions, and responses to these during 2015/16 are as follows:

ACCOUNTABILITY REPORT

Actions / areas for development	Progress
<p>Focusing on strategic rather than operational issues</p>	<p>Review of matters reserved and scheme of delegations (Governance Framework reviewed and agreed by Board at the 17 December 2015 Board meeting);</p> <p>Establishing a Chief Executive's report (now presented on a monthly basis);</p> <p>Early brainstorming of strategic issues (now takes place via early scoping papers allowing the Board to give the executive a constructive strategic steer early in the policy formulation phase);</p> <p>Strategic session of the Board held in March 2016.</p>
<p>Helping Board Members to keep up to date with relevant industry developments</p>	<p>Assessments of the market and intelligence gathering (now takes place on a monthly basis, and is reported via the Chief Executive's report).</p>
<p>Working to ensure that the split between confidential and public business is appropriate</p>	<p>Ongoing action (kept under review by the Chair and Chief Executive).</p>

Each Board Member including the Chair participated in an annual appraisal process in autumn 2015, using a combination of questionnaires and one-to-one sessions with the Chair (the Senior Independent Director undertook the Chair's appraisal). The executive also fed into the process.

Risk and internal control framework

The PRP 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, with risk explicitly required to be identified in Board papers.

The Board agreed a risk management policy and initial risk register at its meeting on 25 March 2015. The ARC reviewed the risk register in detail at its September 2015 and March 2016 meetings, to determine the way risks, or changes in risks, had been identified, evaluated and controlled by the PRP. The Board receives a report of the ARC's findings at its subsequent meeting, and the Board also reviews the risk register in detail on a quarterly basis.

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. The risk policy and risk register are accessible to all staff. Project risks are identified and recorded, and are fed into the process of risk reporting.

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.

Response to risk

The Board's tolerance for risk varies depending on the nature and severity of individual risk. If the Board determines that a risk exceeds its appetite to accept, it will put in place a strategy to mitigate the risk.

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 policies that meet the Charter objectives, including risks related to the broader environment within which the PRP operates.
- Reputational – justifiable attacks 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 2015/16 and have confirmed their assessment that the PRP's approach identifies the correct risks, and that mitigating actions are appropriately focused and implemented so as to support the PRP's programme of work to deliver the Charter objectives.

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.

ACCOUNTABILITY REPORT

Principal risks

A summary of the emerging risks facing the PRP in achieving its priorities in its early phase 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
Major policies fail to deliver their intended outcomes, or are disproportionate, costly, unreliable or ineffective	Frequent reviews ensure that PRP governance processes are robust and that decision-making is sound; the business plan makes clear our planned activity for 2016/17 in relation to recognition work
The PRP is unable to prepare for changes in workload caused by external factors	The Board is updated on resource levels on a monthly basis; all resourcing – including staffing and premises – is secured on a flexible basis; consultation processes are robust, and legal advice is sought when required
The loss or absence of key staff affecting the ability of the organisation to function effectively	The PRP Board and Chief Executive regularly review and update the resourcing plan; programme management processes are in place for early identification of capacity problems
Insufficient budget to operate effectively in the long term	The PRP plans to consult publicly on the charging regime in late 2016 / early 2017, well ahead of the end of the first three year period of operation, for which the PRP has been funded by the Exchequer

* See also the going concern disclosure in note 2 to the financial statements (Section 9, page 42)

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 a provider – JS2 Ltd – providing additional separation of duties. In addition, Board Member Harry Rich is designated with specific responsibility, on behalf of the Board, for finance matters, as agreed at the Board’s first meeting in December 2014.

Role of internal audit

The ARC considered the commissioning of an internal audit service at its meetings in September 2015 and March 2016 and concluded that the benefits of an internal audit function were not apparent or sufficient at the current time. The ARC will continue to keep the position under review during 2016/17, and oversee some benchmarking activity with relevant organisations with a view to adopting best practice activity to strengthen the PRP’s overall assurance framework where relevant.

