

Company Registration No. 02538908 (England and Wales)

THE PRESS COMPLAINTS COMMISSION LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009



THE PRESS COMPLAINTS COMMISSION LIMITED
COMPANY INFORMATION

Directors	Baroness Peta Buscombe (Chairman)	(Appointed 1 April 2009)
	Matt Alderson	
	Anthony Longden	(Appointed 30 June 2009)
	Ian McGregor	
	John McLellan	(Appointed 7 January 2009)
	Ian Nichol MA Hons FCA	
	Lindsay Nicholson	
	Simon Reynolds	(Appointed 30 June 2009)
	Esther Robertson	
	John Home Robertson	
	Eve Salomon	
	Simon Sapper	
	Bishop John Wayne KCVO	
	Ian Walden	(Appointed 1 December 2009)
Tina Weaver		
Peter Wright		
Secretary	Stephen Abell	
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

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THE PRESS COMPLAINTS COMMISSION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the year ended 31 December 2009

Principal activities and review of the business

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

The Press Complaints Commission received 6,071 complaints in 2009, an increase of 29%. Possible breaches of the Editors' Code increased by 9%. The PCC made 1,678 rulings on 2,300 complaints, and a record 609 complaints were resolved (i.e. successfully mediated) following the involvement of the Commission

These figures do not include the contact received from around 25,000 individuals objecting to the column by Jan Moir on the death of Stephen Gately (which were not logged as individual complaints)

39 complaints, which were not resolved or otherwise concluded, proceeded to full adjudication. Of these, 18 were upheld and 21 rejected. The average time taken for the PCC to deal with complaints under the Code fell considerably to 16 days

The Commission held an Open Day in Nottingham, as part of its programme to make itself accessible to citizens. It initiated a programme of regular training seminars for journalists all across the UK, which included events within individual newspapers and companies and more broadly across sectors. It also conducted a targeted programme of contact with those working in the areas of bereavement and suicide, in order to improve their ability to use the PCC in future

The new Chairman of the Commission gave the keynote speech at the Society of Editors' conference in November

Representatives of the Commission attended the 11th annual meeting of the Alliance of Independent Press Councils of Europe in Oslo

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

Results and dividends

The results for the year are set out on page 6

The Commission had a surplus of £20,265 (2008 surplus £4,118) for the year

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

Incorporation

The company is incorporated under the Companies Act 2006 and is limited by guarantee, the liability of each member being limited to £1. At 31 December 2009 there were 16 members (2008 16)

THE PRESS COMPLAINTS COMMISSION LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009**

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 2009

Baroness Peta Buscombe (Chairman)	(Appointed 1 April 2009)
Sir Christopher Meyer KCMG	(Resigned 31 March 2009)
Matt Alderson	
Spencer Feeney	(Resigned 3 June 2009)
Colleen Harris MVO	(Resigned 31 July 2009)
Vivien Hepworth	(Resigned 3 September 2009)
Simon Irwin	(Resigned 13 March 2009)
Anthony Longden	(Appointed 30 June 2009)
Ian McGregor	
John McLellan	(Appointed 7 January 2009)
Ian Nichol MA Hons FCA	
Lindsay Nicholson	
Simon Reynolds	(Appointed 30 June 2009)
Esther Robertson	
John Home Robertson	
Eve Salomon	
Simon Sapper	
Bishop John Wayne KCVO	
Ian Walden	(Appointed 1 December 2009)
Tina Weaver	
Peter Wright	

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company

THE PRESS COMPLAINTS COMMISSION LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009**

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 of 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,
- 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 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Z J N M IAN NICHOL

Roberta J Gorip BARBARA BUSCOMBE 23/6/10

THE PRESS COMPLAINTS COMMISSION LIMITED

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

We have audited the financial statements of The Press Complaints Commission Limited for the year ended 31 December 2009 set out on pages 6 to 12. 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).

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 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been prepared in accordance with the requirements of the Companies Act 2006
- the information given in the directors' report is consistent with the financial statements

Opinion on other matter prescribed by the Companies Act 2006

the information given in the directors' report is consistent with the financial statements

THE PRESS COMPLAINTS COMMISSION LIMITED

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

John Shuffrey

**John Shuffrey (Senior Statutory Auditor)
for and on behalf of Saffery Champness**

19 July 2010

**Chartered Accountants
Statutory Auditors**

**Lion House
Red Lion Street
London
WC1R 4GB**

THE PRESS COMPLAINTS COMMISSION LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 £	2008 £
Turnover		1,866,111	1,906,000
Administrative expenses		(1,832,635)	(1,894,723)
Operating profit	2	33,476	11,277
Other interest receivable and similar income	3	495	3,829
Interest payable and similar charges		(68)	(153)
Profit on ordinary activities before taxation		33,903	14,953
Tax on profit on ordinary activities	4	(13,638)	(10,835)
Profit for the year	9	20,265	4,118

The profit and loss 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 profit and loss 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 2009

