
Company Registration No. 02538908 (England and Wales)

**THE PRESS COMPLAINTS COMMISSION LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

THURSDAY



A29 "A2NOWB0U" 262
25/06/2009
COMPANIES HOUSE

THE PRESS COMPLAINTS COMMISSION LIMITED

COMPANY INFORMATION

Directors

Baroness Peta Buscombe (Chairman)
Matti Alderson
Spencer Feeney
Colleen Harris MVO
Vivien Hepworth
Ian MacGregor
John McLellan
Ian Nichol MA Hons FCA
Lindsay Nicholson
Esther Robertson
John Home Robertson
Eve Salomon
Simon Sapper
Bishop John Waine KCVO
Tina Weaver
Peter Wright

Secretary

Tim Toulmin

Company number

02538908

Registered office

Halton House
20/23 Holborn
London
EC1N 2JD

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

Bankers

The Royal Bank of Scotland plc
London Drummonds Branch
49 Charing Cross Road
London
SW1A 2DX

Solicitors

Sheridans
Whittington House
Alfred Place
London
WC1E 7EA

THE PRESS COMPLAINTS COMMISSION LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Income and expenditure account	6
Balance sheet	7
Notes to the financial statements	8 - 12
Detailed income and expenditure account	13

THE PRESS COMPLAINTS COMMISSION LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities

The Press Complaints Commission is an independent organisation which deals with complaints from members of the public about possible breaches by newspapers or magazines of their own Code of Practice.

The commission was set up in 1991, following the closure of the Press Council.

Trading review

Overall complaints to the Press Complaints Commission increased by 8% in 2008 to 4698, although the number of complaints that breached the Code rose by a more modest 4%. 1420 complaints fell for consideration under the editors' Code of Practice, and a record 552 complaints were resolved (i.e. successfully mediated) following the Commission's intervention.

The most complained about article of the year was published in The Times, when 584 people complained about a comment piece by Matthew Parris that was hostile to cyclists.

45 complaints which could not be resolved or otherwise dispensed with proceeded to a full adjudication. Of these, 24 were upheld and 21 were rejected. 12 of these cases related to different newspapers' reporting of the same story, which concerned a man who had decapitated himself.

The average time taken for the PCC to deal with complaints under the Code rose slightly to 36 days.

The Commission held a number of Open Days in towns and cities across Britain, including in Ipswich and Leeds. It held a special public meeting in Bridgend, following intense media coverage of the spate of suicides in the area.

The Commission sponsored a seminar looking at the changing nature of people's attitudes to privacy in the context of social networking, and commissioned public research into the subject from Ipsos MORI. It launched a special Teachers' Pack to assist understanding of the Commission's work in schools and colleges.

Representatives of the Commission attended the 10th annual meeting of the Alliance of Independent Press Councils of Europe in Berlin.

The Commission continued to be wholly funded by the Press Standards Board of Finance.

Results and dividends

The commission had a surplus of £4,118 (2007: surplus £14,176) for the year.

The results do not include the value of free advertising space donated to the Commission by the newspaper industry.

The Commission continued to be funded by the Press Standards Board of Finance.

THE PRESS COMPLAINTS COMMISSION LIMITED**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008****Incorporation**

The company is incorporated under the Companies Act 1985 and is limited by guarantee, the liability of each member being limited to £1. At 31 December 2008 there were 16 members (2007-16).

Future developments

In the coming year the commission will continue to further its objects with funds provided to it by the Press Standards Board of Finance Limited.

Directors

The following directors have held office since 1 January 2008:

Peta Buscombe (Chairman)	(Appointed 6 April 2009)
Matti Alderson	
Paul Dacre	(Resigned 31 March 2008)
Spencer Feeney	
Colleen Harris	
Vivien Hepworth	
Peter Hill	(Resigned 14 May 2008)
Simon Irwin	(Resigned 13 March 2009)
Ian MacGregor	(Appointed 1 March 2008)
John McLellan	(Appointed 7 January 2009)
Sir Christopher Meyer KCMG	(Resigned 30 March 2009)
Ian Nichol	
Lindsay Nicholson	
Esther Robertson	
John Home Robertson	(Appointed 1 October 2008)
Eve Salomon	
Simon Sapper	(Appointed 1 September 2008)
Dianne Thompson CBE	(Resigned 30 September 2008)
Derek Tucker	(Resigned 31 December 2008)
Bishop John Waine	
Tina Weaver	(Appointed 1 April 2008)
Rear Admiral Nicholas Wilkinson CB	(Resigned 31 July 2008)
Peter Wright	(Appointed 15 May 2008)

Charitable donations	2008	2007
	£	£
During the year the company made the following payments:		
Charitable donations	550	-
	<u>550</u>	<u>-</u>

Auditors

Saffery Champness were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

THE PRESS COMPLAINTS COMMISSION LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors
and signed on behalf of the Board