Information risk and data security

The PRP is a data controller under the Data Protection Act 1998. There were no personal data related incidents in the period 1 April 2015 to 31 March 2016. While it is not subject to the Freedom of Information Act 2000 (FOIA), the PRP has agreed that it will follow the spirit of the legislation, and act as if FOIA applied to the PRP. Two requests for information were made in the period under report and details are available on our website.

In March 2014, the Board approved an Information Technology policy for the PRP. This is available on our website and describes the rules and conduct that the PRP requires individuals to observe whenever they use our IT systems. IT systems are defined as telephones, computers (including the use of emails and the internet) and any other equipment owned or operated by the PRP that may be used to communicate, store or process information electronically. 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 *UK Corporate Governance Code* and *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 *UK Corporate Governance Code* and *Corporate Governance in central departments: Code of Good Practice 2011*. The requirement to “comply or explain” applies to any bodies within the scope of *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 2015/16. The ARC’s review has been informed by comments made by the external auditors (the NAO) in their management letter and elsewhere.

The PRP did not experience any significant control issues during the period 1 April 2015 to 31 March 2016 and considers that there are no significant weaknesses to address.



Dr David Wolfe QC
Chair
11 July 2016



Susie Uppal
Chief Executive

4. Remuneration and staff report

Board Member Remuneration policy

The Royal Charter gives the Board the power to set the remuneration of the Chair and other Board Members at Schedule 1, para 5.3:

'The Board may make arrangements to pay or make provision for paying in respect of any Member, such amounts by way of allowances or gratuities as the Board determines. The amount of any such allowances or gratuities shall be set having regard to the prevailing rates payable to the members of boards of public sector bodies'.

At its first Board meeting on 5 December 2014, the Board commissioned a detailed analysis of rates paid across public bodies. At its meeting on 18 December 2014, the Board took into account a thorough and comprehensive analysis of pay rates across public bodies prepared by an external agency, GatenbySanderson Ltd, in setting the rates payable. It was agreed that the rates would be reviewed annually, in November each year, having regard to any changes in prevailing rates payable to members of boards of public sector bodies. The Board reviewed the rates of remuneration in November 2015, and concluded that there should be no change.

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. Future appointments will be dealt with by the PRP's Nominations Committee (details are set out in the Governance Statement on page 20). Board Members may be eligible for re-appointment for one subsequent term of office for a fixed term of up to three years. The Chair, David Wolfe, was appointed on 17 June 2014 for a five-year term. The Chair commits at least 60 days per annum to the work of the PRP. Members commit at least 20 days per annum to their work with the PRP.

ACCOUNTABILITY REPORT

Terms of Membership and Termination

There is no compensation payable for loss of office for Board Members before the expiry of their term of appointment.

	Date Appointed	Date Appointment Ends
Dr David Wolfe QC (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
Tim Suter (Member)	3 November 2014	2 November 2019

Remuneration of Chair and Board 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 FRS102 Board Members are included in this report on the basis that Board Members are members of key management personnel.

Remuneration 2015/16

	Year to 31 March 2016 £
David Wolfe (Chair)	30,000
Harry Cayton (Member)	6,000
Emma Gilpin-Jacobs (Member)	6,000
Carolyn Regan (Member)	6,000
Harry Rich (Member)*	7,125
Tim Suter (Member)	6,000

* Harry Rich is paid additional remuneration of £1,500 annually to reflect the additional duties he incurs as Audit and Risk Committee Chair (an additional £125 per month for nine months).

Kathryn Cearns, independent member of the Audit and Risk Committee, was paid £1,500 during 2015/16.

Staff remuneration

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. The remuneration of the Chief Executive is £115,000 per annum, as set by the Board in January 2015. Along with other permanent staff, the Chief Executive was offered a contribution by the PRP to her private pension of up to 10% of her salary (to be matched by the employee); she did not take up the offer.

