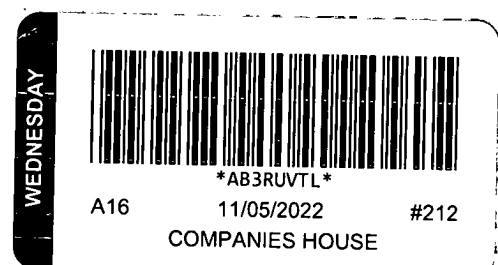


The Advertising Standards Authority Limited

Registered number 00733214

**Report and Financial Statements
For the year ended 31 December 2021**



Contents

	Pages
Council Members and Directors and other information	2
Report of the Council	3 to 6
Statement of Council Members and Directors responsibilities	7
Independent auditor's report	8 to 12
Statement of Recognised Income and Expenses	13
Statement of Financial Position	14
Notes to the financial statements	15 to 21

Council Members and Directors

Lord Currie of Marylebone
Mr A Ahmed
Mrs T M Alps (appointed 23 April 2021)
Mr Z A Al-Qassab
Mr R W Bailey
Ms T L Follows (resigned 23 April 2021)
Mrs K Sargent (formerly - Ms K Fonyonga)
Ms A J Hastings (appointed 23 April 2021)
Mr W M Henderson
Mr R J Lloyd
Mrs S J McCarthy (resigned 23 April 2021)
Ms K Miller
Ms N P Woods (formerly Ms N D Patel Woods)
Dr R A Rumbul
Mr N A Stevenson

Secretary

Miss C Leonard (resigned 12 November 2021)
Mr T Kelman (appointed 12 November 2021)

Auditors

Moore Kingston Smith LLP
6th Floor Charlotte Building
17 Gresse Street
London W1T 1QL

Bankers

Lloyds Bank plc
32 Oxford Street
London W1A 2LD

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Registered Office

Castle House
37-45 Paul Street
Shoreditch
London
EC2A 4LS

Report of the Council

The Council has pleasure in presenting its annual report and financial statements for the year ended 31 December 2021 with respect to the company The Advertising Standards Authority Limited (also known as the ASA).

With effect from 1 November 2004 the ASA assumed responsibility for standards in broadcast advertising media under the Deregulation and Contracting Out Act 1994. This necessitated the creation of a separate company – the Advertising Standards Authority (Broadcast) Limited (the ASAB) – to conduct the work and a separate company, mirroring the Advertising Standards Board of Finance Limited (ASBOF), to provide the finance. The financial statements presented here reflect the cost of non-broadcast activity only. Separate financial statements have been provided for the broadcast activity. Activity-specific costs have been allocated to the appropriate function; other non-specific function costs have been shared between the two companies on a pro-rata basis agreed between the two financing bodies.

Council Members and Directors

The names of the Council Members and Directors who served during the year are shown on page 2 of the report.

Changes in Council Members/Directors

During the year, one Council Member/Director, namely Ms A J Hastings, was newly appointed as an Independent Member, and two Council Members/Directors, namely Ms T L Follows and Mrs S J McCarthy, retired. Ms T L Follows after serving one year of her second three-year term and Mrs S J McCarthy after completing her second three-year term.

Permanent changes were also made to Industry Member roles on Council. Ms K Miller relinquished her non-broadcast media background Industry Member role on the ASA Council/Board, replacing Ms T L Follows as the agency background Industry Member on both Councils. Mrs T Alps replaced Ms K Miller as non-broadcast media background Industry Member of the ASA Council/Board, adding to the broadcast media background Industry Member role she holds on the ASAB Council/Board.

Those changes mean that the 13 members of the ASA and ASAB Councils/Boards are now identical.

The above changes took place with effect from the Annual General Meeting of the Company held on 23 April 2021.

Principal activity

The principal activity of the ASA continued to be that of promoting and enforcing the highest standards of advertising in all non-broadcast media throughout the United Kingdom.

Financial statements

The results for the year and the state of the ASA's affairs are set out in the attached financial statements. The ASA is a company limited by guarantee and has no share capital. The ASA is precluded by its memorandum from making any distribution to its members.

Review of activities

The costs of operating the ASA continue to be closely monitored by its Executive management team and the Board.

