

Incorporated Society of British Advertisers Limited

Annual Report and Financial Statements

For the year ended 31 March 2022

Company Registration No. 00068497 (England and Wales)

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Incorporated Society of British Advertisers Limited

Company Information

Directors

Alain Duvaud
Andrew Tomkins
Benjamin Rhodes
Catherine Kehoe
Dan Brooke (Appointed 02/06/2021)
Daniel Howell (Appointed 01/07/2022)
Daniel Rubel
Dominic Grounsell
Gary Booker
Jill Dougan
Katherine Newby Grant
Keith Moor
Kerry Cavanaugh
Lucien Bradshaw Zanger
Margaret Jobling
Mark Given
Nicholas Robinson
Peter Duffy
Peter Markey
Philip Smith
Samuel Lee Day (Appointed 16/06/2021)
Sarah Mansfield
Simon Groves (Appointed 18/06/2021)
Simon Michaelides
Stephen Vowles

Secretary

David Poyser

Company number

00068497

Registered office

12 Henrietta Street
Covent Garden
London
WC2E 8LH

Auditors

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

Incorporated Society of British Advertisers Limited

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Incorporated Society of British Advertisers Limited

Directors' Report

For the year ended 31 March 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal 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 help its members to advertise as effectively, efficiently and economically as possible; to provide a forum for debate amongst members to establish consensus opinions, goals and objectives and pursue on their behalf.

ISBA has continued to make good financial progress this year despite the continuing Covid-19 crisis. This has resulted in a surplus after taxation of £162,663 (2021: £21,600) increasing the revenue reserves to £543,072 (2021: £380,409).

Member subscription income at £3,242k is £261k higher than the prior year's figure of £2,981k. This growth in membership revenue reflected the recruitment of eighteen new members with the loss of only eight members. The directors are pleased with this outcome which exceeded our expectations at the start of the year.

Following its successful relaunch towards the end of 2019/20, we saw continued growth in our strategic partnership programme generating revenue of £159k compared to £107k in the prior year. We again collaborated with the IPA and the Advertising Association to hold our second joint industry conference, RENEW 2022, in January 2022 which was very successful and covered its costs.

The Council considers this year's result to be in line with current expectations and will continue to ensure good financial management and proper controls remain in place.

Other associations

ISBA paid £252,433 (2021: £243,472) to the Advertising Association and £43,757 (2021: £43,565) 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 and internationally.

Annual General Meeting

At the Annual General Meeting on 6 July 2021, Peter Duffy, MoneySuperMarket, was re-elected President. Peter Markey, Boots, and Sarah Mansfield, Unilever, were re-elected as Vice-Presidents.

Incorporated Society of British Advertisers Limited

Directors' Report (Continued)

For the year ended 31 March 2022

Directors

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

Alain Duvaud	Lucien Bradshaw Zanger
Andrew Tomkins	Margaret Jobling
Benjamin Rhodes	Mark Given
Catherine Kehoe	Nicholas Robinson
Dan Brooke (Appointed 02/06/2021)	Peter Duffy
Daniel Rubel	Peter Markey
Dominic Grounsell	Philip Smith
Gary Booker	Samuel Lee Day (Appointed 16/06/2021)
Jill Dougan	Sarah Mansfield
Katherine Newby Grant	Simon Groves (Appointed 18/06/2021)
Keith Moor	Simon Michaelides
Kerry Cavanaugh	Stephen Vowles
	Soterakis Challouma (Appointed 03/05/2021 and resigned 01/07/2022)

Auditors

The auditors, Moore Kingston Smith LLP, are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Statement of disclosure to auditor

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 auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board

Peter Duffy

President

15 July 2022

Date

Incorporated Society of British Advertisers Limited

Directors' Responsibilities Statement

For the year ended 31 March 2022

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Incorporated Society of British Advertisers Limited

Independent Auditor's Report

To the Members of Incorporated Society of British Advertisers Limited

Opinion

We have audited the financial statements of Incorporated Society of British Advertisers Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of income and retained earnings, the Balance sheet 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 March 2022 and of its surplus 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.

Other information

The director is responsible for the 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.

Incorporated Society of British Advertisers Limited

Independent Auditor's Report (Continued)

To the Members of Incorporated Society of British Advertisers Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Incorporated Society of British Advertisers Limited

Independent Auditor's Report (Continued)

To the Members of Incorporated Society of British Advertisers Limited

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

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.
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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.

Incorporated Society of British Advertisers Limited

Independent Auditor's Report (Continued)

To the Members of Incorporated Society of British Advertisers Limited

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.

