

Company number: 09655520

# IMPRESS: The Independent Monitor for the Press CIC

Report and financial statements  
For the year ended 31 March 2017

# IMPRESS: The Independent Monitor for the Press CIC

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### For the year ended 31 March 2017

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# IMPRESS: The Independent Monitor for the Press CIC

## Reference and administrative details

For the year ended 31 March 2017

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<b>Status</b>	The organisation is a community interest company limited by guarantee, incorporated on 24 June 2015 in the United Kingdom	
<b>Company number</b>	09655520	
<b>Registered office and operational address</b>	16-18 New Bridge Street LONDON, EC4V 6AG	
<b>Directors</b>	Deborah Arnott Iain Christie Martin Hickman Emma Jones Walter Merricks CBE                      Chair Máire Messenger Davies David Robinson Patrick Swaffer	
<b>Bankers</b>	TSB Bank plc. Henry Duncan House 120 George Street EDINBURGH EH2 4LH	
<b>Solicitors</b>	Bindmans 236 Gray's Inn Road LONDON WC1X 8HB	
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House, 108-114 Golden Lane LONDON EC1Y 0TL	

# IMPRESS: The Independent Monitor for the Press CIC

## Directors' annual report

For the year ended 31 March 2017

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The directors present their report and the audited financial statements for the year to 31 March 2017.

## The Directors and their Interests

The directors who served during the period were as follows:

- Deborah Arnott
- Iain Christie
- Martin Hickman
- Emma Jones
- Walter Merricks CBE
- Máire Messenger Davies
- David Robinson
- Patrick Swaffer

All serving directors are members of the company and their liability in the event of winding up is limited to their guarantee of £1 each.

## Principal Activities and Review

IMPRESS aims to ensure that quality, independent journalism flourishes in a digital age, helping build understanding and trust between journalists and the public.

This has been a major year in the life of IMPRESS. On 25 October 2016, IMPRESS was recognised by the Press Recognition Panel (PRP) as an independent and effective regulator under the terms of the Royal Charter on Self-Regulation of the Press. This decision is subject to ongoing Judicial Review. As at 31st August 2017 a decision had not been reached.

We have continued to attract news publishers who value the services we provide. In the course of the year, we began to handle complaints and arbitration claims in relation to these publishers.

We have also pursued our aims in complementary ways. We have contributed to a number of Government consultations and Parliamentary inquiries and spoken at conferences, seminars and symposiums. We conducted a consultation on a new standards code for news publishing. More than 2,000 individuals contributed to our quantitative research, whilst numerous civil society organisations, academics and other experts contributed to our qualitative research.

Our staff team has continued to grow, and now includes a Chief Executive Officer, Chief Operating Officer, Business Manager & Company Secretary, Administrator, Business Development Executive, Communications Executive and Regulatory and Policy Manager. We also draw on the expertise of consultants and agencies as necessary and appropriate. At the end of 2016, we took a lease on an office in the Blackfriars area of London, near the ancestral home of the British newspaper industry

**Directors' annual report**

**For the year ended 31 March 2017**

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on Fleet Street. We have used this office space to host a range of meetings, training sessions and receptions.

We remain grateful for the support of the Independent Press Regulation Trust (IPRT), which has allowed us to invest in our development. As a result, our income from regulatory fees is steadily growing.

## **Responsibilities of the Directors**

The directors are responsible for preparing the Directors' Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these Financial Statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

Each of the directors confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the directors also confirms that he/she has taken all steps that he/she reasonably ought to have taken to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

## **IMPRESS: The Independent Monitor for the Press CIC**

### **Directors' annual report**

**For the year ended 31 March 2017**

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#### **Report Preparation**

The Directors' Annual Report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the directors on 12 September 2017 and signed on their behalf by

Walter Merricks CBE  
Chair

## Independent auditor's report

To the members of

**IMPRESS: The Independent Monitor for the Press CIC**

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### Opinion

We have audited the financial statements of IMPRESS: The Independent Monitor for the Press CIC (community interest company – the 'company') for the year ended 31 March 2017 which comprise the statement of comprehensive income, statement of financial position, statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its result for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the directors' annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express

## **Independent auditor's report**

**To the members of**

### **IMPRESS: The Independent Monitor for the Press CIC**

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any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The directors' annual report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' annual report and from the requirement to prepare a strategic report.

