

**THE INCORPORATED SOCIETY OF BRITISH ADVERTISERS
(LIMITED BY GUARANTEE)**

Company No. 00068497

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2009**

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The Incorporated Society of British Advertisers

(Limited by Guarantee)

Report of the Council

The Council presents its report and financial statements for The Incorporated Society of British Advertisers Limited ("ISBA") for the year ended 31 March 2009.

Review of Activities

The principal activities of ISBA are to champion advertising and promote the freedom of commercial speech; to represent the views of its members on advertising and communication matters to parties including the Government, industry regulators, media owners, agencies and the public; to represent members on any committees or working groups which may affect their interests; to support responsible self-regulation of the advertising industry and facilitate best practice within the industry through education, training, publications and networking; to defend advertisers' freedom to advertise and to help its members to do so as effectively, efficiently and economically as possible; to provide a forum for debate amongst members to establish consensus opinions, goals and objectives.

In spite of achieving a surplus for the year the continuing reduction in advertising expenditure, which drives ISBA's subscription income, together with the deteriorating economic situation in the last six months particularly, has resulted in a year of mixed fortunes. These trends are expected to continue into next year, mitigated to some degree by the decision to freeze subscriptions at the previous year's levels.

Member subscriptions are showing a small increase in the year. The introduction of new members held up well and was in line with expectations. However member resignations, including those due to business failures/consolidations, were disappointing, resulting in a net member loss during the year. These pressures are expected to continue into next year with members' having to introduce tighter cost controls in response to falling incomes. All member resignations continue to be fully investigated and every effort is made to bring members back at the earliest opportunity.

Other income, including bank interest has continued to grow in the year. Our annual conference continues to be a great success and our training workshops are now available as "tailor made" courses for individual members. However as the economic situation has worsened our training courses were affected by falling delegate numbers in the second half of the year and this trend is expected to continue into next year.

With the expected deterioration in income in the second half of the year action was taken to reduce our planned operating expenses which show a small increase from last year.

A surplus for the year after taxation of £26,963 (2008 - £18,010 Deficit) has been achieved resulting in an increase in the revenue reserves to £540,764 (2008 - £513,801). The revenue reserves are still slightly short of the target set by the Council a few years ago and will be recovered at the earliest opportunity. The Council considers this to be a fair result and will continue to ensure good financial management and proper controls remain in place.

Other Associations

ISBA paid £194,000 (2008 - £182,255) to the Advertising Association and £40,826 (2008 - £35,242) to the World Federation of Advertisers based in Brussels during the year. The Council considers that this is a cost-effective means for ensuring that members' interests are fully represented in the United Kingdom, the European Union, and internationally.

Annual General Meeting

At the Annual General Meeting on 1 July 2008, Mr John Clare, DSG International, was elected President for another year. Mr Gary Cunningham, Procter & Gamble and Mr Chris Searle, Bacardi-Martini were elected as Vice-Presidents. After the AGM, members and their guests attended the annual lunch at which the speaker was Luke Johnson, Channel 4 Chairman.

On 1 January 2009 John Clare resigned as President and Mark Hunter, Chief Executive, Molson Coors Brewing Company (UK), was appointed as President.

Charitable Donations

The company made charitable donations of £4,080 (2008: £3,740) during the year.

**The Incorporated Society of British Advertisers
(Limited by Guarantee)
Report of the Council (continued)**

Directors

The members of Council, who are also directors of ISBA, during the year were:

