

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 2007

THURSDAY



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THE PRESS COMPLAINTS COMMISSION LIMITED

COMPANY INFORMATION

Directors

Sir Christopher Meyer KCMG (Chairman)
Matt Alderson
Paul Dacre
Spencer Feeney
Colleen Harris MVO
Vivien Hepworth
Peter Hill
Simon Irwin (Appointed 1 January 2007)
Ian Nichol
Lindsay Nicholson (Appointed 1 November 2007)
Esther Robertson (Appointed 1 August 2007)
Eve Salomon
Dianne Thompson CBE
Derek Tucker
Bishop John Wane KCVO
Rear Admiral Nicholas Wilkinson CB

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

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THE PRESS COMPLAINTS COMMISSION LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

The directors present their report and financial statements for the year ended 31 December 2007

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

Results and dividends

The commission had a surplus of £14,176 (2006 surplus £85,756) for the year

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

Trading Review

The Commission received 4,340 complaints in 2007, a rise of nearly a third (31%) on the 2006 figure

The underlying number, which excludes complaints made by third parties or those that otherwise do not fall for consideration under the press Code of Practice, also rose to 1,227 (from 1,010 in 2006) 483 complaints were resolved to the satisfaction of the complainant as a result of mediation by the Commission, while 32 complaints were adjudicated at a formal board meeting 16 of these were upheld while 16 were rejected Most of the complaints received by the Commission continued to concern accuracy (76.9%), but a sizeable minority (19.3%) were about alleged intrusions into privacy

The prominence of corrections, apologies and clarification that were negotiated through the Commission was monitored 81% appeared on the same page or further forward than the original transgression, or in a dedicated corrections column This was up from 74% in 2006 A further 9% appeared within 2 pages of the original

The remit of the Commission was extended to include audio-visual material on newspaper and magazine websites, and the Commission made its first rulings about such matters, particularly focusing on privacy

The Commission was the subject of a House of Commons Culture, Media and Sport Select Committee inquiry into self-regulation and the press The Committee concluded that self-regulation of the press should continue and endorsed the extension of the Commission's remit It rejected a statutory press council and the introduction of a privacy law

As part of its drive to increase its visibility, the Commission held Open Days in Oxford and Birmingham, and it also embarked on a campaign to encourage newspaper and magazine websites to highlight their adherence to the Code of Practice with a reference to the Commission and a link to its website

The Commission hosted the 9th annual conference of the Alliance of Independent Press Councils of Europe (AIPCE) in Edinburgh in September 2007

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 2007**

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 2007 there were 16 members (2006-16)

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 2007

Sir Christopher Meyer KCMG (Chairman)

Matti Alderson

Paul Dacre

Spencer Feeney

Colleen Harris MVO

Vivien Hepworth

Peter Hill

Simon Irwin

(Appointed 1 January 2007)

Ian Nichol

Lindsay Nicholson

(Appointed 1 November 2007)

Esther Robertson

(Appointed 1 August 2007)

Eve Salomon

Dianne Thompson CBE

Derek Tucker

Bishop John Wayne KCVO

Rear Admiral Nicholas Wilkinson CB

Roger Alton

(Resigned 31 December 2007)

Jane Ennis

(Resigned 31 January 2007)

Adam Phillips

(Resigned 1 August 2007)

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 2007**

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

G.R. Meyer
M. Alderson

22.15.08
22.15.08

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 on pages 6 to 12 for the year ended 31 December 2007. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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.

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. We also 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 transactions with the company 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 MEMBERS OF THE PRESS COMPLAINTS COMMISSION LIMITED**

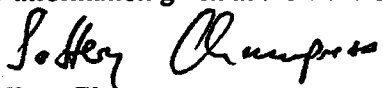
Opinion

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 2007 and of its surplus for the year then ended, and

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

Chartered Accountants
Registered Auditors

22 May 2008

Lion House
Red Lion Street
London
WC1R 4GB

THE PRESS COMPLAINTS COMMISSION LIMITED**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 £	2006 £
Income		1,869,764	1,943,000
Administrative expenses		(1,837,811)	(1,824,606)
Operating surplus	2	31,953	118,394
Other interest receivable and similar income		2,324	1,518
Interest payable and similar charges		(636)	(431)
Surplus on ordinary activities before taxation		33,641	119,481
Tax on surplus on ordinary activities	3	(19,465)	(33,725)
Surplus on ordinary activities after taxation	8	14,176	85,756

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 2007

	Notes	2007		2006	
		£	£	£	£
Fixed assets					
Tangible assets	4		163,279		198,273
Current assets					
Debtors	5	54,620		56,919	
Cash at bank and in hand		77		52	
		<u>54,697</u>		<u>56,971</u>	
Creditors: amounts falling due within one year	6	<u>(194,151)</u>		<u>(248,567)</u>	
Net current liabilities			<u>(139,454)</u>		<u>(191,596)</u>
Total assets less current liabilities			<u>23,825</u>		<u>6,677</u>
Provisions for liabilities and charges	7		<u>(12,131)</u>		<u>(9,159)</u>
			<u>11,694</u>		<u>(2,482)</u>
Capital and reserves					
Income and expenditure account	8		<u>11,694</u>		<u>(2,482)</u>