Report of the Council (continued)

Key risks and performance indicators

As part of its annual planning process in 2020, the senior management team produced Organisation Objectives, Key Performance Indicators (KPIs) and a Budget for 2021. It also updated its Organisation Risk Register twice during 2021, with risks rated by importance and likelihood and featuring corresponding control measures to mitigate them.

The most significant risks are: 1) duplicatory and/or disproportionate statutory regulation of online advertising undermines the effectiveness of the ASA system's¹ role protecting people, particularly children and the vulnerable, and responsible businesses; 2) non evidence-based higher-risk product ad restrictions adds costs (including opportunity costs and costs to industry), distracts from more effective interventions and undermines industry support for the ASA system; 3) insufficient funding through online not paying its way in the long-term causes people to be less well protected and the ASA system's reputation to be undermined; 4) ineffective self-/co-regulation of website and social media claims because of difficulties administering/enforcing the CAP Code (and, through backstops, the law) leaves people less well protected on websites and social media spaces and the ASA system's reputation undermined; and 5) ineffective legal backstop because of the Court backlog caused by the pandemic leaves people less well protected and the ASA system's reputation undermined.

The control measures implemented were: 1) continue to demonstrate that we regulate online ads effectively and that our strategy focuses on us getting even better at that, including through our use of technology to meet the scale challenge and our exploration of Online Platform and Network Standards to hold digital platforms to greater account for their role ensuring that ads are responsible; 2) strengthen gambling rules in response to robust evidence and cooperate with the DCMS review of the Gambling Act; work with Government and Ofcom on HFSS ad restriction implementation; use technology to monitor and enforce against age inappropriate online ads and report publicly; deliver annual TV ad exposure reports; continue to stress the importance of our evidence-based approach; gather and leverage research insights where appropriate, including from partners on the consumer protection alliances we sit on in England, Scotland and Wales and stakeholders more widely, including in Northern Ireland; 3) focus on proving our worth to everyone in the advertising business, deliver our strategy (which has online ad regulation at its heart), and provide a compelling case for sufficient funding to fully deliver that strategy; set budgets that respond to the financial reality; support ASBOF in securing/improving contributions from digital platforms and digital-first advertisers; 4) make full use of monitoring and enforcement activity, including sanctions and legal backstops, and demonstrate their effectiveness; explore options, including notifying the Government, for ensuring compliance in cases where our legal backstop is unable criminally to prosecute; deliver more proactive and impactful regulation, including using technology better; and 5) draw to Government's attention the importance of an effective legal backstop, recognising that the Court-delays affect everyone; continue to make full use of our legal backstops, focusing on alternatives to Court action where practicable.

¹ "ASA system" refers to the system operated by the ASA, ASAB, CAP, BCAP, Asbof and Basbof

Report of the Council (continued)

Key risks and performance indicators (continued)

In response to the Covid-19 pandemic, we continued to take prompt action to ensure that all staff were able to work effectively from home when Government advice recommended that. And we continued to ensure appropriate safety measures in the office when office working was allowed.

The ASA Council/Board approved the Organisation Objectives, KPIs, Budget and Organisation Risk Register, holding the senior management team to account for its performance against those Objectives, KPIs and Budget and its control measures to mitigate risks.

The Organisation Objectives for 2021 were published in the ASA and CAP Mid-year Report in Autumn 2020. Mid-year performance against the Organisation Objectives and KPIs for 2021 were published in the ASA and CAP Mid-year Report, in Autumn 2021. Full-year performance against the Organisation Objectives, KPIs and Budget for 2021 will be published in the ASA and CAP Annual Report 2021, due to be published in early May 2022.

Future developments

The ASA will continue to promote and enforce the highest standards of advertising in non-broadcast media.

Going concern

The ASA Chairman, the Risk and Audit Committee Chairman, the Chief Executive and the Company Secretary continue to consult with ASBOF on funding requirements and any impact from Covid-19 on projected available funds. The senior management team, Council Members/Directors and ASBOF believe that funding has improved, at least returning to pre-pandemic levels, thanks to the stronger than forecasted rebound in UK ad spend and ASBOF's success in raising more funds from digital platforms and digital-first advertisers. The Council Members/Directors continue to monitor the situation on a regular basis and have taken steps to ensure that the business can continue to trade and meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

Qualifying third party indemnity provision

The ASA has granted an indemnity to its Directors against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' report.

