

Setting Standards for 25 years



Advertising Standards Authority for Ireland

ASAI

Annual Report

25th Annual Report and
Financial Statements 2005



The Official Heraldic Achievement of ASAI

The coat of arms or official heraldic achievement of the Advertising Standards Authority for Ireland was granted by the 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 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

I am pleased to present the 25th Annual Report of the Advertising Standards Authority for Ireland (ASAI).

I must begin by paying tribute to the late J.P. Cusack who served the Authority as a media member of our Board for many years. The experience, enthusiasm and courtesy that J.P. brought to his position contributed greatly to our deliberations and made him a firm favourite of us all. He will be sadly missed.

Last year saw a substantial rise in the workload of the Authority which arose mainly because a very few advertisements attracted a large number of complaints, rather than from a general dissatisfaction with the quality of advertising. In fact, when account is taken of the general buoyancy in advertising spend, the increase in the number of advertisements complained of was not significant.

The regulation of the advertising of alcohol has seen many significant developments in recent years and these have been reported on in earlier reports. As part of this ongoing process, a new Alcohol Marketing Communications Monitoring Body has been established by the Department of Health and Children to ensure compliance with voluntary codes and the ASAI was pleased to accept an invitation to provide a base and secretarial services for this body. This recognition during the year by the Department of the role of self-regulation in controlling the exposure of young people to alcohol advertising was particularly welcome.

On a negative note, as referred to above, a small number of advertisements attracted relatively high numbers of complaints on the grounds of offensiveness. Both the Complaints Committee and the Board of the Authority were concerned at the potential damage that could be caused to the system of self-regulation by very clear breaches of the Codes. Those concerns were clearly communicated to those involved in the preparation and publication of the advertisements. Arising from these developments the question of appropriate sanctions for serious breaches of the Codes is being carefully examined as part of the ongoing review of our Codes.

During 2005 the Authority commenced a thorough review of our Codes. While we have always consulted widely in the past as part of the review process, this time we included a public consultation element. I am glad to say that the response was very positive and will benefit the revised Codes, which we plan to launch in October 2006. Our work in the review will also benefit from similar work being undertaken on the International Chamber of Commerce Codes and codes in other jurisdictions.

The financial report for 2005 shows a very favourable outcome which reflects the continuing support of advertisers, agencies and the media for ASAI. Our plans to extend our services into new areas, such as monitoring will require the continued and indeed increased support of these bodies. With this in mind, I will be continuing my programme of visits to agencies in 2006.

There are some encouraging developments at the European level in relation to the use of advertising self-regulation or co-regulation. Currently the most positive is the series of Round Table discussions between the European Advertising Standards Alliance, non-government organisations and the EU Commission. This process, due to be concluded in May 2006, is expected to bring a level of recognition of advertising self and co-regulation by the EU Commission to be communicated by the Commission to Member States. More specifically, in the course of the review of the “Television without Frontiers (TVWF) Directive”, (to be called “The Audiovisual Media Directive”), EU Commissioner Reding, who has responsibility for the Directive, is on record as supporting self- and co-regulation.

The Broadcast Commission of Ireland, recently announced a review of its general code to be published at the end of 2006. In my report of 2004, I expressed concern about their arrangements for the examination of complaints in relation to broadcast advertising which served to duplicate the existing and long standing system operated by our Authority. These were also in direct contrast to the system introduced in the UK in 2005 whereby responsibility for complaint handling for broadcast advertising was transferred from the Independent Television Commission to the UK ASA. (The latter now examine those complaints against the provision of the Broadcast Committee of Advertising Practice Code).

It is my hope that these developments at the European level will impress upon the statutory authorities here in Ireland the value of a co-operative and co-ordinated approach to advertising regulation that gives proper recognition to self-regulation and to the role of our Authority. We will continue to press for this.

I would like to express my thanks to the Board Members for their efforts during the year. Also on behalf of the Board, I would like to express our sincere thanks to Dr Bairbre Redmond and all the members of our Complaints Committee for their work throughout the year. The gratitude of us all is due to the Secretariat who provided, once again in a year with increased work levels, a superb service to our Board and to the Committee with their unfailing professionalism, good humour and dedication.

Edward McCumiskey,
Chairman.

The ASAI Board December 2005

MEDIA MEMBERS



Edward McCumiskey
CHAIRMAN



Kieran Killeen

The Board is responsible for managing the business of the ASAI and for drawing up and implementing the Codes of Advertising Standards and Sales Promotion Practice. The Board is empowered to exercise a disciplinary function over ASAI members.