Philip Almond	Mark Hunter (appointed 1 January 2009)
Alex Batchelor (resigned 16 October 2008)	Chris Jansen (appointed 1 July 2008)
Sara Bennison (appointed 14 January 2009)	Lady Sylvia Jay
Alan Bishop (resigned 2 February 2009)	Patrick Kalotis (resigned 23 February 2009)
Carolyn Bradley (appointed 29 April 2009)	Andrew Marsden
Nick Bunker (appointed 28 April 2008)	Jill McDonald
Gwyn Burr	Vince Pender
John Clare (resigned 1 January 2009)	Martin Pugh (resigned 22 January 2009)
Matt Close	Philip Rumbol
Gary Cunningham	Dr Ian Schoolar
Fiona Dawson	Chris Searle
Matthew Dearden (appointed 5 September 2008)	Cathryn Sleight
Sholto Douglas-Home	Nick Smith (resigned 29 May 2008)
Marnix Eikenboom (appointed 23 February 2009)	Phil Smith
Tim Evans (resigned 16 October 2008)	David Walker (appointed 24 July 2008)
Nigel Gilbert	Jonathan Walsh
Paul Hick	Allan Watt (appointed 26 September 2008)
Linda Hipkiss (resigned 25 October 2008)	Jerry Wright (resigned 16 October 2008)
Richard Holmes	Tim Yates (resigned 22 May 2008)
Mike Hughes	

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. The directors 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.

**The Incorporated Society of British Advertisers
(Limited by Guarantee)
Report of the Council (continued)**

Statement of Directors' Responsibilities

The directors are responsible for preparing 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 ISBA and its surplus or deficit 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 ISBA 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 ISBA and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of ISBA and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with the Company's Articles, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put at a general meeting.

Small Company Rules

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

By order of the board



Mark Hunter
President

9 June 2009

Langham House
1b Portland Place
London
W1B 1PN

Independent Auditors' Report to the Members of The Incorporated Society of British Advertisers (Limited by Guarantee)

We have audited the financial statements of The Incorporated Society of British Advertisers Limited ("ISBA") for the year ended 31 March 2009 which comprise the Income & Expenditure Account, Balance Sheet and related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under the historical cost convention and the accounting policies set out therein.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and 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 described in the Report of the Council, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal 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 if, in our opinion, the Report of the Council is not consistent with the financial statements, if ISBA 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 ISBA is not disclosed.

We read the Report of the Council and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of 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 ISBA'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.

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 ISBA's affairs as at 31 March 2009 and of its surplus for the year then ended;
the financial statements have been properly prepared in accordance with the Companies Act 1985;
and the Report of the Council is consistent with the financial statements.

141 Wardour Street
London
W1F 0UT


KINGSTON SMITH LLP
Chartered Accountants
and Registered Auditors

10 June 2009

The Incorporated Society of British Advertisers
(Limited by Guarantee)
Income and Expenditure account
for the year ended 31 March 2009

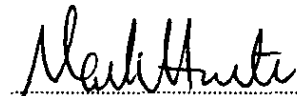
	Note	2009 £	2008 £
Income			
Subscriptions from members		2,175,507	2,129,757
Amounts received from conferences and training workshops		332,983	296,626
Less: Subscriptions paid on behalf of members to other industry associations		<u>(234,826)</u>	<u>(217,497)</u>
		2,273,664	2,208,886
Other income arising from			
- publications		10,825	4,490
- miscellaneous		<u>11,189</u>	<u>8,994</u>
		2,295,678	2,222,370
Operating expenses	2	<u>(2,300,576)</u>	<u>(2,281,060)</u>
Operating (Deficit)		(4,898)	(58,690)
Bank interest receivable		<u>55,694</u>	<u>49,138</u>
Surplus/(Deficit) on Ordinary Activities Before Taxation		50,796	(9,552)
Taxation	4	<u>(23,833)</u>	<u>(8,458)</u>
Retained Surplus/(Deficit) for the Financial Year transferred to Reserves	9	<u><u>26,963</u></u>	<u><u>(18,010)</u></u>

The Incorporated Society of British Advertisers
(Limited by Guarantee)
Balance Sheet as at 31 March 2009