Report of the Council (continued)**Risk and Audit Committee**

The Risk and Audit Committee comprises a Chairman, at least three other Directors and the Company Secretary. The Committee meets not less than twice a year with the ASA Chairman and Chief Executive in attendance and, once per year, the Statutory auditors also attend. The Committee reviews the draft financial statements and post-audit findings before their presentation to the Board. The Committee examines the ASA's revenues and costs and advises on areas such as business continuity and risk management. It also monitors the ASA's internal controls and financial reporting. Any significant findings or identified weaknesses are closely examined so that appropriate action can be taken, monitored, and reported to the Board. The Committee advises the Board on the appointment of external auditors.

Council Members' and Directors' statement as to disclosure of information to auditor

So far as each person who was a Council Member or Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Council Members and Directors and the ASA's auditor, each Council Member and Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Moore Kingston Smith LLP were appointed auditors to the ASA in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the Annual General Meeting.

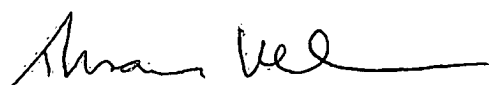
Statement of disclosure to auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Small company exemptions

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' exemption.

By order of the Council



T Kelman, Company Secretary

29 April 2002

Date:

Statement of Council Members and Directors' responsibilities

The Council Members and Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Council Members and Directors to prepare financial statements for each financial year. Under that law the Council Members and Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the Council Members and 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 Council Members and 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 Council Members and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ADVERTISING STANDARDS AUTHORITY LIMITED

Opinion

We have audited the financial statements of The Advertising Standards Authority Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income and Expense, the Statement of Financial Position, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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.

Independent auditor's report (continued)**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

Independent auditor's report (continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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 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.

Moore Kingston Smith LLP

Valerie Cazalet (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
6th Floor Charlotte Building
17 Gresse Street
London
W1T 1QL

Date 05/05/2022

**Statement of Recognised Income and Expenses
for the year ended 31 December 2021**

		2021	As restated 2020
	Notes	£	£
Income		5,398,207	4,719,899
Other operating income		17,768	259,510
Total Income	2	<u>5,415,975</u>	<u>4,979,409</u>
Costs			
Staff costs	4i, ii	(3,652,898)	(3,683,827)
Other operating charges		(1,679,342)	(1,346,303)
		<u>(5,332,240)</u>	<u>(5,030,130)</u>
Operating profit (loss)	3	83,735	(50,721)
Bank interest receivable		1,124	3,806
Profit (Loss) before taxation		<u>84,859</u>	<u>(46,915)</u>
Tax (charge) credit	5	<u>(9,098)</u>	<u>1,458</u>
Profit (Loss) for the financial year		75,761	(45,457)
Retained earnings at 1 January 2021		<u>317,072</u>	<u>362,529</u>
Retained earnings at 31 December 2021		<u>392,833</u>	<u>317,072</u>

Statement of Financial Position as at 31 December 2021

		2021 £	2020 £
	Notes		
Fixed assets			
Intangible assets	6	1,201	3,385
Tangible assets	7	171,492	228,957
		<u>172,693</u>	<u>232,342</u>
Current assets			
Debtors	8	522,692	553,610
Cash at bank and in hand		531,268	311,179
		<u>1,053,960</u>	<u>864,789</u>
Creditors: amounts falling due within one year	9	(597,747)	(475,232)
Net current assets		<u>456,213</u>	<u>389,557</u>
Total assets less current liabilities		628,906	621,899
Creditors: amounts falling due after more than one year	10	(123,181)	(188,305)
Provision for liabilities		(112,892)	(116,522)
Net assets		<u>392,833</u>	<u>317,072</u>
Capital and reserves			
Profit and loss account reserves		<u>392,833</u>	<u>317,072</u>

These financial statements have been prepared 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 29 April 2022 and are signed on its behalf by:



Wesley Henderson
Chairman of the Risk and Audit Committee



Tom Kelman
Company Secretary

Notes to the financial statements as at 31 December 2021

1. Accounting policies

1.1 Company information

The Advertising Standards Authority Limited is a company limited by guarantee domiciled and incorporated in England and Wales. The registered office is Castle House, 37-45 Paul Street, London EC2A 4LS.

