



Advertising Standards Authority for Ireland

ASAI

Annual Report

26th Annual Report and
Financial Statements 2006



THE OFFICIAL HERALDIC ACHIEVEMENT OF ASAI

The coat of arms or official heraldic achievement of the Advertising Standards Authority for Ireland was granted by Chief Herald of Ireland and registered in his Office in April, 1983.

The design and composition of the arms graphically symbolise the sphere of influence as well as the function of ASAI.

The heraldic arrangement of the national tinctures enhanced by the wreathed cross is designed to suggest the packaging of goods on a nationwide basis while the lion, traditional symbol of active vigilance, signifies the role of ASAI as overseer in relation to the advertising of those goods.

The shield, historically an emblem of defence, is symbolic of the protection afforded the consumer public by the ASAI which seeks to establish and maintain principled advertising in Ireland.

All these items are encapsulated in the slogan or motto of the ASAI, 'FIANT SECUNDUM DESCRIPTIONEM BONA' - let the product accord with its description - which bespeaks the ideal of the Advertising Standards Authority for Ireland.

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Edward McCumiskey, Chairman

CHAIRMAN'S STATEMENT

During 2006, the Authority celebrated its 25th Anniversary with a conference on self-regulation in advertising and a dinner for members of ASAI and our colleagues from the European Advertising Standards Alliance. The conference, titled "Self-Regulation and Legislation: The Balance", provided an opportunity for practitioners from all areas of the advertising industry to "renew their vows to the concept of self-regulation".

On my own behalf and on behalf of the Board of the Authority, I would like to thank our conference Chairperson, Ms Miriam O'Callaghan from RTE, Mr Malcolm Earnshaw, the Director General of the Incorporated Society of British Advertising, Mr Gerry Donnelly of the Department of Enterprise, Trade and Employment, Ms Catherine Bent who represented the Association of Advertisers in Ireland, Mr John Fanning, Executive Chairman of McConnells Advertising, who spoke on behalf of the Institute of Advertising Practitioners in Ireland, and Mr Frank Cullen of the National Newspapers of Ireland who spoke on behalf of the media.

I particularly appreciated the "full house" that we had in attendance. The presence of senior representatives from all areas of the industry was reassuring as the Authority moves forward into the new scenario that will be created by the introduction of the consumer legislation for the transposition of the Unfair Commercial Practices Directive into national law.

At the conference, I launched the 6th edition of the "Code of Standards for Advertising, Promotional and Direct Marketing in Ireland".

I am satisfied that the new extended edition of the Code will assist in providing an enhanced service to consumers who want to know that marketing communications are legal, decent, honest and truthful.

In Europe the positive developments in 2005, referred to in my last report, continued and in mid 2006, Mr Robert Madelin, the Director General of DG Sanco published a personal report on the positioning of self-regulation. In this report, Mr Madelin indicated his hope "That this report will provide a useful input to ongoing reflection across the EU regarding self-regulation. This is not so much a debate about self-regulation against hard law, but rather a debate about how law and self-regulation should interact in Modern Europe." Work on this matter is continuing.

I was also pleased to see that, in their first reading of the Audiovisual Media Services Directive (formerly the Television Without Frontiers Directive), the European Parliament accepted a position whereby member states will be asked to encourage self- and co-regulation as a means of encouraging effective enforcement for the regulation of advertising.

In 2006, the level of complaints received from consumers was similar to that in 2005. This allowed the Secretariat of the Authority to carry out the additional tasks involved in completing the review of the Code and organising the conference. On behalf of the Board, I would like to thank the Secretariat for the efficient and easy manner with which those tasks were satisfactorily completed.

The financial report for 2006 shows an increase in the income from the 0.2% levy. Regrettably, the income of the Authority does not adequately reflect the buoyancy of income experienced by the industry. While the majority of responsible advertisers and agencies ensure that the levy is paid on time and at an appropriate level, there are others who for one reason or another do not pay the levy. This unfortunately means that, again in 2007, resources of the Authority, which might more rewardingly be directed towards the speedy examination of complaints, will of necessity be applied to the collection of the levy.

The overall financial results for 2006 show a loss of just €12,000. When account is taken of the non-recurring expenditure of just €75,000 for the review of the Code, the conference and anniversary dinner, this loss is not a matter of concern.

I would like to offer my thanks to my colleagues on the Board of the Authority for their support during a particularly busy year. Their attention to their duties as members of the Board is a true reflection of the support shown for self-regulation by the various strands of the industry they represent.

I would also like to express the Board's appreciation of the work of Dr Bairbre Redmond and the Complaints Committee. I am particularly appreciative of the interest they have shown in informing themselves of the provisions of the new extended Code.

Finally, I would like to pay a very sincere tribute to the late Kevin O'Doherty, the Authority's first Chief Executive who died during the year. Kevin had retained close links with the Authority and assisted the Board's Secretariat on a consultancy basis from time to time. The status which advertising self-regulation now enjoys in Ireland is, in a large part, a testament to Kevin's pioneering work and to his unstinting commitment and enthusiasm during his years with ASAI. We had fully expected to see Kevin at our 25th anniversary conference and dinner and he was sadly missed.

EDWARD McCUMISKEY
Chairman.

THE ASAI BOARD DECEMBER 2006



Edward McCumiskey
Chairperson

The Board is responsible for managing the business of the ASAI and for drawing up and implementing the Code of Standards for Advertising, Promotional and Direct Marketing in Ireland. The Board is empowered to exercise a disciplinary function over ASAI members.

MEDIA MEMBERS



Terry Buckley



Eamonn Buttle

MEDIA MEMBERS



Kieran Killeen



Brendan McCabe



Declan McGuire



Paul Mulligan

ADVERTISER MEMBERS



Jennifer Balfe



Michael Caraher



Catherine Bent



John McGrath

AGENCY MEMBERS



Shane Lynch



Ruth Payne



Steve Shanahan



Yvonne Tuohy



Advertising Standards Authority for Ireland

ASAI

REVIEW OF THE YEAR

REVIEW OF THE YEAR

This is the 26th Annual Report of the Advertising Standards Authority for Ireland (ASAI) and relates to the year 2006.

The ASAI is the independent advertising self-regulatory body set up and financed by the advertising industry (advertisers, advertising agencies and media) and committed to promoting the highest standards of advertising and sales promotion in the public interest. Membership of ASAI embraces all major advertisers and agencies, and all major media, including RTE, TV3 and the radio stations.

The ASAI has, since its foundation in 1981, built up an extensive body of expertise in the regulation of commercial advertising in all Irish media, including print, outdoor broadcast and direct mail. The Authority is currently reviewing its approach to the new forms of electronic media. Our approach in this area will be both informed and influenced by developments arising from the EU Legislative proposal for an Audiovisual Media Services Directive (formerly the Television without Frontiers Directive) and research being conducted by the European Advertising Standards Alliance (EASA). The Authority has comprehensive Codes of ethical standards that are regularly reviewed, with one such review having been completed in 2006 resulting in a new, combined Code. An independent Complaints Committee adjudicates on advertisements. These adjudications are enforced through the co-operation of the Media Members of ASAI, whom we regard as the “gatekeepers” for the Codes, and who will not carry advertisements found to be in breach of the ASAI Codes. Details of the adjudications are regularly carried in the media and on our website (www.asai.ie). The Complaints Committee of the ASAI includes among its Members four nominees of the Director of Consumer Affairs.

