

The Advertising Standards Board of Finance Limited

(A company limited by guarantee)

Financial Statements

For the year ended 31 March 2023

For Filing with Registrar

The Advertising Standards Board of Finance Limited

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The Advertising Standards Board of Finance Limited

Strategic Report

For the year ended 31 March 2023

The directors present the strategic report for the year ended 31 March 2023.

Fair review of the business

ASBOF levy income fell by 2.5% (2022 - Rose by 35%) and the MASBOF (Mailing Standards) levy rose by 4.6% (2022 - rose by 9%). Total Income fell by 1.8% compared to last year. (2022 - Rose by 32%).

Payments to self-regulatory bodies fell by 2% (2022 rose by 32%).

The company's cash balances at the year end totaled £520,926 (2022 - £432,135).

The profit for the year, after taxation, amounted to £29,937 (2022 £43,183). As at the balance sheet date the Company had net assets of £539,816 (2022 £509,879).

The company is precluded by its memorandum from making any distribution to its members.

The results for the year and the state of The Advertising Standards Board of Finance Limited's (ASBOF) affairs are set out in the attached financial statements.

The company tracks its levy collection performance by use of various industry databases of market and individual agency performance. It is satisfied that levy collection compliance levels continue at historic and satisfactory levels.

The level of complaints to the ASA had been stable over many years. As from 1 March 2011, the Advertising Standards Authority started to handle complaints about website marketing claims. This did lead to an overall increase in complaints, but this had been anticipated and budgeted for. The level of complaints then stabilised at manageable levels, but more recently has started to grow again. The ASA is managing this by a combination of additional resources and prioritisation.

The company is making progress in persuading either digital advertisers billed directly by search companies to opt into the levy scheme, or the digital companies themselves to directly contribute levy income. We continue to engage in constructive dialogue with the digital companies to address the shortfall in levy income from digital advertisers compared to the cost to the ASA of digital regulation.

Principal risks and uncertainties

The key risks to the company are:

- Withdrawal of support for self-regulation by advertisers or agencies;
- A change of government or OFCOM policy towards advertising regulation, and the implementation of statutory regulation;
- A significant decline in the level of advertising revenues in any media, including Direct Mail postal expenditure.
- A major increase in the volume of complaints received by the ASA, and requiring a significant increase in their budget.
- The inability to persuade advertisers billed directly by online search companies to opt in to the levy payment scheme.

The company has the active Support, via its trade association members, of advertisers and their agencies, The Government and OFCOM hold advertising self-regulation in high regard.

The last two years have shown that the system can respond to unexpected short term financial shocks, cutting back costs as necessary to maintain financial stability.

The Advertising Standards Board of Finance Limited

Strategic Report (Continued)

For the year ended 31 March 2023

Future developments

The directors expect that the share of advertising budgets allocated to digital marketing will continue to grow. The company is engaging with major industry bodies involved in this area, to ensure that it keeps abreast of developments, and can respond accordingly.

On behalf of the board

R Price
Director

3 July 2023

The Advertising Standards Board Of Finance Limited

Balance Sheet

As at 31 March 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	3		7,215		1,270
Current assets					
Debtors	4	130,650		164,991	
Cash at bank and in hand		521,077		432,212	
		651,727		597,203	
Creditors: amounts falling due within one year	5	(119,126)		(88,594)	
Net current assets			532,601		508,609
Net assets			539,816		509,879
Reserves					
Income and expenditure account			539,816		509,879
Members' funds			539,816		509,879

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 3 July 2023 and are signed on its behalf by:

R Price
Director

Company Registration No. 01195756

The Advertising Standards Board of Finance Limited

Notes to the Financial Statements

For the year ended 31 March 2023

1 Accounting policies

Company information

The Advertising Standards Board of Finance Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Henrietta Street, London, England, WC2E 8LH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover, which is stated net of value added tax, represents Advertising and the Mailing Standards levies collected through advertising agencies, media owners, direct response, direct marketing agencies and the Royal Mail during the year.

Levy income is recognised on receipt.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	25% per annum
Fixtures and fittings	25% per annum
Computers	25% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The Advertising Standards Board of Finance Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.7 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.8 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	21	20

The Advertising Standards Board of Finance Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

3 Tangible fixed assets

	Office Fixtures and equipment £	fittings £	Computers £	Total £
Cost				
At 1 April 2022	2,757	1,654	4,356	8,767
Additions	-	-	7,571	7,571
Disposals	(2,757)	-	(3,173)	(5,930)
At 31 March 2023	-	1,654	8,754	10,408
Depreciation and impairment				
At 1 April 2022	2,757	975	3,765	7,497
Depreciation charged in the year	-	226	1,400	1,626
Eliminated in respect of disposals	(2,757)	-	(3,173)	(5,930)
At 31 March 2023	-	1,201	1,992	3,193
Carrying amount				
At 31 March 2023	-	453	6,762	7,215
At 31 March 2022	-	679	591	1,270

4 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Due from Broadcast Advertising Standards Board of Finance	665	31,567
Other debtors	129,985	133,424
	130,650	164,991

5 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	57,311	88
Corporation tax	5,043	10,407
Other creditors	81	-
Accruals and deferred income	56,691	78,099
	119,126	88,594

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Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

6 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:

Joanna Cosgrove

Statutory Auditor:

Moore Kingston Smith LLP

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2023	2022
£	£
22,272	43,332
<u>22,272</u>	<u>43,332</u>

9 Related party transactions

During the year, the company charged The Broadcast Advertising Standards Board of Finance Limited (BASBOF) £52,667 (2022 - £41,733) for shared costs which were apportioned on staff headcount and workload. At the balance sheet date the company was owed £665 (2022 - £31,567) which is included in trade creditors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.