

Company Registration No. 02538908 (England and Wales)

THE PRESS COMPLAINTS COMMISSION LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

THE PRESS COMPLAINTS COMMISSION LIMITED

COMPANY INFORMATION

Directors	Baroness Peta Buscombe (Chairman) Ian Nichol MA Hons FCA (Deputy Chairman) Matti Alderson Anthony Longden Ian McGregor John McLellan Lindsay Nicholson Simon Reynolds Esther Roberton Julie Spence (Appointed 1 January 2010) John Home Robertson Eve Salomon Simon Sapper Ian Walden Tina Weaver Peter Wright
Secretary	Stephen Abell
Company number	02538908
Registered office	Halton House 20/23 Holborn London EC1N 2JD
Independent 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
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 14

THE PRESS COMPLAINTS COMMISSION LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report and financial statements for the year ended 31 December 2010.

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 6,186 complaints in 2010, an increase of 2%. Possible breaches of the Editors' Code increased by 5%. The PCC made 1,764 rulings which accounted for just over 2,400 complaints, and 567 complaints were resolved (ie successfully mediated) following investigation by the Commission.

38 complaints, which were not resolved or otherwise concluded, proceeded to full adjudication. Of these 17 were upheld and 21 rejected. The average time taken for the PCC to deal with complaints under the Code was 16 days, the same as it had been in 2009.

The Commission held an Open Day in Southampton, as part of its programme to make itself accessible to citizens. It continued and expanded its programme of regular training seminars for journalists across the UK, primarily focussing on events within individual newspapers and newspaper groups. Important relationships with charities and NGOs in the bereavement and suicide-prevention sector were strengthened. There was a particular focus on mental health reporting and, as part of its work in this area, the Commission organised a successful seminar that brought together newspaper executives and those working in the mental healthcare sector.

An event was held to explain the work of the Commission to parliamentarians. Speeches were given by the Chairman of the Commission and by Madeleine Moon MP and Graham Brady MP.

Representatives of the Commission attended the 12th annual meeting of the Alliance of Independent Press Councils of Europe in Amsterdam and generally worked towards stronger relationships with equivalent self-regulatory organisations around the world.

Having established an independent panel to review the PCC's governance in 2009, the Commission considered its recommendations following a report in 2010. The Commission committed to amending its practices and procedures in a number of ways as a result. As part of the implementation of the review's recommendations, Baroness Buscombe, Chairman of the PCC, appointed public Commissioner Ian Nichol as the Deputy Chairman of the PCC.

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

THE PRESS COMPLAINTS COMMISSION LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

Results and dividends

The results for the year are set out on page 6.

The Commission had a loss of £24,268 (2009: surplus £20,265) 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 2010 there were 16 members (2009:16).

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 2010:

Baroness Peta Buscombe (Chairman)

Ian Nichol MA Hons FCA (Deputy Chairman)

Matti Alderson

Anthony Longden

Ian McGregor

John McLellan

Lindsay Nicholson

Simon Reynolds

Esther Robertson

Julie Spence

(Appointed 1 January 2010)

John Home Robertson

Eve Salomon

Simon Sapper

Bishop John Waine KCVO

(Resigned 30 September 2010)

Ian Walden

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 2010**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

Bussona of Gorip
16th June 2011

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 2010 set out on pages 6 to 14. 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 page 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared 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 (Senior Statutory Auditor)
for and on behalf of Saffery Champness**

19 July 2011

**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 2010

	Notes	2010 £	2009 £
Turnover		1,877,360	1,866,111
Administrative expenses		(1,904,431)	(1,832,635)
Operating (loss)/profit	2	(27,071)	33,476
Other interest receivable and similar income	3	681	495
Interest payable and similar charges	4	-	(68)
(Loss)/profit on ordinary activities before taxation		(26,390)	33,903
Tax on (loss)/profit on ordinary activities	5	2,122	(13,638)
(Loss)/profit for the year	10	(24,268)	20,265

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 14 form part of these financial statements.

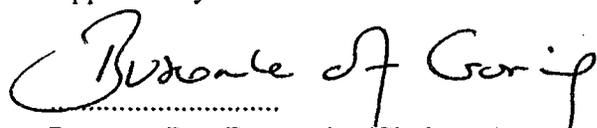
THE PRESS COMPLAINTS COMMISSION LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Notes	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	6		96,004		117,188
Current assets					
Debtors	7	50,177		71,904	
Cash at bank and in hand		877		10	
		<u>51,054</u>		<u>71,914</u>	
Creditors: amounts falling due within one year	8	<u>(126,423)</u>		<u>(142,033)</u>	
Net current liabilities			<u>(75,369)</u>		<u>(70,119)</u>
Total assets less current liabilities			20,635		47,069
Provisions for liabilities	9		<u>(8,826)</u>		<u>(10,992)</u>
			<u>11,809</u>		<u>36,077</u>
Capital and reserves					
Profit and loss account	10		11,809		36,077
Shareholders' funds	11		<u>11,809</u>		<u>36,077</u>

The notes on pages 8 to 14 form part of these financial statements.