The ASAI Codes of Advertising Standards and of Sales Promotion Practice are based on the principles established by the International Chamber of Commerce (ICC), which are that all advertising and promotions must be legal, decent, honest and truthful and must be undertaken with a sense of social responsibility. The Codes require advertisers to market and promote their goods and services in a responsible manner. A review of the ICC Code was

completed in early 2006 and the finished document was analysed by the ASAI before it finalised its own Codes. The amended ASAI Code, entitled the Code of Standards for Advertising, Promotional and Direct Marketing in Ireland (6th Edition), was published in October 2006 (see page 11).

The ASAI has operated primarily by inviting and resolving consumer complaints, which helps to keep the Authority informed of the public’s latest concerns regarding advertising. Information on how complaints are resolved by the ASAI is given at page 16. The identity of individual complainants remains confidential unless a commercial or other interest is involved. Anonymous complaints are not pursued and all complaints should be in writing (by post, fax or by using the online complaints form). The ASAI operates a pre-publication advice service for the advertising industry. Advertisers, agencies and media can obtain advice on whether a proposed advertisement or sales promotion conforms to Code requirements. This advice is given on behalf of the Secretariat and does not bind the ASAI Complaints Committee.

The ASAI has traditionally also monitored advertising when particular issues warrant it. In late 2006, however, a new monitoring project which had been approved by the Board commenced and details of this development can be found on page 13.

The ASAI is a founder member of EASA, which brings together national advertising self-regulation organisations and organisations representing the advertising industry in Europe. EASA supervises the operation of the Cross-Border Complaints System. Under this system a complaint received by the ASAI, or other national advertising self-regulatory body, concerning an advertisement published in another member country is referred to the appropriate national regulatory body for consideration under their Code. This ensures that a consumer can have redress in the case of misleading or offensive advertising originating anywhere in Europe.

The ASAI is also part of the EEJ-Net, (European Extra Judicial-Net) which was set up by the European Commission and launched by Commissioner David Byrne in October 2001. To belong to this network it was

necessary to satisfy the Department of Enterprise, Trade and Employment and the EU Commission that ASAI complied with the recommended principles established in Commission Recommendation on the Principles applicable for Out-of-Court Settlement of Consumer Disputes (98/257/CE). These principles relate to independence, transparency, adversarial process, effectiveness, legality, liberty and representation.

25TH ANNIVERSARY

During 2006, we celebrated the 25th anniversary of the establishment of the Authority. The Board decided to use the occasion to organise a conference on self-regulation in advertising and, in doing so, presented an opportunity for all areas of the industry to “renew their vows” to the concept of self-regulation. The conference, titled “Self-Regulation and Legislation: The Balance”, was held on 11th October 2006 in the RDS.

The conference, chaired by Ms Miriam O’Callaghan of RTE, was opened by Mr Malcolm Ernshaw, the Director General of the Incorporated Society of British Advertising, who spoke on the European dimension of self-regulation. He was followed by Mr Gerry Donnelly of the Department of Enterprise, Trade and Employment, who spoke on the new draft consumer legislation. In the course of his address, he acknowledged the work done by ASAI in examining complaints and indicated that the work of the Authority compared favourably with that of statutory authorities carrying out similar tasks.

Industry speakers at the conference were Ms Catherine Bent, Consultant, who spoke on behalf of the Advertisers Association of Ireland, Mr John Fanning, Executive Chairman of McConnells who presented a paper in relation to the role of agencies in self-regulation, and Mr Frank Cullen of National Newspapers of Ireland, who dealt with the role of the media. All of the speakers stressed the need for their respective industry strands to co-operate proactively with all aspects of self-regulation in order to ensure that both consumers and Government can have confidence in its effectiveness.

Finally, the Chairman of ASAI, Mr Edward McCumiskey, BL, launched the revised Code. In doing so he detailed the

main areas of change and the reasons for these changes.

In concluding, Mr McCumiskey acknowledged the supportive role of the Office of the Director of Consumer Affairs over the years and, in particular, he mentioned the value to the Complaints Committee of the fact that the Director of Consumer Affairs appoints four of its eight independent members.

CODE REVIEW

In 2005, the ASAI initiated a regular five-year review of its Codes. The Authority engaged a researcher to carry out a thorough review of similar codes at home and abroad and also to consider developments generally in a range of areas, including advertising to children and the advertising of food and alcohol. This research was then independently validated by a senior academic from UCD. The new Code is an amalgamation of our two current Codes, namely the Code of Advertising Standards and the Code of Sales Promotion Practice, which is reflected in the title Code of Standards for Advertising, Promotional and Direct Marketing.

The Code was produced after an extensive exercise involving wide consultation and research. For the first time, in addition to consulting government departments and agencies, consumer groups and the advertising industry itself, there was a public consultation exercise which was widely supported by the print media. In response to the consultation, 54 submissions were received, of which 37 were from government departments or agencies and the industry. When the Code was launched, all of those who made submissions received individual responses indicating the extent to which their views had been taken on board or an explanation as to why it had not been possible to do so.

In tandem with the examination of the rules in the Codes, a review was also done of the procedures which the ASAI follows in dealing with complaints and the way it performs its role of maintaining high ethical standards in commercial advertising.

In launching the Code, the ASAI acknowledged that its work was informed and greatly assisted by the then ongoing

review of the Consolidated ICC Code for Advertising and Marketing Communications, which was launched on 28th September 2006. In particular, the ASAI recognised the work done on the ICC Code by Dr Oliver Gray, the Director General of EASA, who was co-chair of the group that produced the ICC Code.

The following have been identified by commentators and others as the significant changes introduced in the provisions of the revised ASAI Code and its procedures:

There is a new emphasis on the broad sweep of media that are subject to the provisions of the Code.

The provisions in relation to the substantiation of claims have been extended and strengthened.

The new children's section brings together in one place the essential requirements for advertising and promoting goods and services to children.

The inclusion of the new section on food advertising reflects the current concerns in society on the advertising of some food products.

A Review System for adjudications of the Complaints Committee has been introduced.

Compulsory copy advice has been introduced for persistent or serious offenders.

All parties involved in commissioning, developing and publishing marketing communications are being asked to include a responsibility clause or undertaking in their contracts, to the effect that they will comply with the revised Code of ASAI, including payment by the advertisers of the levy to the ASAI.

PUBLIC AWARENESS OF ASAI

The ASAI's effectiveness as a regulatory body depends on the wholehearted support of advertisers, agencies and the media. The ASAI, together with the Association of Advertisers in Ireland (AAI) and the Institute of Advertising Practitioners in Ireland (IAPI), is constantly working to ensure that all of those employed in the relevant

agencies and the media are aware of the ASAI and its Code. It is worth noting that, in considering the role that a system of self-regulation might play in the future regulation of advertising, a high level of public awareness of the system is considered to be of great importance by the EU Commission.

The ASAI Codes specify that they should be implemented primarily in the interests of consumers. Indeed, the main area of work of the ASAI, the examination of complaints, depends on the public being aware not only of its existence but also of its role. Consequently, public awareness of the ASAI is a vital element of its successful operation. In December 1998, the ASAI began commissioning independent research to objectively measure such awareness and this research has been conducted in December of each year since. The research has been conducted by means of an omnibus survey by an independent market research organisation.