## Independent auditor's report

To the members of

**IMPRESS: The Independent Monitor for the Press CIC**

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### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out in the directors' annual report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related 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

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 our 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 entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

## Independent auditor's report

To the members of

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related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We 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 we identify during our audit.

Joanna Pittman (Senior statutory auditor)

22 September 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

# Impress: The Independent Monitor for the Press CIC

## Statement of comprehensive income

For the year ended 31 March 2017

	Note	Year ended 31 March 2017 Total £	Period from 24 June to 31 March 2016 Total £
Income	2	971,639	476,227
Expenditure		<u>(916,511)</u>	<u>(274,991)</u>
<b>Profit on ordinary activities before interest and taxation</b>		<b>55,128</b>	<b>201,236</b>
Interest receivable and similar income		<u>836</u>	<u>175</u>
<b>Surplus on ordinary activities before taxation</b>	3	<b>55,964</b>	<b>201,411</b>
Taxation on surplus on ordinary activities	5	<u>-</u>	<u>-</u>
<b>Surplus for the financial year</b>		<b>55,964</b>	<b>201,411</b>
Accumulated surplus at 1 April 2016		<u>201,411</u>	<u>-</u>
<b>Accumulated surplus at 31 March 2017</b>		<b><u>257,375</u></b>	<b><u>201,411</u></b>

All of the above results are derived from continuing activities (and includes all comprehensive income). There were no other recognised gains or losses other than those stated above. All movements in funds are included within the statement above.

## Statement of financial position

Company no. 09655520

**As at 31 March 2017**

	Note	£	Year ended 31 March 2017 £	£	Period from 24 June to 31 March 2016 £
<b>Fixed assets</b>	6		<b>68,069</b>		-
<b>Current assets:</b>					
Debtors	7	105,322		42,024	
Cash at bank and in hand		570,679		183,724	
		<u>676,001</u>		<u>225,748</u>	
<b>Creditors:</b>					
Amounts falling due within one year	8	486,695		24,337	
		<u>486,695</u>		<u>24,337</u>	
<b>Net current assets</b>			<u>189,306</u>		<u>201,411</u>
<b>Net assets</b>			<u>257,375</u>		<u>201,411</u>
<b>Reserves</b>					
Retained funds			<u>257,375</u>		<u>201,411</u>
<b>Total reserves</b>			<u>257,375</u>		<u>201,411</u>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors on 12 September 2017 and signed on behalf of the Board of Directors:

Walter Merricks CBE  
Chair

Impress: The Independent Monitor for the Press CIC

Statement of cash flows

For the year ended 31 March 2017

	Note	Year ended 31 March 2017 Total £	Period from 24 June to 31 March 2016 Total £
<b>Cash flows from operating activities:</b>	9	<b>467,063</b>	183,549
<b>Cash flows from investing activities:</b>			
Purchases of fixed assets		(80,944)	-
Interest received		836	175
<b>Net cash (outflows)/inflows from investing activities</b>		<b>(80,108)</b>	175
<b>Net increase in cash and cash equivalents</b>		<b>386,955</b>	183,724
Cash and cash equivalents at beginning of year		183,724	-
<b>Cash and cash equivalents at end of year</b>		<b>570,679</b>	183,724

**1 Accounting policies**

**a) Statutory information**

Impress: The Independent Monitor for the Press CIC is a company limited by guarantee and is incorporated in the United Kingdom. Its company number is 09655520. The registered office address is 16–18 New Bridge Street, London EC4V 6AG.

**b) Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 Section 1A – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

**c) Going concern**

The accounts have been prepared on a going concern basis, there being no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

**d) Income**

Turnover primarily consists of grants receivable, as shown in note 2. Grant and other income is recognised when receivable.