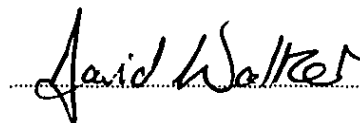
	Note	2009	2008
		£	£
Fixed Assets			
Tangible assets	5	116,245	137,519
Current Assets			
Debtors	6	1,112,845	1,423,532
Cash at bank and in hand		<u>1,364,203</u>	<u>1,158,874</u>
		<u>2,477,048</u>	<u>2,582,406</u>
Current Liabilities			
Creditors - amounts falling due within one year	7	505,168	514,837
Deferred income:			
- subscriptions received in advance		684,605	721,217
- subscriptions invoiced in advance		<u>748,860</u>	<u>882,070</u>
		<u>1,938,633</u>	<u>2,118,124</u>
Net Current Assets		<u>538,415</u>	<u>464,282</u>
Total Assets Less Current Liabilities		654,660	601,801
Provision for Liabilities and Charges	8	<u>(113,896)</u>	<u>(88,000)</u>
		<u>540,764</u>	<u>513,801</u>
Reserves			
Income and expenditure account	9	<u>540,764</u>	<u>513,801</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the Council and authorised for issue on 9 June 2009



Mark Hunter - President



David Walker - Treasurer

The Incorporated Society of British Advertisers
(Limited by Guarantee)
Notes to the Financial Statements
for the year ended 31 March 2009

1. Accounting Policies

(a) Basis of Accounting

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). The accounting policies are unchanged from the prior year.

(b) Income

Income represents membership subscriptions for the year receivable from United Kingdom advertisers, net of subscriptions paid to other industry associations on behalf of members, and income received from conferences and training workshops excluding VAT.

(c) Subscriptions

Subscriptions are credited to the income and expenditure account on the basis of those receivable in the financial year. Subscription income attributable to the next financial year (2009/2010), or invoiced in respect of it, is shown as deferred income.

(d) Deferred taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date.

(e) Tangible Fixed Assets

Fixed assets are stated at historical cost, less accumulated depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected life, as follows:

Leasehold improvements	-	over 10 years
Computer equipment	-	over 3 years
Database software	-	over 4 years
Office equipment	-	over 4 years
Fixtures and fittings	-	over 10 years

(f) Operating Lease Rentals

Rentals under operating leases have been charged to the income and expenditure account on a straight line basis.

(g) Pension Costs

ISBA makes contributions to the personal pension arrangements of certain employees. All contributions made by ISBA have been charged to the income and expenditure account on an accruals basis.

The Incorporated Society of British Advertisers
(Limited by Guarantee)
Notes to the Financial Statements
for the year ended 31 March 2009 (continued)

2. Operating Expenses

	2009	2008
	£	£
Administration Expenses:		
Staff costs	1,411,102	1,369,573
Accommodation:		
Operating lease rentals - land and buildings	99,750	99,750
Other accommodation costs - including depreciation	134,579	132,669
Representation and promotion	278,353	333,901
General administration	148,297	146,676
Depreciation - other tangible fixed assets	19,229	23,757
Auditors' remuneration	8,210	8,210
Expenses relating to conferences and training workshops	201,056	166,524
	<u>2,300,576</u>	<u>2,281,060</u>

3. Employees

The average monthly number of persons employed by ISBA during the year was:

	No.	No.
Administration	<u>23</u>	<u>21</u>

	£	£
Staff costs for the above persons:		
Wages and salaries	1,120,976	1,056,824
Social security costs	127,334	119,560
Pension costs (note 11)	77,603	76,009
Other costs including agency fees	85,189	117,180
	<u>1,411,102</u>	<u>1,369,573</u>

Amounts payable to Council members or to third parties in respect of their services as directors was £173,771 (2008 - £163,766)

The Incorporated Society of British Advertisers
(Limited by Guarantee)
Notes to the Financial Statements
for the year ended 31 March 2009 (continued)

4. Taxation

	2009	2008
	£	£
Based on the taxable surplus for the year:		
UK Corporation tax at 21% (2008 - 20%)	19,937	8,419
Under-provision in prior years	-	39
Deferred tax charge	3,896	-
	<u>23,833</u>	<u>8,458</u>