The most recent research shows that 64% of the population is aware of an independent organisation that oversees the standards of advertising in Ireland. This reflects a basic understanding among people that when they have concerns in relation to an advertisement, published in any section of the media, they know that there is a specific organisation they can contact in order to pursue their complaint. This figure shows a continuing high level of awareness of the ASAI among the population.

The proportion of the population who recognise the name of ASAI has remained high, at 47% compared to 46% in 2005 and 41% in 2004. These figures show that overall awareness of the existence of an independent complaints system continues to grow, as does the awareness of the existence of the ASAI.

The ASAI wishes to continuously increase levels of awareness of the organisation and, in particular, of the services offered. This is done partly through the publication of the adjudications of the independent Complaints Committee, which are regularly carried in the media, in trade publications and on the ASAI website.

Satisfaction levels among consumers

For the second time, in 2006, a question was included in the annual survey in relation to satisfaction levels among consumers with the service provided by the ASAI. The response to this question showed that in excess of three-quarters of all those aware of ASAI considered that it performs in an excellent or satisfactory manner in upholding advertising standards.

ASAI website

The ASAI website was revamped in 2006. The original site was launched in 1997. The website contains general information about the ASAI and its structure.

The ASAI Code of Standards for Advertising, Promotional and Direct Marketing is available on the site and as a download. Complaints Bulletins containing the adjudications of the Complaints Committee over the previous 12 months are also published on the website.

The new site has an enhanced search facility allowing searches across the Code or across adjudications.

The on-line complaints form has been redesigned to allow complainants attach documents to their complaint; this facility streamlines the complaints process for both complainants and the ASAI Secretariat.

A further enhancement is the facility for interested parties to sign up for our mailing list. A Members area is currently being developed which will contain adjudications older than 12 months and also advice notes to members on Code implementation.

COPY ADVICE

The ASAI's principal activity is resolving consumer complaints. However, it also provides a valuable copy advice service which is available to all those involved with advertising – advertisers, their agencies and the media.

During 2006, 101 advertisements were submitted to the ASAI Secretariat in this way. Informal advice was also given in respect of a further 100 proposed advertisements. The advice is free and given on a confidential basis but does not bind the independent Complaints Committee, should the

advertisement subsequently come before them. It is the case, however, that where the service has been availed of, advertisements are less likely to contravene the Code in any substantial way.

MONITORING

In previous years, the extent of the monitoring of advertising carried out by the ASAI was limited. It normally involved periodic monitoring of specific areas of advertising where concerns had been raised by the Complaints Committee or the Board of the ASAI. Areas examined included travel advertising and the size and clarity of “small print”, particularly in poster or print advertising.

Developments in the EU, however, in relation to the recognition of self-regulation in advertising, in which the ASAI is involved through its membership of EASA, are driving forward the agenda for the development of national self-regulatory bodies. While, as stated in the section on EASA, ASAI is one of the more developed regulatory organisations in Europe, monitoring of advertisements by ASAI was identified as an area which could be improved upon. A programme of monitoring has been devised with specific objectives and these were originally set out in the report for 2005.

This programme of monitoring commenced in late 2006.

ALCOHOL ADVERTISING

2006 saw a continued reduction in the numbers of complaints made, under the provisions of the ASAI Codes, in relation to advertisements for alcohol, both on general grounds and specifically in relation to the alcohol rules of the Code. In 2006, 16 complaints were received in relation to the general provisions of the Code, a reduction on the figure of 26 in 2005. This trend had commenced in 2003 with the introduction of Central Copy Clearance Ireland (CCCI), a pre-vetting service, for all alcohol advertisements. With the introduction of this service, under the auspices of the AAI and IAPI, facilitated by the Drinks Industry Group, no advertisement could henceforth appear in the Irish media without pre-vetting and a certificate from CCCI.

As already indicated, the overall number of complaints received concerning alcohol advertisements in 2006 was 16 and only six required investigation. As in 2005, no alcohol advertisement was found to be in breach of the ASAI Codes in 2006.

A further significant development in relation to alcohol advertising and self-regulation, first referred to in the 2005 report, took place at the end of 2005. The new Alcohol Marketing Communications Monitoring Body was established to monitor industry compliance with new voluntary codes of practice in relation to the possible exposure of young people to alcohol. This initiative was launched by the Minister for Health and Children, Mary Harney, TD, in December 2005.

The Monitoring Body, with an independent chairman, Mr Peter Cassells, Chair of the National Centre for Partnership and Performance, oversees adherence to the Voluntary Codes of Practice agreed between the Department of Health and Children and representatives of the advertising, drinks and media communications industries. Secretarial services for the Body are provided by ASAI. The ASAI also examined complaints arising under the voluntary codes.

The new Monitoring Body has access to and reviews data from the ASAI, CCCI, AC Nielson, Joint National Listenership Research (JNLR) and Irish Film Censor Reports (cinema). In addition, the Body can commission

independent research across all media to assess adherence to the Code. This research will be funded by the Department of Health and Children. The body will produce its first report for 2006 but the figures relating to complaints examined by ASAI, on their behalf, are included in Appendix A at page 49.

WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT (WEEE) REGULATIONS

In 2006, the ASAI acceded to a request from the Environmental Protection Agency (EPA) to examine complaints in relation to advertising for electrical and electronic equipment which is subject to the new Regulations. In 2006, 12 complaints were forwarded to the ASAI by the EPA and all were settled informally, on receipt of assurances of full compliance with the Regulations in all future advertising from the retailers involved.

In many cases the complaints arose due to a lack of understanding of the Regulations and the extent to which they need to be applied. During 2007, this area of advertising will be included in our monitoring programme.

EUROPEAN ADVERTISING STANDARDS ALLIANCE

Set up in 1992, the European Advertising Standards Alliance (EASA) is the single voice for advertising self-regulation in Europe. EASA promotes responsible advertising through best practice in self-regulation for the benefit of consumers and business. Its work is vital to the continuation of advertising self-regulation. The ASAI is closely involved through participation on various EASA committees.

EASA is uniquely placed to represent advertising self-regulation at European level. Its members are 27 self-regulatory organisations (SROs) and European associations representing the advertising business – advertisers, agencies and the media.

EASA's objectives are five-fold:

1. to promote and support self-regulation
2. to develop and promote best practice
3. to manage cross-border complaints
4. to provide information and research
5. to promote convergence amongst national self-regulatory systems.

Since June 2004, EASA and its members have been involved in an intensive "Get Fit Programme" to ensure that SROs across Europe, particularly in new Member States, are implementing the agreed Charter Principles of comprehensive coverage; adequate funding; the scope of the codes; consultation; stakeholder involvement; complaint handling; advice and training; sanctions; and consumer awareness.

A variety of initiatives and programmes are being conducted by EASA staff and members of its Executive Committee in areas of information and training in order to achieve the foregoing.

Probably the most significant EASA development in 2006 was the publication of a personal report by Mr Robert Madelin, the Director General of DG Sanco. In this report Mr Madelin indicated his hope "That this report will provide a useful input to ongoing reflection across the EU regarding self-regulation. This is not so much a debate about self-regulation against hard law, but rather a debate about how law and self-regulation should interact in Modern Europe."

EASA and DG Sanco are currently discussing how this process will be moved forward with the other EU directorates and all other interested parties, including NGOs.