Approved by the Board and authorised for issue on 6/7/2011



Baroness Peta Buscombe (Chairman)
Director

Company Registration No. 02538908

THE PRESS COMPLAINTS COMMISSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**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 (loss)/profit	2010	2009
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	26,250	30,788
Operating lease rentals		
- Plant and machinery	27,323	29,740
- Other assets	94,352	92,344
Auditors' remuneration (including expenses and benefits in kind)	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 2010

3 Investment income	2010	2009
	£	£
Bank interest	679	495
Other interest	2	-
	<u>681</u>	<u>495</u>
	<u><u>681</u></u>	<u><u>495</u></u>
4 Interest payable	2010	2009
	£	£
On bank loans and overdrafts	-	71
On overdue tax	-	(3)
	<u>-</u>	<u>68</u>
	<u><u>-</u></u>	<u><u>68</u></u>

THE PRESS COMPLAINTS COMMISSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

5 Taxation	2010	2009
	£	£
Domestic current year tax		
U.K. corporation tax	46	14,428
Adjustment for prior years	(2)	-
Total current tax	<u>44</u>	<u>14,428</u>
Deferred tax		
Deferred tax credit current year	(2,166)	(790)
	<u>(2,122)</u>	<u>13,638</u>
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	<u>(26,390)</u>	<u>33,903</u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2009 - 21.00%)	<u>(5,542)</u>	<u>7,120</u>
Effects of:		
Non deductible expenses	3,862	6,519
Depreciation add back	5,513	6,464
Capital allowances	(3,787)	(5,675)
Adjustments to previous periods	(2)	-
	<u>5,586</u>	<u>7,308</u>
Current tax charge for the year	<u>44</u>	<u>14,428</u>

THE PRESS COMPLAINTS COMMISSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

6 Tangible fixed assets

	Leasehold improve- ments	Computer equipment	Office furniture and equipment	Total
	£	£	£	£
Cost				
At 1 January 2010	86,624	144,683	105,921	337,228
Additions	-	3,164	1,902	5,066
At 31 December 2010	86,624	147,847	107,823	342,294
Depreciation				
At 1 January 2010	34,648	120,674	64,718	220,040
Charge for the year	8,662	8,967	8,621	26,250
At 31 December 2010	43,310	129,641	73,339	246,290
Net book value				
At 31 December 2010	43,314	18,206	34,484	96,004
At 31 December 2009	51,976	24,009	41,203	117,188

7 Debtors

	2010 £	2009 £
Other debtors	2,318	1,535
Prepayments and accrued income	47,859	70,369
	50,177	71,904

THE PRESS COMPLAINTS COMMISSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

8 Creditors: amounts falling due within one year	2010	2009
	£	£
Bank loans and overdrafts	-	10,528
Trade creditors	45,295	28,902
Corporation tax	45	14,430
Other taxes and social security costs	44,207	59,922
Accruals and deferred income	36,876	28,251
	<u>126,423</u>	<u>142,033</u>

9 Provisions for liabilities

	Deferred tax liability
	£
Balance at 1 January 2010	10,992
Profit and loss account	(2,166)
Balance at 31 December 2010	<u>8,826</u>

The deferred tax liability is made up as follows:

	2010	2009
	£	£
Accelerated capital allowances	<u>8,826</u>	<u>10,992</u>

10 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 January 2010	36,077
Loss for the year	(24,268)
Balance at 31 December 2010	<u>11,809</u>

THE PRESS COMPLAINTS COMMISSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

11 Reconciliation of movements in shareholders' funds	2010	2009
	£	£
(Loss)/Profit for the financial year	(24,268)	20,265
Opening shareholders' funds	36,077	15,812
Closing shareholders' funds	<u>11,809</u>	<u>36,077</u>

12 Financial commitments

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011:

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Operating leases which expire:				
Between two and five years	<u>96,360</u>	<u>92,345</u>	<u>26,742</u>	<u>25,657</u>

13 Directors' emoluments

	2010	2009
	£	£
Directors' stipends	71,753	123,791
Highest paid director	175,610	127,500
	<u>247,363</u>	<u>251,291</u>

THE PRESS COMPLAINTS COMMISSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010

14 Employees

Number of employees

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

	2010 Number	2009 Number
Directors (of whom 6 were unpaid)	16	16
Office staff	18	16
	<u>34</u>	<u>32</u>
 Employment costs		
	£	£
Wages and salaries	931,622	952,803
Social security costs	100,213	114,188
Other pension costs	44,814	46,647
	<u>1,076,649</u>	<u>1,113,638</u>

THE PRESS COMPLAINTS COMMISSION LIMITED¹⁸DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
£	£	£
INCOME	1,877,360	1,866,111
EXPENDITURE		
Staff and commissioners		
Full time staff (including salaries / pension)	675,760	626,636
Temporary	2,378	653
Chairman / Directors	318,450	402,074
Commissioners / Appointments commission	115,795	107,976
Commissioners' meeting expenses	6,028	7,577
Recruitment	588	115
	<u>1,118,999</u>	<u>1,145,031</u>
Building and office costs		
Rents and rates - new building	117,266	112,723
Utilities / service charge	34,610	33,997
Insurance	3,787	4,260
Building maintenance and refurbishment	2,879	2,376
Telephone, faxes and pagers	14,364	15,347
Newspapers and other publications	7,301	10,531
Office equipment and leases	32,810	47,534
Stationery and printing costs / sundry costs	39,085	14,745
Postage	7,401	12,068
	<u>259,503</u>	<u>253,581</u>
Legal and professional costs		
Lawyers	171,312	78,387
Monitoring	18,219	20,476
Audit / tax and consultancy	44,563	45,724
Charter commission panel	26,341	34,766
Consultants	36,264	40,143
	<u>296,699</u>	<u>219,496</u>
Public information		
Design and literature	45,802	45,730
PR / conferences / entertainment	67,295	83,227
Travel and subsistence	18,825	28,767
Website and IT costs	68,785	23,583
	<u>200,707</u>	<u>181,307</u>
Other		
Depreciation	26,250	30,788
Bank charges	2,273	2,432
	<u>28,523</u>	<u>33,220</u>
	<u>1,904,431</u>	<u>1,832,635</u>
Interest receivable and payable	(27,071) 681	33,476 427
(Loss)/Surplus before taxation	<u>£(26,390)</u>	<u>£33,903</u>

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