

**THE PRESS STANDARDS BOARD OF FINANCE
LIMITED**

COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2008

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COMPANIES HOUSE

NELSON GILMOUR SMITH

Chartered Accountants & Registered Auditors

Mercantile Chambers

53 Bothwell Street

Glasgow

G2 6TB

**THE PRESS STANDARDS BOARD OF FINANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

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**THE PRESS STANDARDS BOARD OF FINANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Tim Bowdler
Paul Dacre
Clive Milner
Robin Burgess
David Newell
Nicholas Coleridge
James Raeburn
Guy Black
Simon Fairclough
Jonathan Shephard

Company secretary

James Raeburn

Registered office

St Andrew's House
18-20 St Andrew Street
London
EC4A 3AY

Auditor

Nelson Gilmour Smith
Chartered Accountants
& Registered Auditors
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

Bankers

Bank of Scotland
Gordon Street
Glasgow
G1 3RS

THE PRESS STANDARDS BOARD OF FINANCE LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2008

Principal activities

PRESSBOF is an independent body set up by the main organisations representing newspaper and magazine publishers. The organisations represented on the Board of Directors are

The Newspaper Publishers Association

The Newspaper Society

Periodical Publishers' Association

The Scottish Daily Newspaper Society

Scottish Newspaper Publishers Association

The principal activity of PRESSBOF is to collect funds for the purpose of financing the self-regulatory arrangements for newspapers and magazines in the UK centred on the Press Complaints Commission

Review of activities and future developments

Registration fees collected so far for the calendar year 2006 amounted to 97% of the target set by the Directors. Efforts continue to extend the number of contributing publishers

The rate of registration fees for 2008 was increased by 2% compared with 2007

Directors

The directors who served the company during the year were as follows

Tim Bowdler

Paul Dacre

Clive Milner

Robin Burgess

David Newell

Nicholas Coleridge

James Raeburn

Guy Black

Simon Fairclough

Leslie Hinton

(Resigned 10 December 2007)

Ian R. Locks

(Resigned 31 March 2008)

David Newell, Clive Milner and Nicholas Coleridge fall to retire by rotation. All are recommended for re-election

Directors' responsibilities

The directors are responsible for preparing the 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). The financial statements are required by law to 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,

THE PRESS STANDARDS BOARD OF FINANCE LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

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 that 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 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

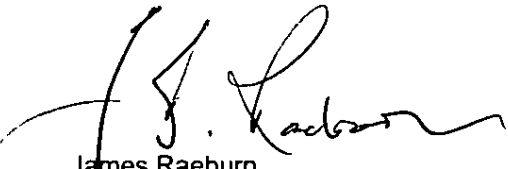
The Auditors, Nelson Gilmour Smith, have signified their willingness to continue in office and a resolution re-appointing them as Auditors and authorising the Directors to fix their remuneration will be proposed at the Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

21 Lansdowne Crescent
Edinburgh
EH12 5EH

Signed by order of the directors



James Raeburn
Company Secretary

Approved by the directors on

3/6/08

THE PRESS STANDARDS BOARD OF FINANCE LIMITED COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRESS STANDARDS BOARD OF FINANCE LIMITED

YEAR ENDED 31 MARCH 2008

We have audited the financial statements of The Press Standards Board of Finance Limited for the year ended 31 March 2008, which have been prepared on the basis of the accounting policies set out on page 9

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 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.

Respective responsibilities of directors and auditor

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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 9 to the financial statements.

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 March 2008 and of

**THE PRESS STANDARDS BOARD OF FINANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
PRESS STANDARDS BOARD OF FINANCE LIMITED *(continued)***

YEAR ENDED 31 MARCH 2008

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



NELSON GILMOUR SMITH
Chartered Accountants
& Registered Auditors

Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB



**THE PRESS STANDARDS BOARD OF FINANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2008

	Note	2008 £	2007 £
Turnover	2	2,078,331	2,066,668
Charges		1,981,000	1,965,600
Gross profit		97,331	101,068
Administrative expenses		132,945	126,488
Operating loss	4	(35,614)	(25,420)
Interest receivable		37,175	26,866
Profit on ordinary activities before taxation		1,561	1,446
Tax on profit on ordinary activities	7	375	275
Profit for the financial year		1,186	1,171

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on page 6 form part of these financial statements.

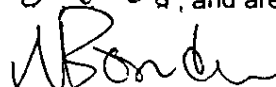
**THE PRESS STANDARDS BOARD OF FINANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

31 MARCH 2008

	Note	2008 £	£	2007 £
Current assets				
Cash at bank		24,651		25,108
Creditors: Amounts falling due within one year	8	<u>2,244</u>		<u>3,887</u>
Net current assets			<u>22,407</u>	<u>21,221</u>
Total assets less current liabilities			<u>22,407</u>	<u>21,221</u>
Reserves	11			
Profit and loss account	12		<u>22,407</u>	<u>21,221</u>
Members' funds			<u>22,407</u>	<u>21,221</u>

These financial statements were approved by the directors and authorised for issue on 3.6.08, and are signed on their behalf by



Tim Bowdler

The notes on page 7 form part of these financial statements.