In another area of importance for EASA and its members, the European Parliament adopted its report on the first reading of the Audiovisual Media Services Directive (formerly the Television without Frontiers Directive).

Based on this report, Member States will be asked to encourage self- and co-regulation on the basis that it will be acceptable to the main stakeholders at national level as

a means of providing effective enforcement. In addition, existing definitions of self- and co-regulation in the Inter-Institutional Agreement will be changed to reflect the existing models of self- and co-regulation.

While the outcome of the Parliament decision is positive for self- and co-regulation, there will be a further reading in Parliament after the Commission establishes its position, which will probably be in May 2007.

The ASAI is one of the more well developed self-regulatory organisations in Europe. This is particularly so when one has regard for the size and resources of the organisation (six staff and a budget of 0.63 million euro). Despite this, we still have work to do to meet all of the targets set by EASA. As already indicated, our monitoring project commenced in 2006 and with the introduction of the revised Code in January 2007 our Review System is being introduced. Details of the Review System are set out in Appendix I of the Code.

During 2007, the ASAI intends to enhance its service through the introduction of performance standards for all aspects of its work. Details of compliance with the new standards will be published in future reports. This innovation will be supported by the introduction of a new case management system and some additional case work capacity.

COMPLAINTS

During 2006, the ASAI received 1,382 formal written complaints in relation to 1,002 advertisements from all sources. This level of complaints shows a small decrease over the figure of 1,421 complaints received in 2005, which related to 898 advertisements. While the number of advertisements complained of rose by 104, from 898 to 1,002, this is still an infinitesimal proportion of the

thousands of advertisements that were published during the year in all Irish media – TV, radio, newspapers, magazines, outdoor arena, brochures, leaflets and paid-for advertising on the Internet. There were 160 complaints carried forward from 2005. In 2006, the ASAI dealt with 1,366 complaints, leaving 176 to be carried forward to 2007. Comparisons with the previous year are as follows:

	2006		2005	
	Complaints	Advertisements	Complaints	Advertisements
Carried over	160	139	97	76
Received	1,382	1,002	1,421	898
Dealt with	1,366	994	1,358	835
Carried forward	176	147	160	139

How complaints are dealt with

After an initial evaluation and investigation where appropriate, complaints are either dealt with informally by the Secretariat or they are submitted to the independent Complaints Committee for formal adjudication. The decision on how the complaint will be processed depends on whether or not it is likely to be in breach of the

provisions of the Codes. Most complaints are suitable for dealing with informally, using well established procedures. The following table sets out the various headings under which they were dealt with; it also gives details on the numbers of complaints sent to the independent Complaints Committee for formal adjudication.

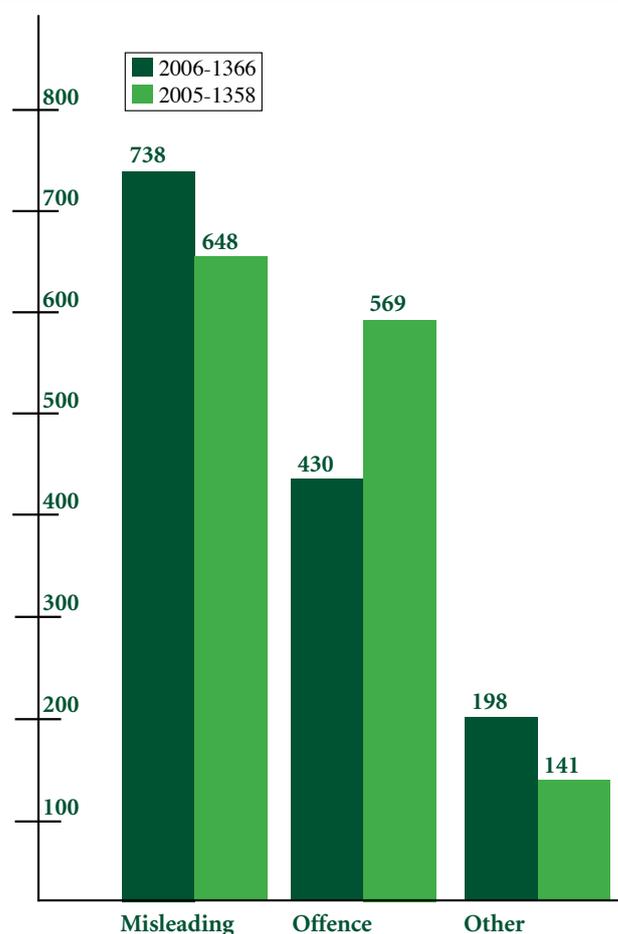
Please see the table overleaf

	2006		2005	
	Complaints	Advertisements	Complaints	Advertisements
No apparent breach of Codes	531	447	548	432
Outside remit of ASAI	265	224	240	189
Complaint withdrawn	105	98	83	67
Advertisement withdrawn or changed	8	8	11	6
Anonymous complaint	5	5	1	1
Pursued by other regulatory body	1	1	7	6
Previously considered	27	12	22	9
Cross-Border - forwarded to EASA	21	9	15	7
Submitted to Complaints Committee	403	190	431	118
TOTAL	1366	994	1358	835

Thus, in 2006, while there were just eight more complaints dealt with, the number of advertisements dealt with increased by 159 due to the varying number of complaints per advertisement. Further details on the complaints dealt with by the independent Complaints Committee are set out in the section of this report devoted to the Complaints Committee.

Grounds of Complaint

Each year the two principal grounds of complaint are that an advertisement either appears to be misleading or it causes offence. In 2006, complaints made on the grounds of advertisements being misleading still constituted the largest category of complaints received. There was a reasonable reduction in the number of complaints received based on offensiveness. In this category the numbers reduced from 569 to 430.



Misleading

The 738 complaints dealt with in 2006 were in respect of 640 advertisements and sales promotions in various media. In 2005 the 648 complaints received under this heading were in respect of 549 advertisements and sales promotions.

Offensiveness

The 430 complaints dealt with in 2006 were in respect of 196 advertisements, compared to 569 complaints in respect of 183 advertisements in 2005. The reduction in the number of complaints received in this category was due to substantial numbers of complaints received in 2005 in relation to a small number of advertisements. While the increase in the number of advertisements complained of is not significant, one industry speaker at the October Conference was highly critical of agencies or advertisers who used potentially offensive advertising to gain attention for their products. The Authority’s concern with even a small number of advertisements sometimes giving rise to a large number of complaints has been reflected in the introduction of the Compulsory Copy Advice requirement for advertisers “whose marketing communications persistently and/or gravely breach the Code”.

Intra-Industry Complaints

Advertisements must not only be legal, decent, honest and truthful, but must also respect the principles of fair competition generally accepted in business. Section 2.50 of the ASAI Code states that “advertisers should not unfairly attack or discredit other businesses or their products”. While comparisons are allowed (for example, between an advertiser’s goods or services and those of competitors), they must be fair and the consumer must not be misled. Generally, competitor complaints are made under the Code rules relating to substantiation, truthfulness, prices, comparisons and denigration. Of the 72 competitor complaints dealt with in 2006, 15 (in respect of 14 advertisements) were formally adjudicated upon by the Complaints Committee; 12 complaints in respect of 11 advertisements were found to have breached Code rules.