1.2 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 pound.

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

1.3 Going concern

The ASA Chairman, the Risk and Audit Committee Chairman, the Chief Executive and the Company Secretary continue to consult with ASBOF on funding requirements and any impact from the ongoing Covid-19 pandemic on projected available funds. The Senior Management Team, Council Members/Directors and ASBOF believe that funding has improved, at least returning to pre-pandemic levels, thanks to the stronger than forecasted rebound in UK ad spend and ASBOF's success in raising more funds from digital platforms and digital-first advertisers. The Council Members/Directors continue to monitor the situation on a regular basis and have taken steps to ensure that the business can continue to trade and meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

1.4 Revenue recognition

Cash received from ASBOF is credited to the profit and loss account in accordance with the amounts agreed with them for the financial year.

Income from seminars is recognised on the seminar date.

All expenditure is dealt with on an accruals basis.

1.5 Intangible fixed assets

Intangible fixed assets acquired solely from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Software – 4 years straight line

Notes to the financial statements as at 31 December 2021**1. Accounting policies (continued)****1.6 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

Leasehold improvements	- over remaining term of the lease to April 2025
Computer equipment	- 4 years
Office furniture & equipment	- 4 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

1.8 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Notes to the financial statements as at 31 December 2021**1. Accounting policies (continued)****1.9 Leases**

Rentals paid under operating leases, including any lease incentives, are charged to income on a straight-line basis over the lease term.

Assets obtained under finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income to produce a constant periodic rate of change on the net obligation outstanding in each period.

1.10 Employee benefits

The company utilises a defined contribution pension scheme. Contributions to the defined contribution scheme are charged to the statement of comprehensive income as they become payable.

The cost of any unused holiday entitlement is recognised in the period in which the employees' services are received.

1.11 Government grants

Government grants are accounted for in full in the year in which they are receivable.

1.12 Prior year restatement

The comparative figures have been restated to remove CJRS government grant income from income and reclassify it into other income. There is no impact on the Statement of Recognised Income and Expenses.

2. Income and Other Operating Income

Income and other operating income was generated in the following territories and from the following sources.

	2021	As restated 2020
	£	£
United Kingdom levy & sundry income	4,998,799	4,719,899
European Union levy income	399,408	-
CJRS UK government grant income	17,768	259,510
	<u>5,415,975</u>	<u>4,979,409</u>

3. Operating profit

This is stated after charging:

	2021	2020
	£	£
Emoluments of Council Members and Directors:		
Emoluments, attendance allowances & travel expenses	256,802	263,118
Auditor's remuneration:		
- Audit	16,500	17,030
- Non audit	3,540	3,470
Depreciation of tangible fixed assets	80,575	76,394
Amortisation of intangible fixed assets	2,184	14,301
Operating lease rentals for land and buildings	461,565	461,565
Hire purchase finance charges	457	1,957

Notes to the financial statements as at 31 December 2021**4. i. Staff costs (including Council Members' and Directors' remuneration, see note 4. ii. below)**

	2021	2020
	£	£
Wages and salaries	3,072,193	3,108,500
Social security costs	328,992	321,682
Pension contributions to defined contribution scheme	190,927	182,566
Permanent Health Insurance cover premium	37,768	45,245
Life Assurance cover premium	23,018	25,834
	<u>3,652,898</u>	<u>3,683,827</u>

4. ii. Council members' remuneration

The total emoluments and fees paid to the Council members, including the Chairman, were £256,802 (2020 – £263,118). The emoluments (including benefits) in respect of the Chairman, being the highest paid director, were £96,810 (2020 – £101,520) and £Nil (2020 – £Nil) to defined contribution pension schemes. Council members, other than the Chairman, were remunerated from £12,522 to £13,759 per annum.

4. iii. Employees

The average monthly number of individuals (including Council Members and Directors) employed jointly by the company and The Advertising Standards Authority (Broadcast) Limited during the year was 127 (2020 – 126).