Francesca Robe (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

25 July 2022

Chartered Accountants
Statutory Auditor

Charlotte Building
17 Gresse Street
London
W1T 1QL

Incorporated Society of British Advertisers Limited

Statement of income and retained earnings

For the year ended 31 March 2022

	Notes	2022 £	2021 £
Income			
Subscriptions from members		3,241,912	2,981,300
Amounts received from conferences and training workshops		4,950	5,000
Less: Subscriptions paid on behalf of members to other industry associations		(296,190)	(287,037)
Less: Project costs		(2,421,423)	(980,145)
		<u>529,249</u>	<u>2,536,010</u>
Other income arising from			
- projects		2,420,673	980,484
- miscellaneous		600	43,592
- strategic partnerships		158,750	106,667
		<u>3,109,272</u>	<u>2,849,861</u>
Gross surplus			
Administrative expenses		(2,949,610)	(2,940,193)
Other operating income		-	35,699
		<u>159,662</u>	<u>(54,633)</u>
Operating surplus/(deficit)	3		
Interest receivable and similar income		127	8,350
Interest payable and similar expenses		-	(425)
Profit/(loss) on revaluation of investments		34,812	82,813
		<u>194,601</u>	<u>36,105</u>
Surplus before taxation			
Taxation	5	(31,938)	(14,505)
		<u>162,663</u>	<u>21,600</u>
Surplus for the financial year			
		<u>162,663</u>	<u>21,600</u>
Total comprehensive income for the year			
		<u>162,663</u>	<u>21,600</u>
Retained earnings at 1 April 2021		380,409	358,809
Retained earnings at 31 March 2022		<u>543,072</u>	<u>380,409</u>

Incorporated Society of British Advertisers Limited

Balance sheet

As at 31 March 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	6		30,230		45,345
Tangible assets	7		125,027		198,530
Investments	8		770,744		735,932
			<u>926,001</u>		<u>979,807</u>
Current assets					
Debtors	9	2,322,022		1,722,163	
Cash at bank and in hand		2,484,022		1,092,827	
		<u>4,806,044</u>		<u>2,814,990</u>	
Creditors: amounts falling due within one year	10	<u>(5,004,486)</u>		<u>(3,229,029)</u>	
Net current liabilities			<u>(198,442)</u>		<u>(414,039)</u>
Total assets less current liabilities			<u>727,559</u>		<u>565,768</u>
Provisions for liabilities	12		<u>(184,487)</u>		<u>(185,359)</u>
Net assets			<u><u>543,072</u></u>		<u><u>380,409</u></u>
Reserves					
Income and expenditure account			<u><u>543,072</u></u>		<u><u>380,409</u></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 15 July 2022 and are signed on its behalf by:

Peter Duffy
President

Sarah Mansfield
Vice President

Company Registration No. 00068497

Incorporated Society of British Advertisers Limited

Notes to the Financial Statements

For the year ended 31 March 2022

1 Accounting policies

Company information

Incorporated Society of British Advertisers is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Henrietta Street, Covent Garden, London, 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 Going concern

The company had a net surplus in the period of £162,663, net current liabilities of £198,442 and net assets of £543,072. The directors actively manage the cash position of the business and therefore believe that in line with the current strategic plan that the company will improve its net current liabilities position during the year ended 31 March 2023. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Income

Income is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, membership and professional services and is shown net of VAT and other sales related taxes.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from subscriptions is recognised across the period to which it relates.

Revenue from contracts for the provision of professional services, including conferences and training workshops, is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Incorporated Society of British Advertisers Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

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

Amortisation 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:

Software (CRM & Website)	over 4 years
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1.6 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:

Leasehold improvements	over 10 years
Plant and equipment	over 4-10 years

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.

1.7 Current asset investments

Current asset investments are stated at market value.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.9 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.

Incorporated Society of British Advertisers Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

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.

Incorporated Society of British Advertisers Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

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 profit and loss account, 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.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in surplus or deficit in the period in which it arises.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 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.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Incorporated Society of British Advertisers Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

1 Accounting policies (Continued)**1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Dilapidations provision

Included within the financial statements is a £170,000 provision in respect of dilapidations on the leased office space which will expire in April 2024. The estimated provision has been calculated by a Chartered Surveyor listed with the Royal Institute of Chartered Surveyors.

3 Operating surplus/(deficit)

	2022	2021
	£	£
Operating surplus/(deficit) for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	12,500	11,300
Depreciation of owned tangible fixed assets	84,882	78,598
Operating lease charges	343,250	340,123
Amortisation of owned intangible fixed assets	15,115	15,115
Staff costs	1,967,687	1,904,099
Expenses related to conferences and training workshops	6,126	14,225
Other accommodation costs	245,176	235,927
Representation and promotion	117,695	147,157
General administration	132,923	149,342
	<u> </u>	<u> </u>

Incorporated Society of British Advertisers Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 18 (2021 - 18).