The advertisements concerned were examined under the following code provisions:

Substantiation	4 advertisements
Decency	1 advertisement
Misleading	4 advertisements
Comparisons	2 advertisements

	Complaints by Sector	
	2006	2005
Computers/Telecommunications	270	244
Food and Beverages	265	196
Travel/Holidays	124	142
Publishing	86	53
Financial	79	50
Household	76	57
Motoring	70	78
Health and Beauty	61	77
Non-Commercial	61	34
Property	59	31
Leisure	56	221
Business	45	44
Miscellaneous	27	39
TV/Audio/Video	22	15
Clothing/Footwear	20	19
Alcohol	16	26
Education	15	24
Employment/Business Opportunities	10	8
Agriculture	4	-
TOTAL	1366	1358

In 2006, as in 2005, the Computers/Telecommunications sector headed the list. The Food and Beverages sector rose from the third most-complained of sector in 2005 to the second in 2006. This was accounted for by a small number of advertisements for snack foods which attracted a large number of complaints on grounds of offence. Travel and Holidays was the third most-complained of sector.

Complaints by Media		
	2006	2005
Broadcast*	428	411
Brochures/Leaflet	109	99
Direct Marketing	33	27
Electronic Media	170	114
Outdoor	299	302
Print	218	248
Sales Promotions	37	40
Other	72	117
TOTALS	1366	1358
*Broadcast	428	411
Radio	200	145
Television	228	266

Broadcast media again gave rise to the largest block of complaints and, at 31%, was of a similar level to 2005. This was followed in 2006 by complaints about outdoor advertisements at 22% and print media at 16%. Interestingly, complaints about electronic media have increased from 8% to 12% of the total number of complaints received.

Location of Complaints

Counties recording the highest number of complaints are shown in the following table:

County	Number of Complaints
Dublin	698
Cork	104
Kildare	68
Limerick	60
Wicklow	52
Meath	50
Wexford	39
Galway	39

Although the number of complaints received from consumers in Dublin would appear to indicate a higher awareness of the ASAI in Dublin than in the rest of the country, this is not the case. The consumer awareness research referred to earlier in this report shows that the awareness of ASAI is uniformly high throughout the country.

25th Annual General Meeting 2006

26th April 2006



Colm Dennehy – Deloitte & Touche, Steve Shanahan – Agency Board Member and Brian Murphy – Irish Pharmaceutical Healthcare Association



Catherine Lenihan – Office of the Director of Consumer Affairs, Bairbre Redmond – Complaints Committee Chairperson, Jo Garry, Garret Campbell and Mary McLoughlin, Complaints Committee Members.



Frank Goodman – Chief Executive ASAI and Edward McCumiskey – Chairman ASAI with Ciaran ó hÓbáin, Department of Communications, Marine and Natural Resources (centre).



Michael Higgins – Complaints Committee Member, Edward McCumiskey – Chairman ASAI, Hilary Souter – ASA New Zealand and Michael Caraher – Advertiser Board Member.



Michael O’Keeffe – Complaints Committee Member and Chief Executive of the Broadcasting Commission of Ireland, Pat Breen – REGTEL and Declan Maguire – Media Board Member.



Presentation to Carmel Foley, outgoing Director of Consumer Affairs by Edward McCumiskey, Chairman, ASAI.

ASAI Anniversary Dinner

ASAI Dinner held to celebrate 25 years
of advertising self-regulation in Ireland.
RDS Minerva Suite, 12th October 2006.



Edward McCumiskey – Chairman ASAI, Bairbre Redmond – Complaints Committee Chairperson and Jean-Pierre Teyssier – Chairman EASA.



Jean-Pierre Teyssier – Chairman EASA, Edward McCumiskey – Chairman ASAI, Dermott Jewel – Consumers Association of Ireland, Oliver Grey – Director General EASA and Frank Goodman – Chief Executive ASAI.



Frank Cullen – Director, National Newspapers of Ireland, AnneMarie Lenihan – Complaints Committee Member and Brendan McCabe – Media Board Member.



Michael Caraher – Advertiser Board Member, Grace Aungier – Periodical Publishers Association of Ireland, Peter Feeney – RTE, Helen Marks – Vodafone and John McGrath – Advertiser Board Member and President, Association of Advertisers in Ireland.



Presentation to Jean-Pierre Teyssier, Chairman, EASA by Edward McCumiskey, Chairman, ASAI, at the ASAI Anniversary Dinner.



ASAI Staff: Mairead Collins, Orla Twomey, Frank Goodman, Seona Parker and Gemma Kinsella.

**ASAI 25th Anniversary
Conference: Self-Regulation and
Legislation: The Balance.**

Merrion Room, RDS, 11th October 2006.

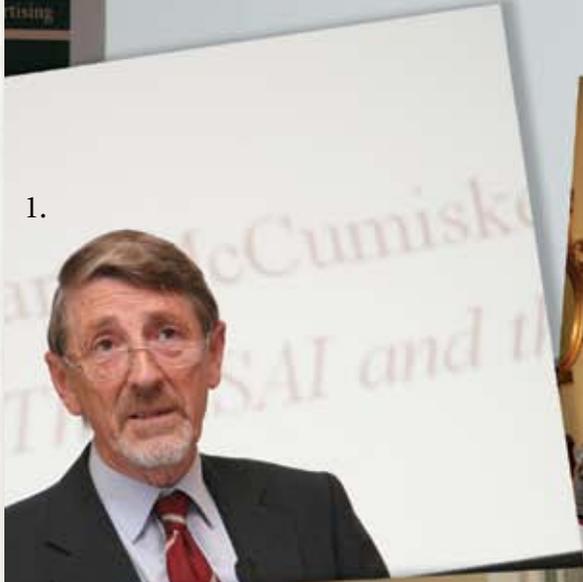
1. Edward McCumiskey, Chairman ASAI, launches the revised Code of Standards for Advertising, Promotional and Direct Marketing.

2. Speakers at the conference were: (Standing l-r): Frank Cullen – National Newspapers of Ireland, Edward McCumiskey – Chairman ASAI, Malcolm Earnshaw – Incorporated Society of British Advertising, John Fanning – McConnells Advertising.

(Seated l-r): Gerry Donnelly – Department of Enterprise, Trade and Employment and Catherine Bent – Consultant.

3: Conference Chair, Miriam O'Callaghan – RTE and Frank Goodman – Chief Executive ASAI.

4: Miriam O'Callaghan – Conference Chair, addresses the attendees.





Advertising Standards Authority for Ireland

ASAI

THE COMPLAINTS COMMITTEE





Bairbre Redmond, Chairperson,
Complaints Committee.

CHAIRPERSON'S STATEMENT

I have great pleasure in presenting my third report as the independent Chairperson of the Complaints Committee. While the number of advertisements considered by the Committee rose from 118 in 2005 to 191 in 2006, this was primarily as a result of an increase in the number of advertisements brought to the attention of the Authority by members of the public. One of the factors that influenced this increase is, I believe, the continuing high level of awareness among the general public about the role of ASAI.

The Committee is a mix of members; some have a background in the advertising industry and others, who form the majority, have not. One of the strengths of the Committee is that four of the non-industry members have been nominated by the Director of Consumer Affairs. We look forward to continuing our strong relationship with that Office, which will become part of the National Consumer Agency.