Vincent Hayward 10/6/09

Burton A Goring 10/6/09

THE PRESS COMPLAINTS COMMISSION LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF THE PRESS COMPLAINTS COMMISSION LIMITED**

We have audited the financial statements of The Press Complaints Commission Limited for the year ended 31 December 2008 set out on pages 6 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

THE PRESS COMPLAINTS COMMISSION LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE SHAREHOLDERS OF THE PRESS COMPLAINTS COMMISSION LIMITED**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Saffery Champness

Saffery Champness

22 June 2009

Chartered Accountants
Registered Auditors

Lion House
Red Lion Street
London
WC1R 4GB

THE PRESS COMPLAINTS COMMISSION LIMITED**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 £	2007 £
Income		1,906,000	1,869,764
Administrative expenses		(1,894,723)	(1,837,811)
Operating surplus	2	11,277	31,953
Other interest receivable and similar income		3,829	2,324
Interest payable and similar charges		(153)	(636)
Surplus on ordinary activities before taxation		14,953	33,641
Tax on surplus on ordinary activities	4	(10,835)	(19,465)
Surplus on ordinary activities after taxation	9	4,118	14,176

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the income and expenditure account.

The notes on pages 8 to 12 form part of these financial statements.

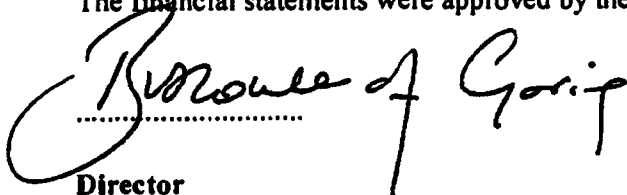
THE PRESS COMPLAINTS COMMISSION LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	5		137,163		163,279
Current assets					
Debtors	6	55,786		54,620	
Cash at bank and in hand		6		77	
		<u>55,792</u>		<u>54,697</u>	
Creditors: amounts falling due within one year	7	<u>(165,361)</u>		<u>(194,151)</u>	
Net current liabilities			<u>(109,569)</u>		<u>(139,454)</u>
Total assets less current liabilities			27,594		23,825
Provisions for liabilities and charges	8		<u>(11,782)</u>		<u>(12,131)</u>
			<u>15,812</u>		<u>11,694</u>
Capital and reserves					
Income and expenditure account	9		<u>15,812</u>		<u>11,694</u>

The notes on pages 8 to 12 form part of these financial statements.

The financial statements were approved by the board on10 June 2009


Director

THE PRESS COMPLAINTS COMMISSION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008****1 Accounting policies****1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Income

Income represents contributions from the Press Standards Board of Finance Limited.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	10% per annum on a straight line basis
Computer equipment	33% per annum on a reducing balance basis
Office furniture and equipment	20% per annum on a reducing balance basis

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The Commission makes pension contributions to the personal pension plans of its employees. Contributions are charged to the profit and loss account as they fall due.

1.7 Cash flow statement

The company is exempt from preparing a cash flow statement as the company is exempt as a small company under section 247 of the Companies Act 1985.

1.8 Incorporation and limited liability

The company is incorporated under the Companies Act 1985 and limited by guarantee, the liability of each member being limited to £1. At 31 December 2008 there were 16 members (2007 - 16).

2 Operating surplus	2008	2007
	£	£
Operating surplus is stated after charging:		
Depreciation of tangible assets	33,951	39,449
Operating lease rentals	113,257	117,313
Auditors' remuneration	8,900	8,813
	<u> </u>	<u> </u>

THE PRESS COMPLAINTS COMMISSION LIMITED
**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

3 Investment income	2008	2007
	£	£
Bank interest	3,829	2,324
	<u>3,829</u>	<u>2,324</u>
	<u><u>3,829</u></u>	<u><u>2,324</u></u>
4 Taxation	2008	2007
	£	£
Domestic current year tax		
U.K. corporation tax	11,075	16,493
Adjustment for prior years	109	-
	<u>11,184</u>	<u>16,493</u>
Current tax charge	11,184	16,493
Deferred tax		
Deferred tax charge/credit current year	(349)	2,972
	<u>10,835</u>	<u>19,465</u>
	<u><u>10,835</u></u>	<u><u>19,465</u></u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	14,953	33,641
	<u>14,953</u>	<u>33,641</u>
	<u><u>14,953</u></u>	<u><u>33,641</u></u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.75% (2007 - 19.75%)	3,103	6,644
	<u>3,103</u>	<u>6,644</u>
	<u><u>3,103</u></u>	<u><u>6,644</u></u>
Effects of:		
Non deductible expenses	7,028	9,108
Depreciation add back	7,045	7,791
Capital allowances	(6,101)	(7,050)
Adjustments to previous periods	109	-
	<u>8,081</u>	<u>9,849</u>
	<u><u>8,081</u></u>	<u><u>9,849</u></u>
Current tax charge	11,184	16,493
	<u>11,184</u>	<u>16,493</u>
	<u><u>11,184</u></u>	<u><u>16,493</u></u>