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

The financial statements were approved by the board on 22 5.08


Director

THE PRESS COMPLAINTS COMMISSION LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

1 Accounting policies**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

1.2 Income

Income represents contributions from the Press Standards Board of Finance Limited

1.3 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

1.4 Leasing

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

1.5 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

1.6 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

1.7 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 2007 there were 16 members (2006-16)

2 Operating surplus	2007	2006
	£	£
Operating surplus is stated after charging		
Depreciation of tangible assets	39,449	46,745
Loss on disposal of tangible assets	-	10,104
Operating lease rentals	117,313	113,632
Auditors' remuneration	8,813	11,809
	<u> </u>	<u> </u>

THE PRESS COMPLAINTS COMMISSION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007**

3 Taxation	2007	2006
	£	£
Domestic current year tax		
U K corporation tax	16,493	25,826
Adjustment for prior years	-	1,858
Current tax charge	<u>16,493</u>	<u>27,684</u>
Deferred tax		
Deferred tax charge/credit current year	2,972	6,041
	<u>19,465</u>	<u>33,725</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>33,641</u>	<u>119,481</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.75% (2006 19.00%)	<u>6,644</u>	<u>22,701</u>
Effects of		
Non deductible expenses	9,108	10,079
Depreciation add back	7,791	-
Capital allowances	(7,050)	(6,954)
Adjustments to previous periods	-	1,858
	<u>9,849</u>	<u>4,983</u>
Current tax charge	<u>16,493</u>	<u>27,684</u>

THE PRESS COMPLAINTS COMMISSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

4 Tangible fixed assets

	Leasehold improve- ments	Computer equipment	Office furniture and equipment	Total
	£	£	£	£
Cost				
At 1 January 2007	86,624	123,479	104,022	314,125
Additions	-	2,923	1,532	4,455
At 31 December 2007	<u>86,624</u>	<u>126,402</u>	<u>105,554</u>	<u>318,580</u>
Depreciation				
At 1 January 2007	8,662	81,537	25,653	115,852
Charge for the year	8,662	14,807	15,980	39,449
At 31 December 2007	<u>17,324</u>	<u>96,344</u>	<u>41,633</u>	<u>155,301</u>
Net book value				
At 31 December 2007	<u>69,300</u>	<u>30,058</u>	<u>63,921</u>	<u>163,279</u>
At 31 December 2006	<u>77,962</u>	<u>41,942</u>	<u>78,369</u>	<u>198,273</u>

5 Debtors

	2007	2006
	£	£
Other debtors	4,576	5,386
Prepayments and accrued income	50,044	51,533
	<u>54,620</u>	<u>56,919</u>

6 Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank loans and overdrafts	33,389	39,173
Trade creditors	39,630	62,905
Corporation tax	16,493	25,826
Other taxes and social security costs	37,592	35,669
Accruals and deferred income	67,047	84,994
	<u>194,151</u>	<u>248,567</u>

THE PRESS COMPLAINTS COMMISSION LIMITED
**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007**
7 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 January 2007	9,159
Profit and loss account	2,972
	<u>12,131</u>
Balance at 31 December 2007	<u>12,131</u>

The deferred tax liability is made up as follows:

	2007 £	2006 £
Accelerated capital allowances	<u>12,131</u>	<u>9,159</u>

8 Statement of movements on income and expenditure account

	Income and expenditure account £
Balance at 1 January 2007	(2,482)
Retained surplus for the year	14,176
	<u>11,694</u>
Balance at 31 December 2007	<u>11,694</u>

9 Financial commitments

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2007 £	2006 £	2007 £	2006 £
Expiry date				
Within one year	-	-	-	2,098
Between two and five years	94,253	80,300	18,968	16,484
	<u>94,253</u>	<u>80,300</u>	<u>18,968</u>	<u>18,582</u>

THE PRESS COMPLAINTS COMMISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2007

10 Directors' emoluments	2007	2006
	£	£
Directors' stipends	100,615	99,672
Highest paid director	180,000	175,000
	<u>280,615</u>	<u>274,672</u>

11 Employees**Number of employees**

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

	2007	2006
	Number	Number
Directors (of whom 6 were unpaid)	16	16
Office staff	16	17
	<u>32</u>	<u>33</u>

Employment costs

	£	£
Wages and salaries	867,876	876,236
Social security costs	103,369	96,675
Other pension costs	44,856	35,799
	<u>1,016,101</u>	<u>1,008,710</u>