The total remuneration for executive staff in the period ending 31 March 2016 was £427,686, as set out in note 5 to the financial statements.

Costs of staff (split by permanent and fixed term contract staff) are as follows:

- median staff remuneration £56,500 (annualised, FTE remuneration of all staff, including temporary staff)
- range of staff remuneration £26,000 to £115,000
- ratio between the remuneration of the highest paid member of staff and the median staff remuneration is 2.04

The PRP staff's average sickness absence was 0.7 days per full time equivalent.

Staff policies

During 2015/16, the PRP issued an Employee Handbook to all members of staff. The manual includes a range of policies and procedures affecting staff, such as details of salary arrangements, holidays, sickness absence, social networking policy, capability and disciplinary procedures etc. It also includes the PRP's equal opportunity policy.

Diversity data

As at 31 March 2016, the PRP had four permanent employees and two staff on fixed term contracts; six non-executive Board Members plus a further non-executive in the role of independent member of the Audit and Risk Committee. Diversity data for the combined non-executive and staff group as at 31 March 2016 was as follows – based on a response rate of 77%:

- **Age:** 20% aged 31-40; 20% aged 41-50; 60% aged 51-60
- **Disability:** 0% considered themselves disabled
- **Gender:** 60% female; 40% male (0% described their identity as different from their gender at birth)
- **Sexual orientation:** 30% bisexual; 30% gay or lesbian; 40% heterosexual
- **Maternity leave:** 0% pregnant, on maternity leave, or returning from maternity leave
- **Ethnic origin:** 20% BME; 40% White British; 40% White other background
- **Religion or belief:** 20% Christian; 20% Jewish; 20% None; 40% prefer not to say

ACCOUNTABILITY REPORT

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 2015/16, the PRP engaged the services of a range of contractors on a temporary basis to assist with media advice and support, accountancy services, regulatory matters, governance, IT support, and paid £64,284 for these services.



Dr David Wolfe QC
Chair
11 July 2016



Susie Uppal
Chief Executive

5. Accountability and audit report

5.1 Regularity of expenditure

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

As Accounting Officer of the Press Recognition Panel, the Chief Executive has considered her responsibility to notify the Board of material irregularity, impropriety and non-compliance with the general principles of *Managing Public Money* and confirms that no instances of material irregularity, impropriety or funding non-compliance were discovered in the year under report.

5.2 Fees and charges

The PRP was created as a legal body on 3 November 2014. The Royal Charter required the Exchequer to grant the PRP sufficient money for it to set up and operate for its first three years. The Exchequer has granted the PRP £3m, and this has been received in full by the PRP. In 2016/17 the PRP will consult on the fees that we will charge to recognise regulators.

5.3 Long-term expenditure trends

At a strategy meeting of the PRP Board held on 22 March 2016, a discussion took place about the PRP's future work, organisational design and issues of funding. The Board will consider how the PRP's longer term spending plans will be formulated and published later in 2016/17.

Details about our spending plans for 2016/17 are contained in the PRP's Business Plan 2016/17 which is available on our website. A high level summary of our income and expenditure plans for the year ahead are as follows:

ACCOUNTABILITY REPORT

Budget for the year to 31 March 2017		
	£	Total £
Income (Bank Interest)		2,400
Expenditure		
Board (salaries and expenses)	(67,224)	
Communications	(40,734)	
Operational costs	(647,730)	
Total Expenditure		(755,688)
Deficit for year		(753,288)
Reserves Brought Forward at 31 March 2016		1,952,072
Reserves Carried Forward at 31 March 2017		1,200,784



Dr David Wolfe QC
Chair
11 July 2016



Susie Uppal
Chief Executive

5.4 The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Press Recognition Panel for the year ended 31 March 2016, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). I have also audited the information in the Remuneration and Staff Report and the Accountability Disclosures that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of Board and Accounting Officer's Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. This includes an assessment of: whether the accounting policies are appropriate to the Press Recognition Panel's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Press Recognition Panel; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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.