Finally, I would like to thank all the individual members of the Committee and the Secretariat of the ASAI for their work and support in the last year.

Bairbre Redmond
Chairperson
Complaints Committee

THE COMPLAINTS COMMITTEE DECEMBER 2006



Bairbre Redmond

Chairperson

*MSoc Sc, CQSN, PhD.
Vice Principal, College of
Human Sciences, UCD.*

The Complaints Committee is responsible for considering and dealing with complaints submitted by the public, by a member of ASAI, by a government department or by any other person or body of persons.



AnneMarie Lenihan

(Advertising-Industry
Background)

*Communications and Public Affairs
Manager, National Newspapers of
Ireland.*



Brian Martin

(Advertising-Industry
Background)

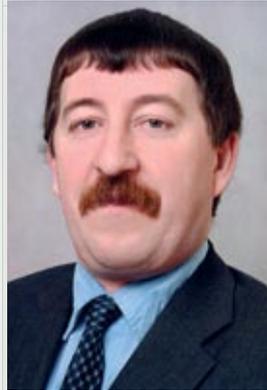
*Copywriter and Lecturer in Advertising
Communications.*



Margaret Beaumont

(Non-Advertising-Industry
Background)

*BSS, MA, MSc, CQSW, Psychotherapist
and Training Consultant*



Tom Morgan

(Non-Advertising-Industry
Background)

*Senior Investigator, Office of the
Ombudsman*



Michael Higgins

(Advertising-Industry
Background)

*Chartered Engineer, BE, BComm, MBA,
CEng, FIEI, FIAE
Past President, The Association of
Advertisers in Ireland*



Bill Moss

(Advertising-Industry
Background)

*Managing Director, The Bill Moss
Partnership*

NOMINATED BY THE DIRECTOR OF
CONSUMER AFFAIRS



Michael O'Keeffe
(Non-Advertising-Industry
Background)
*Chief Executive, Broadcasting
Commission of Ireland*



Josephine Garry
(Non-Advertising-Industry
Background)
Consumer



Brian Pierce
(Advertising-Industry
Background)
*Former Manager RTE Radio Sales and
former Chairman of the RTE Copy
Clearance Committee.*



Garret Campbell
(Non-Advertising-Industry
Background)
*BSc, PhD, HDip, Secondary School Teach-
er and part time lecturer in the School of
Education and Lifelong Learning UCD*



Dave Smyth
(Advertising-Industry
Background)
Director, OgilvyOne



Leonie Lunny
(Non-Advertising-Industry
Background)
Chief Executive, Comhairle



Mary McLoughlin
(Non-Advertising-Industry
Background)
*Senior Civil Servant, Department of
Health and Children.*

The role of the independent Complaints Committee is:

- (a) To consider and adjudicate on complaints submitted by the public, by a Member of ASAI, by a government department or by any other person or body of persons, in the light of the ASAI Code;
- (b) To initiate corrective action where necessary and to issue appropriate directives;
- (c) To notify the Board of ASAI when the corrective action or directive is not complied with or is ignored.

The Complaints Committee may vary in size from 11 to 15 members, including the independent Chairperson. It comprises people with a background in advertising and others with no connection with the industry. Among the latter are four nominees of the Director of Consumer Affairs. The composition of the Complaints Committee is designed to ensure the objectivity of the complaints investigation procedure and to provide assurances that the system is operated with special regard for the interests of consumers. The members of the Committee act in an individual capacity and consider each case put before them on its particular merits in the light of the requirements of the Code of Advertising Standards and the Code of Sales

Promotion Practice.

While the Secretariat of the ASAI may resolve cases informally when the circumstances do not justify or require referral to the Complaints Committee, the Committee retains the right to review any of these cases and to request that it be put before them for adjudication.

During 2006, the Director of Consumer Affairs nominated Dr Garret Campbell, a secondary school teacher, to fill a vacancy. In addition, Mr Dave Smyth was nominated to fill a Media Member vacancy arising from the resignation of Ms Emer McLeavey earlier in the year. These nominations restored the composition of the Committee to 14 members, comprising eight laypersons, including the Chairperson, and six members with an industry background.

The Complaints Committee met formally eight times during 2006. The Committee's adjudications are published regularly in the media and are posted on the ASAI website. The following tables relate to the formal adjudications of the Committee during the year under review.

Analysis of Adjudications by the Complaints Committee in 2006 and 2005

(Where complaints and advertisements relate to more than one heading, only the most significant heading is usually recorded. The figures relate to adjudications made during the year.)

Table 1 - Adjudications by Grounds of Complaint

Grounds of Complaint	2006			2005		
	Complaints	Advertisements complained about	Advertisements in breach of Codes	Complaints	Advertisements complained about	Advertisements in breach of Codes
Misleading	187	128	112	120	80	73
Offensive	153	18	11	283	16	12
Other	63	44	24	28	22	22
	403	190	147	431	118	107

Table 2 - Adjudications by Media

Media	2006			2005		
	Complaints	Advertisements complained about	Advertisements in breach of Codes	Complaints	Advertisements complained about	Advertisements in breach of Codes
Broadcast*	98	55	35	102	37	31
Brochures/Leaflet	31	29	25	16	13	13
Direct Marketing	5	5	3	2	2	2
Electronic/Internet	22	20	19	2	2	2
Outdoor	160	27	17	230	14	12
Print (Press & Magazine)	49	39	33	63	38	35
Sales Promotion	9	9	9	7	7	7
Other	29	6	6	9	5	5
	403	190	147	431	118	107
*Broadcast	98	55	35	102	37	31
Radio	52	29	20	41	18	15
Television	46	26	15	61	19	16

Table 3 - Adjudications by Sector

	2006			2005		
	Complaints	Advertisements complained about	Advertisements in breach of Codes	Complaints	Advertisements complained about	Advertisements in breach of Codes
Agriculture	1	1	1	0	0	0
Alcohol	8	6	0	0	0	0
Business	5	4	4	9	2	2
Clothing/Footwear	4	1	0	1	1	1
Computers/ Telecommunications	82	33	24	60	23	22
Education	8	3	3	0	0	0
Employment/ Business Opportunities	1	1	1	1	1	1
Financial	10	8	4	4	3	3
Food and Beverages	141	23	16	99	16	13
Health and Beauty	18	10	8	21	10	9
Household	17	15	15	7	6	5
Leisure	8	5	4	161	11	11
Motoring	22	18	13	15	10	8
Non-Commercial	0	0	0	2	2	2
Property	22	19	17	4	4	3
Publishing	25	13	11	10	5	5
Travel/Holidays	28	27	25	33	20	18
TV/Audio/Video	1	1	0	2	2	2
Miscellaneous	2	2	1	2	2	2
TOTAL	403	190	147	431	118	107



Advertising Standards Authority for Ireland

ASAI

REPORTS AND FINANCIAL STATEMENTS

DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS

Edward McCumiskey (Chairman)
Jennifer Balfe
Catherine Bent
Terry Buckley
Eamonn Buttle
Michael Caraher
Kieran Killeen
Shane Lynch
Brendan McCabe
John McGrath
Declan McGuire
Paul Mulligan
Ruth Payne
Stephen Shanahan
Yvonne Tuohy

SECRETARY

Frank Goodman

REGISTERED OFFICE

30 Herbert Street
Dublin 2

SOLICITORS

Matheson Ormsby Prentice
30 Herbert Street
Dublin 2

AUDITORS

Deloitte & Touche
Chartered Accountants
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

BANKERS

Ulster Bank Ireland Limited
31/33 College Green
Dublin 2

DIRECTORS' REPORT

The Board of Directors present their annual report and financial statements for the year ended 31 December 2006.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Authority is engaged in promoting and enforcing the highest standards of advertising in all media of communication.