**THE PRESS STANDARDS BOARD OF FINANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2008

		2008	2007
	Note	£	£
Net cash outflow from operating activities	13	(37,311)	(23,851)
Returns on investments and Servicing of finance			
Interest received		<u>37,175</u>	<u>26,866</u>
Net cash inflow from returns on investments and servicing of finance		37,175	26,866
Taxation		(321)	–
(Decrease)/Increase in cash	13	<u>(457)</u>	<u>3,015</u>

The notes on page 8 form part of these financial statements

THE PRESS STANDARDS BOARD OF FINANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

Turnover

Registration fee income is credited to the Profit and Loss Account in the period in which it is received

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. Turnover

Turnover is attributable to one continuing activity within the United Kingdom and represents the registration fees collected from newspaper and magazine publishers during the year

3. Charges

Charges represent payments to the Press Complaints Commission for the self-regulatory arrangements for newspapers and magazines in the United Kingdom

4. Operating loss

Operating loss is stated after charging

	2008 £	2007 £
Auditor's remuneration - as auditor	<u>1,915</u>	<u>1,850</u>

5 Directors' emoluments

The average number of persons employed by the company during the financial year, including the directors, amounted to 1 (2007 - 1)

The aggregate payroll costs of the above were

	2008 £	2007 £
Wages and salaries	25,000	25,000
Social security costs	<u>2,129</u>	<u>2,556</u>
	<u>27,129</u>	<u>27,556</u>

No other directors received any emoluments (2007 - Nil)

**THE PRESS STANDARDS BOARD OF FINANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

6 Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2008	2007
	£	£
Emoluments receivable	<u>25,000</u>	<u>25,000</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax		
UK Corporation tax based on the results for the year	329	275
Over/under provision in prior year	<u>46</u>	<u>-</u>
Total current tax	<u>375</u>	<u>275</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2007 - 19%)

	2008	2007
	£	£
Profit on ordinary activities before taxation	<u>1,561</u>	<u>1,446</u>
Profit on ordinary activities by rate of tax	312	275
Expenses not deductible for tax purposes	17	-
Adjustments to tax charge in respect of previous periods	<u>46</u>	<u>-</u>
Total current tax (note 7(a))	<u>375</u>	<u>275</u>

8. Creditors Amounts falling due within one year

	2008	2007
	£	£
Other creditors including taxation and social security		
Corporation tax	329	275
PAYE and social security	<u>-</u>	<u>243</u>
	329	518
Accruals and deferred income	<u>1,915</u>	<u>3,369</u>
	<u>2,244</u>	<u>3,887</u>

9. APB ethical standards

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

THE PRESS STANDARDS BOARD OF FINANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

10. Related party transactions

Secretarial and accounting services, with the exception of secretarial services relating to the Code Committee, are provided by James Raeburn, a Director of PRESSBOF. Fees amounting to £62,890 plus Vat (2007 £1,519) were paid to James Raeburn. From 1 April 2006 to 18 March 2007 Fees amounting to £59,188 plus Vat were paid to the Scottish Print Employers Federation of which James Raeburn was the Director until his retirement from that position.

11. Company limited by guarantee

The company is limited by guarantee and does not have a share capital. In the event of a winding up the liability of each member is limited to £1. At 31 March 2008 there were 9 members (2007 - 11).

12. Profit and loss account

	2008 £	2007 £
Balance brought forward	21,221	20,050
Profit for the financial year	1,186	1,171
Balance carried forward	<u>22,407</u>	<u>21,221</u>

13. Notes to the statement of cash flows

Reconciliation of operating loss to net cash outflow from operating activities

	2008 £	2007 £
Operating loss	(35,614)	(25,420)
(Decrease)/increase in creditors	(1,697)	1,569
Net cash outflow from operating activities	<u>(37,311)</u>	<u>(23,851)</u>

Reconciliation of net cash flow to movement in net funds

	2008 £	2007 £
(Decrease)/Increase in cash in the period	(457)	3,015
Movement in net funds in the period	(457)	3,015
Net funds at 1 April 2007	25,108	22,093
Net funds at 31 March 2008	<u>24,651</u>	<u>25,108</u>

**THE PRESS STANDARDS BOARD OF FINANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

13. Notes to the statement of cash flows *(continued)*

Analysis of changes in net funds

	At 1 Apr 2007 £	Cash flows £	At 31 Mar 2008 £
Net cash			
Cash in hand and at bank	25,108	(457)	24,651
Net funds	<u>25,108</u>	<u>(457)</u>	<u>24,651</u>

14. Control

The Company is controlled by the Members/Directors who represent the trade associations listed in the Directors' Report

**THE PRESS STANDARDS BOARD OF FINANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

MANAGEMENT INFORMATION

YEAR ENDED 31 MARCH 2008

**The following page does not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5**

**THE PRESS STANDARDS BOARD OF FINANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2008

	2008	2007
	£	£
Turnover		
Registration fees	2,078,331	2,066,668
Press Complaints Commission	1,981,000	1,965,600
Gross profit	<u>97,331</u>	<u>101,068</u>
Overheads		
Directors emoluments	25,000	25,000
Directors national insurance contributions	2,129	2,556
Travel	3,650	3,681
Telephone and postage	1,073	1,357
Printing and stationery	1,466	1,190
Editors' Codebook	(95)	(40)
General expenses	615	1,061
Code Website	4,211	—
Secretarial and accounting services	92,763	89,618
Auditors remuneration	1,915	1,850
Bank charges	218	215
	<u>132,945</u>	<u>126,488</u>
Operating loss	(35,614)	(25,420)
Bank interest receivable	37,175	26,866
Profit on ordinary activities	<u>1,561</u>	<u>1,446</u>