ACCOUNTABILITY REPORT

Opinion on regularity

In my opinion, in all material respects the expenditure and income 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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Press Recognition Panel's affairs as at 31 March 2016 and of the net deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Accountability disclosures to be audited have been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report and the Accountability disclosures to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
12 July 2016
Comptroller and Auditor General

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

FINANCIAL STATEMENTS

6. Statement of income and retained earnings

	Notes	Year to 31 March 2016	3 Nov. 2014 to 31 March 2015
		£	£
Income			
Grant income		-	3,000,000
Bank Interest		3,184	560
Total income		3,184	3,000,560
Expenditure			
All costs	9.4	879,185	169,738
Total Expenditure		879,185	169,738
Net (deficit)/ surplus for the period			
before tax		(876,001)	2,830,822
Taxation		637	112
Net (deficit)/ surplus for the period after tax		(876,638)	2,830,710
Reserves brought forward		2,830,710	-
Reserves Carried Forward		1,954,072	2,830,710

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

The notes on pages 42 to 47 the form part of these financial statements.

FINANCIAL STATEMENTS

7. Statement of financial position

	Notes	31 March 2016		31 March 2015	
Current Assets		£	£	£	£
Debtors	9.7	33,937		2,132,989	
Cash at bank and in hand		1,973,284		738,290	
		2,007,221		2,871,279	
Creditors					
Amounts falling due within one period	9.8	(53,149)		(40,569)	
Net Current Assets		1,954,072		2,830,710	
Net Assets		1,954,072		2,830,710	
Reserves					
Reserves		1,954,072		2,830,710	
		1,954,072		2,830,710	

The notes on pages 42 to 47 form part of these financial statements.

Approved and authorised for issue by:



Dr David Wolfe QC
Chair
11 July 2016



Susie Uppal
Chief Executive

8. Statement of cash flows

	Year to 31 March 2016	3 Nov. 2014 to 31 March 2015
	£	£
Cash flows from operating activities		
Net (deficit)/ surplus for the financial year	(876,638)	2,830,710
Adjustments for:		
Interest received	(3,184)	(560)
Taxation	637	112
Decrease/ (Increase) in other debtors	2,099,052	(2,132,989)
Increase in trade creditors	12,580	40,569
Cash from operations	1,232,447	737,842
Income taxes paid	(637)	(112)
Net cash generated from operating activities	1,231,810	737,730
Cash flows from investing activities		
Interest received	3,184	560
Net increase in cash and cash equivalents	1,234,994	738,290
Cash and cash equivalents at the beginning of the period	738,290	-
Cash and cash equivalents at the end of the period	1,973,284	738,290

The notes on pages 42 to 47 form part of these financial statements.

9. Notes to the financial statements

9.1 Organisation information

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

9.2 Basis of preparation

These financial statements have been prepared in accordance with FRS102, 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 has 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. Thereafter the Charter makes provision for a scheme for charging fees in relation to the functions of recognition and cyclical review. In the event that income is unlikely to meet expenditure relating to expenses arising from litigation, ad hoc reviews or unforeseen events, the Exchequer shall grant such sums as are necessary to ensure the purpose of the PRP is not frustrated by a lack of funding. The directors have a reasonable expectation that the PRP has adequate resources to continue in operational existence for the foreseeable future. Therefore the going concern basis has been adopted in preparing the financial statements.

Significant judgements and estimates

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

9.3 Principal accounting policies

The following principal accounting policies have been applied:

Revenue

Government grants are recognised using the performance model. A grant that does not impose specified future performance-related conditions on the recipient is recognised in income when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the recipient is recognised in income only when the performance-related conditions are met.