**e) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

**f) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**k) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**g) Property, plant and equipment**

Items of equipment are capitalised where the purchase price exceeds £5,000. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is calculated to write down the cost less estimated residual value of all assets over their expected useful lives, using the straight line method. The rates applicable are:

- Leasehold improvements **4 years**
- Office equipment **1 to 3 years**

**h) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

**i) Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**j) Deferred tax**

Provision is made on the liability method for all taxation deferred in respect of timing differences to the extent that, in the opinion of the directors, a liability is likely to crystallise in the foreseeable future.

Notes to the financial statements

For the year ended 31 March 2017

2 Income

	Year ended 31 March 2017 £	Period from 24 June to 31 March 2016 £
Grants	950,000	475,000
Other income	21,639	1,227
	<u>971,639</u>	<u>476,227</u>

3 Surplus before tax is stated after charging:

	Year ended 31 March 2017 £	Period from 24 June to 31 March 2016 £
Directors' remuneration	108,480	49,920
Depreciation	12,875	-
Auditors' remuneration (excluding VAT):		
Audit	6,500	6,000
Other services – accountancy and taxation	750	3,000
Operating lease rentals:		
Rent	28,575	13,513
	<u>28,575</u>	<u>13,513</u>

4 Directors' and employees' costs and emoluments

Staff costs including directors during the year were as follows:

	Year ended 31 March 2017 £	Period from 24 June to 31 March 2016 £
Wages and salaries	348,127	120,269
Social security costs	31,702	10,588
Pension costs	14,597	500
	<u>394,426</u>	<u>131,357</u>

The average number of employees including directors during the period was as follows:

	Year ended 31 March 2017 Number	Period from 24 June to 31 March 2016 Number
Directors	8	7
Staff	4	3
	<u>12</u>	<u>10</u>

Emoluments paid to the eight directors, including benefits in kind, totalled £108,480 in the year (2016: 8 directors – £50,934).

Notes to the financial statements

For the year ended 31 March 2017

5 Taxation

As a community interest company, no charge to corporation tax is expected to arise on the operating surplus for the year (2016: £nil). Corporation tax arises on interest receivable – £165 (2016: £35).

6 Fixed assets

	Leasehold improvements £	Office equipment £	Total £
<b>Cost</b>			
Additions in year	68,066	12,878	<b>80,944</b>
At the end of the year	<u>68,066</u>	<u>12,878</u>	<u><b>80,944</b></u>
<b>Depreciation</b>			
Charge for the year	7,091	5,784	<b>12,875</b>
At the end of the year	<u>7,091</u>	<u>5,784</u>	<u><b>12,875</b></u>
<b>Net book value</b>			
At the end of the year	<u><u>60,975</u></u>	<u><u>7,094</u></u>	<u><u><b>68,069</b></u></u>

7 Debtors

	Year ended 31 March 2017 £	Period from 24 June to 31 March 2016 £
Other debtors	5,236	4,970
Rent deposit	66,461	–
Prepayments	6,826	17,008
VAT recoverable	26,799	20,046
	<u>105,322</u>	<u>42,024</u>

8 Creditors: amounts falling due within one year

	Year ended 31 March 2017 £	Period from 24 June to 31 March 2016 £
Trade creditors	5,195	17,837
Accruals	6,500	6,500
Deferred income	475,000	–
	<u>486,695</u>	<u>24,337</u>

9 Reconciliation of net income to net cash flow from operating activities

	Year ended 31 March 2017 £	Period from 24 June to 31 March 2016 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	55,964	201,411
Bank interest receivable	(836)	(175)
Depreciation	12,875	–
Increase in debtors	(63,298)	(42,024)
Increase in creditors	462,358	24,337
<b>Net cash provided by operating activities</b>	<b>467,063</b>	<b>183,549</b>

10 Operating lease commitments

The organisation's total future minimum lease payments under non-cancellable operating leases is as follows:

	Property Year ended 31 March 2017 £	Period from 24 June to 31 March 2016 £
Less than one year	55,380	35,043
One to five years	221,520	–
Over five years	129,220	–
	<b>406,120</b>	<b>35,043</b>

11 Related party transactions

There are no related party transactions to disclose for the year (2016: £nil).

12 Legal status

The organisation is a community interest company, limited by guarantee, and has no share capital. The liability of each member in the event of winding up is limited to £1.