5. Tax (charge) credit

	2021	2020
	£	£
Corporation tax (charge) for the year	(12,728)	-
Deferred tax credit (charge) for the year	3,630	1,458
	<u>(9,098)</u>	<u>1,458</u>

Notes to the financial statements as at 31 December 2021

6. Intangible fixed assets

	Computer software £
Cost:	
At 1 January 2021	72,958
Additions	-
Disposals	-
At 31 December 2021	<u>72,958</u>
Amortisation and impairment:	
At 1 January 2021	69,573
Charge for year	2,184
Disposals	-
At 31 December 2021	<u>71,757</u>
Net book value:	
At 31 December 2020	<u>3,385</u>
At 31 December 2021	<u>1,201</u>

7. Tangible fixed assets

	Leasehold improvements £	Computer hardware £	Office furniture & equipment £	Total £
Cost:				
At 1 January 2021	158,667	146,058	54,216	358,941
Additions	-	23,110	-	23,110
Disposals	-	-	-	-
At 31 December 2021	<u>158,667</u>	<u>169,168</u>	<u>54,216</u>	<u>382,051</u>
Depreciation:				
At 1 January 2021	37,098	66,791	26,095	129,984
Charge for year	28,418	41,785	10,372	80,575
Disposals	-	-	-	-
At 31 December 2021	<u>65,516</u>	<u>108,576</u>	<u>36,467</u>	<u>210,559</u>
Net book value:				
At 31 December 2020	<u>121,569</u>	<u>79,267</u>	<u>28,121</u>	<u>228,957</u>
At 31 December 2021	<u>93,151</u>	<u>60,592</u>	<u>17,749</u>	<u>171,492</u>

Included above are assets held under finance leases contracts with a NBV of £3,682 (2020 - £7,694) and depreciation charge for the year of £4,012 (2020 - £2,119).

Notes to the financial statements as at 31 December 2021**8. Debtors**

	2021	2020
	£	£
Due from the ASAB	58,085	79,844
Trade debtors	6,818	14,486
Sundry debtors and prepayments	457,789	459,280
	<u>522,692</u>	<u>553,610</u>

Debtors due from the ASAB include an amount of £163 (2020 - £6,514) which is due after more than one year.

9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Net obligations under finance lease	10,496	10,496
Premium received on lease assignment	54,627	54,627
Trade creditors	144,392	72,608
Other taxes and social security costs	191,935	169,901
Sundry creditors and accruals	132,618	167,600
Corporation tax	12,728	-
Pension contributions	50,951	-
	<u>597,747</u>	<u>475,232</u>

10. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Premium received on lease assignment	122,909	177,537
Net obligations under finance lease	272	10,768
	<u>123,181</u>	<u>188,305</u>
Net obligations under finance lease		
Repayable within one year	10,496	10,496
Repayable between one and five years	272	10,768
	<u>10,768</u>	<u>21,264</u>
Included in liabilities falling due within one year (note 9)	(10,496)	(10,496)
	<u>272</u>	<u>10,768</u>

11. Pension schemes

The pension costs for the company during the year were £190,927 (2020 – £182,566). The company utilises a defined contribution scheme.

The defined contribution scheme was the IPA Portable Pension Plan until 5 April 2008 and a Self-Invested Personal Pension (SIPP) with Legal & General from 6 April 2008 until 31 December 2012. In 2013 the company introduced a flexible benefit scheme and changed the pension scheme to a Group Personal Pension Plan with Aegon. The company's contributions to this scheme are fixed at a maximum of 7% of pensionable salary for staff (15% for senior management). Members' contributions are variable.

Notes to the financial statements as at 31 December 2021**12. Other financial commitments**

The company has future commitments under non-cancellable assigned operating leases, as set out in the table below:

	2021 £	2020 £
Less than a year	461,565	461,565
Within 2-5 years	1,051,167	1,512,732
After 5 years	-	-
	<u>1,512,732</u>	<u>1,974,297</u>

13. Related party transactions

During the year, the company charged the ASAB £939,961 (2020 – £946,379) for shared costs which were apportioned on staff headcount and workload.

At the balance sheet date, the amount due from the ASAB was £58,085 (2020 – amount due from the ASAB £79,844).

The company received £4,900,000 (2020 - £4,513,000) in funding from ASBOF during the year.