Fixed assets

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

9.4 Expenditure

	Year to 31 March 2016	3 Nov. 2014 to 31 March 2015
	£	£
Board remuneration	64,138	35,913
Remuneration to the independent member of the Audit and Risk Committee	1,500	-
Board travel and subsistence	325	1,805
Staff costs	427,686	25,767
Recruitment costs	74,353	13,445
Consultants and contractors and related costs		
Governance - start up costs	4,300	32,055
Media	7,050	7,011
Information technology	11,299	1,482
HR	6,262	347
Accountancy and finance	29,907	10,114
Regulatory affairs	5,466	-
Consultation events and launch	14,851	-
Consultation document and translation	29,289	-
Website and visuals	40,038	-
Serviced and virtual office costs	118,941	14,052
Other information technology costs	4,510	8,057
Audit fees	12,500	12,000
Insurance	9,028	5,481
Printing and stationery	10,126	686
Training and conferences	5,306	-
Other costs	2,310	1,523
	879,185	169,738

FINANCIAL STATEMENTS

9.5 Staff numbers and costs

	Year to 31 March 2016	3 Nov. 2014 to 31 March 2015
	Number	Number
The average number of employees (full time equivalent) during the period was:	5.6	0.5

As at 31 March 2016 the PRP employed six members of staff (31 March 2015: 3).

	Year to 31 March 2016	3 Nov. 2014 to 31 March 2015
	£	£
Wages and salaries	374,946	22,906
Temporary agency staff	8,896	-
Social security costs	43,844	2,861
	427,686	25,767

	Year to 31 March 2016	3 Nov. 2014 to 31 March 2015
	£	£
Remuneration in respect of the Board Members was as follows:		
Wages and salaries	61,125	33,500
Social security costs	3,013	2,413
	64,138	35,913

9.6 Taxation

Grant funding is non business income and outside the scope of VAT. Bank interest is taxed at source and grossed up for inclusion within the financial statements.

9.7 Debtors

	31 March 2016	31 March 2015
	£	£
Accrued income	-	<i>2,100,000</i>
Prepayments	11,951	<i>13,398</i>
Other debtors	21,986	<i>19,591</i>
	33,937	2,132,989

On establishment, the PRP was granted £3,000,000 by the Exchequer to fund its activities for three years. Income was recognised when receivable in accordance with the performance model. Accrued income at 31 March 2015 represented the balance of the grant received after that date. The surplus in the previous period therefore represented grant monies to be utilised in future accounting periods.

9.8 Creditors

	31 March 2016	31 March 2015
Amounts falling due within one year	£	£
Accruals	28,743	<i>24,163</i>
Taxation and social security	13,390	-
Other creditors	11,016	<i>16,406</i>
	53,149	40,569

FINANCIAL STATEMENTS

9.9 Leasing commitments

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

	31 March 2016	31 March 2015
	£	£
Within one year	68,131	32,347
	68,131	32,347

9.10 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. Details of Board Members' and the Chief Executive's remuneration are disclosed in the Remuneration and Staff Report.

The following transactions were identified as relevant for disclosure in relation to the period under report:

Harry Cayton is employed as Chief Executive of the Professional Standards Authority for Health and Social Care (PSA). During the year, the PRP paid the PSA £4,193 for the services of Rick Borges, Accreditation Manager, who was seconded on a part time basis from the PSA to the PRP from 8 April to 27 August 2015 to work on the development of the PRP's process for recognising press regulators.

Emma Gilpin-Jacobs was employed as Global Director of Corporate Affairs, Regus PLC between 20 April 2015 and 8 January 2016. The PRP rented serviced offices from Regus between 5 January and 30 September 2015. Between 20 April 2015 and 30 September 2015, the PRP paid Regus £61,908 for serviced offices.

9.11 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 timely through monitoring of costs against budgets and reforecasts.

9.12 Events after the reporting period date

The result of the referendum held on 23 June 2016 was in favour of the UK leaving the European Union. At present the Board believes there will be no specific impact on the PRP but will continue to monitor the situation



Press Recognition Panel
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