The future financial performance of the Authority relies primarily on a strong performance from the advertising industry.

RESULTS

2006
€

The deficit for the year before taxation amounted to	(12,468)
Taxation	-
The deficit for the year after taxation amounted to	(12,468)
Surplus brought forward 1 January 2006	319,859
Surplus carried forward 31 December 2006	<u>307,391</u>

BOARD OF DIRECTORS

The Board of Directors is set out on the page detailing directors and other information.

BOOKS OF ACCOUNT

To ensure that proper books and accounting records are kept in accordance with Section 202 Companies Act, 1990, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are located at the company's premises at 35/39 Shelbourne Road, Dublin 4.

AUDITORS

The auditors, Deloitte & Touche, Chartered Accountants, continue in office in accordance with Section 160 (2) of the Companies Act, 1963.

Signed on behalf of the Board:

Edward McCumiskey
CHAIRMAN

Stephen Shanahan
DIRECTOR

Date: 14th February 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Irish company law requires the directors to prepare financial statements for each financial year which 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 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 the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2006, as applicable to companies limited by guarantee not trading for profit. 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 AUDITORS' REPORT TO THE MEMBERS OF ADVERTISING STANDARDS AUTHORITY FOR IRELAND

(a company limited by guarantee and not having a share capital)

We have audited the financial statements of Advertising Standards Authority for Ireland for the year ended 31 December 2006, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act 1990. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the financial statements, as set out in the Statement of Directors' Responsibilities in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditors, is to audit the financial statements in accordance with relevant legal and 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, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2006, as applicable

to companies limited by guarantee not trading for profit. We also report to you whether in our opinion: proper books of account have been kept by the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the company's balance sheet and profit and loss account are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of audit 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 the company'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 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 Generally Accepted Accounting Practice in Ireland, of the state of affairs of the company as at 31 December 2006 and of its deficit for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2006, as applicable to companies limited by guarantee not trading for profit.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The company's balance sheet and its profit and loss account are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

DELOITTE & TOUCHE
Chartered Accountants and Registered Auditors
Dublin

Date: 14th February 2007

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 €	2005 €
SUBSCRIPTION INCOME		<u>607,374</u>	<u>557,652</u>
(DEFICIT)/SURPLUS FOR THE YEAR BEFORE TAXATION	3	(12,468)	53,978
Taxation	4	-	(7,702)
(DEFICIT)/SURPLUS FOR THE YEAR AFTER TAXATION	7	<u>(12,468)</u>	<u>46,276</u>

All recognised gains and losses have been reflected in the above profit and loss account and arise from continuing operations.

The financial statements were approved by the Board of Directors on 14th February 2007 and signed on its behalf by:

Edward McCumiskey
CHAIRMAN

Stephen Shanahan
DIRECTOR

BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 €	2005 €
FIXED ASSETS	5	<u>41,893</u>	<u>31,080</u>
CURRENT ASSETS			
Debtors and prepayments		42,264	37,301
Bank and cash balances		<u>282,589</u>	<u>311,331</u>
		324,853	348,632
CREDITORS AND ACCRUALS (Falling due within one year)	6	(59,355)	(59,853)
NET CURRENT ASSETS		<u>265,498</u>	<u>288,779</u>
NET ASSETS		<u><u>307,391</u></u>	<u><u>319,859</u></u>
REPRESENTED BY:			
Profit and loss account	7	<u><u>307,391</u></u>	<u><u>319,859</u></u>

The financial statements were approved by the Board of Directors on 14th February 2007 and signed on its behalf by:

Edward McCumiskey
CHAIRMAN

Stephen Shanahan
DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 €	2005 €
Net cash inflow from operating activities (see below)		12,094	69,715
Corporation tax paid		(15,501)	(984)
Purchase of capital equipment		(25,335)	(1,709)
(Decrease)/increase in cash and bank balances	8	<u>(28,742)</u>	<u>67,022</u>

RECONCILIATION OF OPERATING (DEFICIT)/SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2006 €	2005 €
Operating (deficit)/surplus	(12,468)	53,978
Depreciation charge	14,522	18,381
Increase in debtors and prepayments	(4,963)	(3,721)
Increase in creditors and accruals	15,003	1,077
Net cash inflow from operating activities	<u>12,094</u>	<u>69,715</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1. ACCOUNTING POLICIES

The significant accounting policies adopted in preparing these financial statements are as follows:-

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute, as applicable to companies limited by guarantee not trading for profit, comprising the Companies Acts, 1963 to 2006.

Recognition of income

The Authority's principal source of income is subscriptions from advertisers. The Authority is dependent on advertising agencies for collection of this income and recognises the income when received from those agencies. All other income is accounted for on a receivable basis.

Depreciation

Computer and office equipment are depreciated at 20% per annum on cost.

2. CONSTITUTION

The company is limited by guarantee and does not have a share capital. Every member of the Authority undertakes, if necessary on a winding up during the time they are a member or within one year after they cease to be a member, to contribute to the assets of the Authority an amount not exceeding €1.27.

The Authority is prohibited by its constitution from distributing any of its reserves by way of a dividend or otherwise to its members.

3. (DEFICIT)/SURPLUS FOR THE YEAR BEFORE TAXATION

	2006 €	2005 €
(Deficit)/surplus for the year before taxation is stated after charging:		
Directors' remuneration:		
Fees	27,687	27,618
Depreciation	14,522	18,381
Auditors' remuneration	4,000	3,800
	<u>8,104</u>	<u>6,285</u>
and after crediting:		
Deposit interest receivable	<u>8,104</u>	<u>6,285</u>

4. TAXATION

	2006 €	2005 €
(a) Analysis on the tax charge for the year: The taxation charge on the (deficit)/surplus on ordinary activities for the year was as follows:		
Corporation tax on the (deficit)/surplus for the year	-	7,999
Overprovision of tax in previous year	-	(297)
	<u>-</u>	<u>7,702</u>
(b) Factors affecting the charge for the year:		
(Deficit)/surplus on ordinary activities before taxation	<u>(12,468)</u>	<u>53,978</u>
(Deficit)/surplus on ordinary activities multiplied by standard rate of tax in Ireland of 12.5% (2005: 12.5%).	(1,558)	6,747
Effects of:		
Expenses not deductible for tax purposes	100	79
Depreciation for the year in excess of capital allowances	373	388
Deposit interest, liable at a higher rate of tax	1,013	785
Utilisation of tax losses	72	-
Current tax charge for the year	<u>-</u>	<u>7,999</u>

5. FIXED ASSETS

	Computer equipment €	Office equipment €	Total €
Cost:			
Balance 1 January 2006	67,273	116,208	183,481
Additions in year	19,129	6,206	25,335
Balance 31 December 2006	<u>86,402</u>	<u>122,414</u>	<u>208,816</u>
Depreciation:			
Balance 1 January 2006	50,518	101,883	152,401
Charge for the year	8,334	6,188	14,522
Balance 31 December 2006	<u>58,852</u>	<u>108,071</u>	<u>166,923</u>
Net book value:			
31 December 2006	<u>27,550</u>	<u>14,343</u>	<u>41,893</u>
31 December 2005	<u>16,755</u>	<u>14,325</u>	<u>31,080</u>

