

2023 Financial report

We are funded primarily by advertisers through arm's-length levy arrangements that guarantee the ASA's independence.

Collected by the Advertising Standards Board of Finance (Asbof) and the Broadcast Advertising Standards Board of Finance (Basbof), the 0.1% levy on the cost of buying advertising space and the 0.2% levy of the Royal Mail's Mailsort and others' mail contracts ensure that the ASA is adequately funded without revealing to us which companies are contributing. Asbof also receives other contributions, including from platforms, online search advertisers and teleshopping companies. We also receive a digital platform contribution via the European Advertising Standards Alliance (EASA), income from some advice and training services and a small amount of income from the European interactive Digital Advertising Alliance.

Year to 31 December 2023

Audited income and expenditure figures for the combined non-broadcast and broadcast activity in 2023 (see table) are the total of the amounts recorded in the Audited Report and Financial Statements of our two operating companies, namely The Advertising Standards Authority Limited (ASA) and The Advertising Standards Authority (Broadcast) Limited (ASA(B)). Those were adopted by the Non-broadcast and Broadcast Councils at their respective Annual General Meetings held on 26 April 2024.

Income for the year

Compared with 2022, total income received from Asbof and Basbof increased by £648,000 (7%) to £9,495,000, most of which related to our planned growth in headcount. Other income increased by £58,000 (9%) to £675,000. Other income included funding received via EASA (£444,831) and consultancy income totalling £112,475. Interest received increased by £74,000 to £85,000.

Expenditure for the year

Compared with 2022, total expenditure increased by £907,000 (10%) to £10,291,000. Salaries and other staff costs increased by £836,000 (12%), due in part to a planned 5% increase in headcount and the increased cost of core benefits.

Profit for the year

The combined loss before tax of both non-broadcast and broadcast activity was £36,000. After tax, the combined loss was £38,000.

The Audited Report and Financial Statements for ASA and ASA(B) reflect a split of costs, determined by Asbof/Basbof, to reflect the workload between non-broadcast and broadcast activities, of 65% and 35%, respectively, and applying them to the non-specific costs – overheads, general office costs and the like. Specifically identifiable costs were allocated in full to the relevant company.

Non-broadcast and broadcast combined

	2023 £'000	2022 £'000	2021 £'000
Income			
Funding received from:			
The Advertising Standards Board of Finance Ltd (Asbof)	6,397	5,535	4,900
The Broadcast Advertising Standards Board of Finance Ltd (Basbof)	3,098	3,312	2,995
Total levy income	9,495	8,847	7,895
Expenditure			
Salaries and other staff costs	7,543	6,707	5,783
Other operating costs	2,748	2,677	2,420
Total expenditure	10,291	9,384	8,203
Operating loss	-796	-537	-308
Interest receivable	85	11	1
Other income (i.e. seminars, advice and eLearning, Covid-19 job-retention grants)	675	617	516
(Loss)/profit on ordinary activities before tax	-36	90	209

Future plans and key risks

Although the 0.1% levy is increasingly supplemented by direct contributions from platforms and digital advertisers, online ad spend is now at around 80% of total UK ad spend. We are supporting Asbof to ensure that the ASA system is fairly and sustainably funded, including by looking at the funding implications of any rollout of the Intermediary and Platform Principles (IPP) pilot.

With 70% of our budget being staff-related, recruiting and retaining talent in a competitive labour market remains one of the biggest financial risks in the next two to three years. Mitigation opportunities include improved ways of working arising from a continued move from reactive to proactive regulation, better use of technology and our flexible working policy.

Key risks

The Risk and Audit Committee reviewed the organisational risk register twice during 2023. The key organisational risks are:



- Insufficient funding (cyclical, structural and policy-related): mitigation for which includes providing a compelling case for contribution to and investment in the ASA system and robust financial contingency plans;
- Online (introduction of statutory regulation or ineffective self/co-regulation): mitigated by promoting awareness and proving our effectiveness through use of technology, the Intermediary and Platform Principles pilot (IPP) and monitoring and enforcement activity;
- Un-targeted and/or disproportionate statutory regulation of sensitive sector ads: mitigation for which includes working closely with governments, other regulators and partners whilst continuing to demonstrate the effectiveness of the ASA system; and
- Cybersecurity and data protection: mitigated by periodic reviews of our systems and processes, carrying out regular penetration testing and following best practice.
- Data science recruitment and retention: mitigation for which includes flexible recruitment practices and emphasising the reputational value of the work.