5 Taxation

	2022	2021
	£	£
UK corporation tax on profits for the current period	4,274	-
Total current tax	<u>4,274</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	27,664	14,505
Total deferred tax	<u>27,664</u>	<u>14,505</u>
Total tax charge	<u>31,938</u>	<u>14,505</u>

Tax losses carried forward are £nil (2021: £203,234)

6 Intangible fixed assets

	Other
	£
Cost	
At 1 April 2021 and 31 March 2022	<u>60,460</u>
Amortisation and impairment	
At 1 April 2021	15,115
Amortisation charged for the year	<u>15,115</u>
At 31 March 2022	<u>30,230</u>
Carrying amount	
At 31 March 2022	<u>30,230</u>
At 31 March 2021	<u>45,345</u>

Incorporated Society of British Advertisers Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

7 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2021	457,861	215,915	673,776
Additions	10,000	1,379	11,379
	<u>467,861</u>	<u>217,294</u>	<u>685,155</u>
At 31 March 2022			
Depreciation and impairment			
At 1 April 2021	294,097	181,149	475,246
Depreciation charged in the year	59,867	25,015	84,882
	<u>353,964</u>	<u>206,164</u>	<u>560,128</u>
At 31 March 2022			
Carrying amount			
At 31 March 2022	<u>113,897</u>	<u>11,130</u>	<u>125,027</u>
At 31 March 2021	<u>163,764</u>	<u>34,766</u>	<u>198,530</u>

8 Fixed asset investments

	2022	2021
	£	£
Investments	770,744	735,932
	<u>770,744</u>	<u>735,932</u>

Investments are held at market value.

Movements in fixed asset investments

	Investments other than loans
	£
Valuation	
At 1 April 2021	735,932
Valuation changes	34,812
	<u>770,744</u>
At 31 March 2022	
Carrying amount	
At 31 March 2022	<u>770,744</u>
At 31 March 2021	<u>735,932</u>

Incorporated Society of British Advertisers Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

9 Debtors	2022	2021
	£	£
Trade debtors	1,818,541	1,411,914
Other debtors	411,792	180,024
	<u>2,230,333</u>	<u>1,591,938</u>
Amounts falling due after one year:		
Rent deposit	91,689	91,689
	<u>91,689</u>	<u>91,689</u>
Deferred tax asset (note 11)	-	38,536
	<u>91,689</u>	<u>130,225</u>
Total debtors	<u>2,322,022</u>	<u>1,722,163</u>
10 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	334,617	50,325
Corporation tax	4,273	-
Other taxation and social security	496,898	430,255
Other creditors	15,059	7,761
Accruals	791,748	346,102
Subscriptions received in advance	2,364,757	1,388,457
Subscriptions invoiced in advance	997,134	1,006,129
	<u>5,004,486</u>	<u>3,229,029</u>

Incorporated Society of British Advertisers Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

11 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Accelerated capital allowances	Tax losses	Total
	£	£	£
Deferred tax liability at 1 April 2020	35,194		35,194
Deferred tax asset at 1 April 2020	-	(62,876)	(62,876)
Deferred tax movements in prior year			
Credit to profit or loss	(9,835)	24,340	14,505
Deferred tax liability at 1 April 2021	25,359	-	25,359
Deferred tax asset at 1 April 2021	-	(38,563)	(38,563)
Deferred tax movements in current year			
Credit to profit or loss	(10,872)	38,563	27,691
Deferred tax liability at 31 March 2022	<u>14,487</u>		<u>14,487</u>

	2022	2021
	£	£
Deferred tax liabilities	14,487	25,359
Deferred tax assets	-	(38,536)
	<u>14,487</u>	<u>(13,177)</u>

12 Provisions for liabilities

	2022	2021
	£	£
Provision for dilapidations	170,000	160,000
Deferred tax liabilities	14,487	25,359
	<u>184,487</u>	<u>185,359</u>

Incorporated Society of British Advertisers Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

13 Retirement Benefit Schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to income and expenditure in respect of defined contribution schemes was £120,869 (2021 - £119,806).

There were £nil contributions outstanding at 31 March 2022 (2021 - £nil).

14 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.

15 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:

	2022	2021
	£	£
Within one year	344,979	346,442
Between two and five years	363,555	708,534
	<u>708,534</u>	<u>1,054,976</u>

16 Directors' transactions

Amounts payable to Council members or to third parties in respect of their services as directors was £224,871 (2021 - £207,447).

17 Control

There is no ultimate controlling party.

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