6. CREDITORS AND ACCRUALS

(Falling due within one year)

	2006 €	2005 €
Creditors and accruals	58,155	42,085
Corporation Tax	(7,999)	7,502
PAYE/PRSI	9,199	10,266
	<u>59,355</u>	<u>59,853</u>

7. PROFIT AND LOSS ACCOUNT

	2006 €	2005 €
Balance 1 January 2006	319,859	273,583
(Deficit)/surplus for the year	(12,468)	46,276
Balance 31 December 2006	<u>307,391</u>	<u>319,859</u>

8. CASH FLOW STATEMENT

	2006 €	2005 €
Analysis of changes in cash and bank during the year:		
Balance 1 January 2006	311,331	244,309
Net cash (outflow)/inflow	(28,742)	67,022
Balance 31 December 2006	<u>282,589</u>	<u>311,331</u>

9. RELATED PARTY TRANSACTIONS

Certain board members are connected to organisations which contribute income to the Authority in the normal course of their business.

10. PENSION

The Authority contributes to a Personal Retirement Saving Account (PRSA) in respect of certain employees.

OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 €	2005 €
INCOME		
Subscriptions - Advertiser members	554,550	517,604
- Media / agencies	35,749	34,198
Consultancy	17,075	5,850
	<hr/>	<hr/>
Deposit interest receivable	607,374 8,104	557,652 6,285
	<hr/>	<hr/>
	615,478	563,937
EXPENDITURE		
Rent, rates and service charges	81,351	76,158
Repairs and renewals	2,782	2,682
Insurances	17,063	18,039
Salaries	314,097	277,311
Staff training	3,773	2,637
Printing and stationery	29,389	5,646
Publications	3,882	4,793
Production costs of annual report	6,683	8,000
Advertising, promotions and public relations	56,730	34,277
Telephone and postage	17,724	14,349
Travel and subsistence	16,839	18,506
Audit and accountancy	11,963	8,863
Computer running costs	7,963	8,011
Legal and consultancy	34,460	10,136
Sundry expenses	8,725	2,170
Depreciation: Fixed assets	14,522	18,381
	<hr/>	<hr/>
	627,946	509,959
 (DEFICIT)/SURPLUS FOR THE YEAR BEFORE TAXATION	 <hr/> (12,468)	 <hr/> 53,978

Note:

The supplementary information set out above is not covered by the Independent Auditors Report



APPENDIX A

Complaints made under the voluntary alcohol codes for placement in tv, cinema, outdoor and radio 2006

Table 1 - Complaints by Media

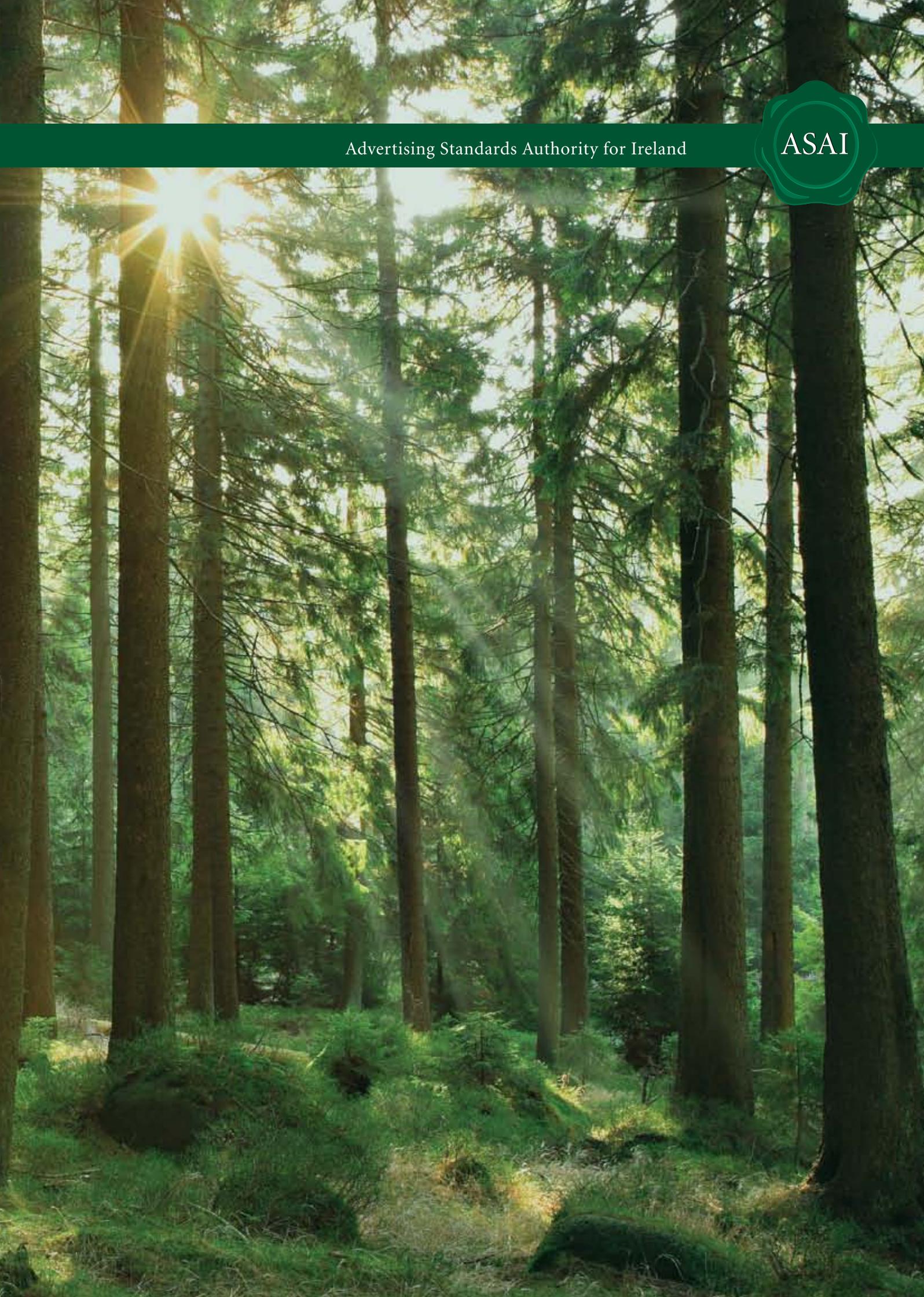
Media	Complaints received during 2006	Complaints resolved during 2006	Carried forward to 2007
Posters	15	13	2
Television	49	42	7
	64	55	9

Table 2 - Complaints Resolved

Voluntary Code Provision	Complaints	In breach	Not in breach
Poster - Distance from school	9	0	9
Poster - Wraparound	4	0	4
TV - 33% profile	42	1	41
	55	1	54

Advertising Standards Authority for Ireland

ASAI



Advertising Standards Authority for Ireland
35-39 Shelbourne Road,
Dublin 4

Tel: (01) 660 8766

Fax: (01) 660 8113

Email: standards@asai.ie

Or visit our website at www.asai.ie