THE PRESS COMPLAINTS COMMISSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

5 Tangible fixed assets

	Leasehold improve- ments	Computer equipment	Office furniture and equipment	Total
	£	£	£	£
Cost				
At 1 January 2008	86,624	126,402	105,554	318,580
Additions	-	7,835	-	7,835
At 31 December 2008	86,624	134,237	105,554	326,415
Depreciation				
At 1 January 2008	17,324	96,344	41,633	155,301
Charge for the year	8,662	12,505	12,784	33,951
At 31 December 2008	25,986	108,849	54,417	189,252
Net book value				
At 31 December 2008	60,638	25,388	51,137	137,163
At 31 December 2007	69,300	30,058	63,921	163,279

6 Debtors

	2008	2007
	£	£
Other debtors	2,944	4,576
Prepayments and accrued income	52,842	50,044
	55,786	54,620

THE PRESS COMPLAINTS COMMISSION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

7 Creditors: amounts falling due within one year	2008	2007
	£	£
Bank loans and overdrafts	15,352	33,389
Trade creditors	59,807	39,630
Corporation tax	11,077	16,493
Other taxes and social security costs	38,289	37,592
Accruals and deferred income	40,836	67,047
	<u>165,361</u>	<u>194,151</u>

8 Provisions for liabilities	Deferred tax liability
	£
Balance at 1 January 2008	12,131
Profit and loss account	(349)
Balance at 31 December 2008	<u>11,782</u>

The deferred tax liability is made up as follows:

	2008	2007
	£	£
Accelerated capital allowances	<u>11,782</u>	<u>12,131</u>

9 Statement of movements on income and expenditure account	Income and expenditure account
	£
Balance at 1 January 2008	11,694
Retained surplus for the year	4,118
Balance at 31 December 2008	<u>15,812</u>

THE PRESS COMPLAINTS COMMISSION LIMITED
**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**
10 Financial commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Expiry date:				
Between two and five years	92,345	94,253	24,516	18,968
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

11 Directors' emoluments

	2008	2007
	£	£
Directors' stipends	108,007	100,615
Highest paid director	180,000	180,000
	<u> </u>	<u> </u>
	288,007	280,615
	<u> </u>	<u> </u>

12 Employees
Number of employees

The average monthly number of employees (including directors) during the year was:

	2008	2007
	Number	Number
Directors (of whom 6 were unpaid)	16	16
Office staff	16	16
	<u> </u>	<u> </u>
	32	32
	<u> </u>	<u> </u>

Employment costs

	£	£
Wages and salaries	886,153	867,876
Social security costs	107,346	103,369
Other pension costs	49,368	44,856
	<u> </u>	<u> </u>
	1,042,867	1,016,101
	<u> </u>	<u> </u>

THE PRESS COMPLAINTS COMMISSION LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008		2007	
	£	£	£	£
INCOME		1,906,000		1,869,764
EXPENDITURE				
Staff and commissioners				
Full time staff (including salaries / pension)	617,855		601,564	
Temporary	2,671		975	
Chairman / Directors	352,161		347,798	
Commissioners / Appointments commission	108,007		100,615	
Commissioners' meeting expenses	6,297		4,765	
Recruitment	1,528		-	
	<u>1,088,519</u>		<u>1,055,717</u>	
Building and office costs				
Rents and rates - old building	-		-	
Rents and rates - new building	113,257		117,313	
Utilities / service charge	33,103		25,582	
Insurance	2,331		5,722	
Building maintenance and refurbishment	5,781		4,500	
Telephone, faxes and pagers	17,834		17,637	
Newspapers and other publications	11,310		11,822	
Office equipment and leases	34,519		27,143	
Stationery and printing costs / sundry costs	33,226		63,405	
Postage	13,512		11,314	
Donations	550		-	
	<u>265,423</u>		<u>284,438</u>	
Legal and professional costs				
Lawyers	97,584		67,613	
Monitoring	25,133		-	
Audit / tax and consultancy	49,445		41,997	
Charter commission panel	41,641		43,875	
Consultants	74,894		74,979	
	<u>288,697</u>		<u>228,464</u>	
Public information				
Design and literature	45,317		33,155	
PR / conferences / entertainment	90,697		90,530	
AIPCE	126		27,941	
Travel and subsistence	46,950		46,582	
Website and IT costs	33,764		29,233	
	<u>216,854</u>		<u>227,441</u>	
Other				
Depreciation	33,952		39,449	
Bank charges	1,278		2,302	
	<u>35,230</u>		<u>41,751</u>	
		1,894,723		1,837,811
		11,277		31,953
Interest receivable and payable		3,676		1,688
		<u>£14,953</u>		<u>£33,641</u>

This page does not form part of the financial statements on which the auditors have reported.