	Notes	2009		2008	
		£	£	£	£
Fixed assets					
Tangible assets	5		117,188		137,163
Current assets					
Debtors	6	71,904		55,786	
Cash at bank and in hand		10		6	
		<u>71,914</u>		<u>55,792</u>	
Creditors: amounts falling due within one year	7	<u>(142,033)</u>		<u>(165,361)</u>	
Net current liabilities			<u>(70,119)</u>		<u>(109,569)</u>
Total assets less current liabilities			<u>47,069</u>		<u>27,594</u>
Provisions for liabilities	8		<u>(10,992)</u>		<u>(11,782)</u>
			<u>36,077</u>		<u>15,812</u>
Capital and reserves					
Profit and loss account	9		<u>36,077</u>		<u>15,812</u>
Shareholders' funds			<u>36,077</u>		<u>15,812</u>

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

Approved by the Board and authorised for issue on 23/6/10

R. Roberts of Goring
Director

Company Registration No. 02538908

THE PRESS COMPLAINTS COMMISSION LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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

1.3 Turnover

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 improve- ments	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 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

2 Operating surplus	2009	2008
	£	£
Operating surplus is stated after charging		
Depreciation of tangible assets	30,788	33,951
Operating lease rentals	112,723	113,257
Auditors' remuneration	8,900	8,900
	<u> </u>	<u> </u>

THE PRESS COMPLAINTS COMMISSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

3 Investment income	2009 £	2008 £
Bank interest	495	3,829
	<u>495</u>	<u>3,829</u>
	<u><u>495</u></u>	<u><u>3,829</u></u>
4 Taxation	2009 £	2008 £
Domestic current year tax		
U K corporation tax	14,428	11,075
Adjustment for prior years	-	109
	<u>14,428</u>	<u>11,184</u>
Current tax charge	14,428	11,184
Deferred tax		
Deferred tax credit current year	(790)	(349)
	<u>13,638</u>	<u>10,835</u>
	<u><u>13,638</u></u>	<u><u>10,835</u></u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>33,903</u>	<u>14,953</u>
	<u><u>33,903</u></u>	<u><u>14,953</u></u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2008 - 20.75%)	<u>7,120</u>	<u>3,103</u>
	<u><u>7,120</u></u>	<u><u>3,103</u></u>
Effects of		
Non deductible expenses	6,519	7,028
Depreciation add back	6,464	7,045
Capital allowances	(5,675)	(6,101)
Adjustments to previous periods	-	109
	<u>7,308</u>	<u>8,081</u>
	<u><u>7,308</u></u>	<u><u>8,081</u></u>
Current tax charge	<u>14,428</u>	<u>11,184</u>
	<u><u>14,428</u></u>	<u><u>11,184</u></u>

THE PRESS COMPLAINTS COMMISSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

5 Tangible fixed assets

	Leasehold improve- ments	Computer equipment	Office furniture and equipment	Total
	£	£	£	£
Cost				
At 1 January 2009	86,624	134,237	105,554	326,415
Additions	-	10,446	367	10,813
At 31 December 2009	<u>86,624</u>	<u>144,683</u>	<u>105,921</u>	<u>337,228</u>
Depreciation				
At 1 January 2009	25,986	108,849	54,417	189,252
Charge for the year	8,662	11,825	10,301	30,788
At 31 December 2009	<u>34,648</u>	<u>120,674</u>	<u>64,718</u>	<u>220,040</u>
Net book value				
At 31 December 2009	<u>51,976</u>	<u>24,009</u>	<u>41,203</u>	<u>117,188</u>
At 31 December 2008	<u>60,638</u>	<u>25,388</u>	<u>51,137</u>	<u>137,163</u>

6 Debtors

	2009	2008
	£	£
Other debtors	1,535	2,944
Prepayments and accrued income	70,369	52,842
	<u>71,904</u>	<u>55,786</u>

THE PRESS COMPLAINTS COMMISSION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009**

7 Creditors: amounts falling due within one year	2009 £	2008 £
Bank loans and overdrafts	10,528	15,352
Trade creditors	28,902	59,807
Corporation tax	14,430	11,077
Other taxes and social security costs	59,922	38,289
Accruals and deferred income	28,251	40,836
	<u>142,033</u>	<u>165,361</u>

8 Provisions for liabilities	Deferred tax liability £
Balance at 1 January 2009	11,782
Profit and loss account	(790)
Balance at 31 December 2009	<u>10,992</u>

The deferred tax liability is made up as follows:

	2009 £	2008 £
Accelerated capital allowances	<u>10,992</u>	<u>11,782</u>

9 Statement of movements on income and expenditure account	Income and expenditure account £
Balance at 1 January 2009	15,812
Retained surplus for the year	20,265
Balance at 31 December 2009	<u>36,077</u>

THE PRESS COMPLAINTS COMMISSION LIMITED
**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009**
10 Financial commitments

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2009	2008	2009	2008
Expiry date	£	£	£	£
Between two and five years	92,345	92,345	25,657	24,516

11 Directors' emoluments

	2009	2008
	£	£
Directors' stipends	152,976	108,007
Highest paid director	127,500	180,000
	<u>280,476</u>	<u>288,007</u>

12 Employees
Number of employees

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

	2009	2008
	Number	Number
Directors (of whom 6 were unpaid)	16	16
Office staff	16	16
	<u>32</u>	<u>32</u>

Employment costs

	£	£
Wages and salaries	952,803	886,153
Social security costs	114,188	107,346
Other pension costs	46,647	49,368
	<u>1,113,638</u>	<u>1,042,867</u>