5. Tangible Fixed Assets

	Leasehold Improvements	Other Tangible Fixed Assets	Total
	£	£	£
Cost			
At 1 April 2008	152,955	294,617	447,572
Additions	-	13,341	13,341
Disposals	-	(12,222)	(12,222)
At 31 March 2009	<u>152,955</u>	<u>295,736</u>	<u>448,691</u>
Depreciation			
At 1 April 2008	59,003	251,050	310,053
Charge in year	15,386	19,229	34,615
Disposals	-	(12,222)	(12,222)
At 31 March 2009	<u>74,389</u>	<u>258,057</u>	<u>332,446</u>
Net Book Value			
At 31 March 2009	<u>78,566</u>	<u>37,679</u>	<u>116,245</u>
At 31 March 2008	<u>93,952</u>	<u>43,567</u>	<u>137,519</u>

At the year end, ISBA had no capital commitments contracted for (2008 - £Nil).

6. Debtors

	2009	2008
	£	£
Trade debtors	1,046,675	1,334,199
Other debtors	12,693	10,406
Prepayments	53,477	78,927
	<u>1,112,845</u>	<u>1,423,532</u>

The Incorporated Society of British Advertisers
(Limited by Guarantee)
Notes to the Financial Statements
for the year ended 31 March 2009 (continued)

	2009	2008
	£	£
7. Creditors: amounts falling due within one year		
Trade creditors	96,525	70,443
Corporation tax	20,026	8,419
Social security and other taxes	229,556	216,207
Other creditors	29,612	42,686
Accruals	129,449	177,082
	<u>505,168</u>	<u>514,837</u>
8. Provision For Liabilities and Charges		
	Provision for repairs to leasehold property	
	2009	2008
	£	£
At 1 April 2008	88,000	66,000
Provision for dilapidations on Portland Place	22,000	22,000
At 31 March 2009	<u>110,000</u>	<u>88,000</u>
	Provision for deferred tax	
	2009	2008
	£	£
At 1 April 2008	-	-
Charge for the year	3,896	-
At 31 March 2009	<u>3,896</u>	<u>-</u>
Deferred tax relates to the excess of capital allowances over depreciation.		
Total provisions	<u>113,896</u>	<u>88,000</u>
9. Income and Expenditure Account		
	2009	2008
	£	£
At 1 April 2008	513,801	531,811
Retained Surplus/(Deficit) for the financial year	26,963	(18,010)
At 31 March 2009	<u>540,764</u>	<u>513,801</u>

**The Incorporated Society of British Advertisers
(Limited by Guarantee)
Notes to the Financial Statements
for the year ended 31 March 2009 (continued)**

10. Commitments Under Operating Leases

ISBA leases its premises on a short-term lease which expires in March 2014. The annual rental on the lease is £134,250, this amount remaining until the next rent review due in May 2009. ISBA is responsible for the internal maintenance and repair of the office and part-basement area.

At 31 March 2009 ISBA had annual commitments under non-cancellable operating leases as set out below:

	Land and Buildings	
	2009	2008
	£	£
Operating leases which expire:		
In less than one year	-	-
In more than one year but not more than five years	134,250	-
Over five years	-	134,250
	<u>-</u>	<u>134,250</u>

11. Pension Commitments

Contributions of £77,603 (2008 - £76,009) were paid towards the defined contribution personal pension arrangements of 20 employees (2008 - 16 employees).

All pension contributions are made into funds separate from those of ISBA.

There were £Nil contributions outstanding at 31 March 2009 (2008 - £10,180).

12. Corporate Status

ISBA is limited by guarantee and has no share capital. Each member's liability in the event of dissolution is limited to £1. At 31 March 2009 there were 170 (2008 : 179) subscribers comprising 431 (2008 : 443) individual member companies.

13. Control

There is no one controlling party.