Brendan McCabe

MEDIA MEMBERS



Terry Buckley



Declan McGuire



Eamonn Buttle



Paul Mulligan



ADVERTISER MEMBERS



Jennifer Balfe



Michael Caraher



Deirdre Keogh



John McGrath

AGENCY MEMBERS



Shane Lynch



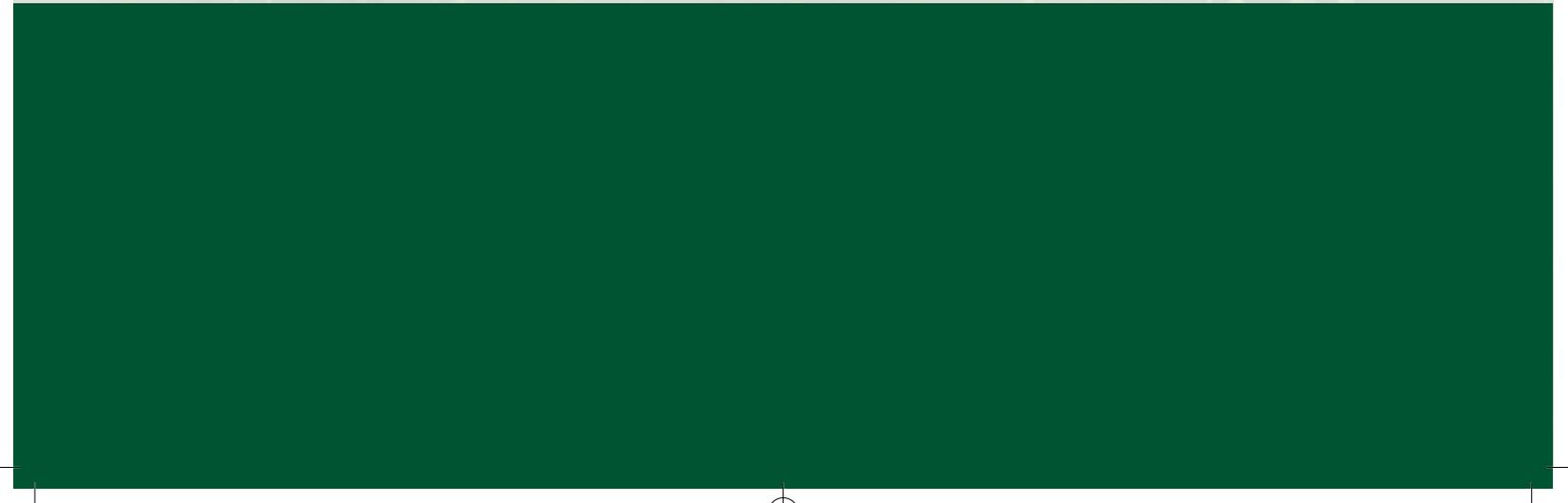
Ruth Payne



Steve Shanahan



Yvonne Tuohy



Advertising Standards Authority for Ireland



Review of the Year

Review of the Year

This is the 25th Annual Report of the Advertising Standards Authority for Ireland (ASAI) and relates to the year 2005.

The Advertising Standards Authority for Ireland 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. Information on how complaints are resolved by the ASAI is provided on page 16.

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 broadcast. It has comprehensive Codes of ethical standards that are regularly reviewed (one such review is currently underway) and an independent Complaints Committee that adjudicates on advertisements. These adjudications are enforced through the co-operation of the Media Members of ASAI who will not carry advertisements found to be in breach of the ASAI Codes. In addition, details of the adjudications are regularly carried in the media. The Complaints Committee of the ASAI, which makes the formal adjudications on advertisements, 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), namely, that all advertising and promotions must be legal, decent, honest and truthful and must be prepared with a sense of social responsibility. The Codes require advertisers to

market and promote their goods and services in a responsible manner to everyone. A review of the ICC Codes is currently being concluded and the finished document will be considered by the ASAI before concluding the review of its own Codes which commenced in 2005. It is proposed to publish the amended Codes in October 2006.

The ASAI operates primarily by inviting and resolving consumer complaints which helps to keep the Authority informed of the public's latest concerns regarding advertising. The identity of individual complainants remains confidential unless a commercial or other interest is involved. Anonymous complaints are not pursued and all complaints must be in writing (post, fax or by using the online complaints form). The ASAI operates a copy advice service for the advertising industry. Advertisers, agencies and media can obtain advice on whether a proposed advertisement or sales promotion conforms with Code requirements. This advice is given on behalf of the Secretariat and does not bind the ASAI Complaints Committee. The Authority also monitors advertising when particular issues warrant it. In 2006, however, a continuous monitoring project which has been approved by the Board will commence and details of this development can be found on page 12.

The ASAI is a founder member of the European Advertising Standards Alliance (EASA) which brings together national advertising self-regulatory 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 that was published in another member country is referred to the appropriate national self-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 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 it complied with the recommended principles established in Commission Recommendation on the Principles applicable for the Out-of-Court Settlement of Consumer Disputes (98/257/CE). These principles relate to independence, transparency, adversarial principles, effectiveness, legality, liberty and representation.

PUBLIC AWARENESS OF ASAI

The ASAI's effectiveness as an advertising self-regulatory body depends on the wholehearted support of advertisers, agencies and the media. The Authority, together with its members, are constantly working to ensure that all of those employed in the relevant agencies and the media are aware of the ASAI and its Codes. It is worth noting that in considering the role self-regulation might play in the future regulation of advertising a high level of public awareness is also 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 Authority, 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 success. 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 using an omnibus survey of an independent market research organisation.

The most recent research shows that 68% 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 level of awareness shows a significant continuing increase over the equivalent figures for December 2003 and 2004 which stood at 57% and 65% respectively.

Similarly, there is a meaningful increase in the proportion of the population at 46%, as compared to 41% in 2004, who can recognise the name of ASAI. 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 continuously wishes to increase levels of awareness of the organisation and in particular the service offered. This is done partly through the publication of the adjudications of the independent Complaints Committee which are regularly carried in the media and in trade publications. The significant increase shown in the current research is at least in part due to the publicity campaign carried, particularly in the print media, in relation to the public consultation process for the Code review. The ongoing advertising carried in all media, in relation to the services of the ASAI, also contributed to the increased level of awareness.

SATISFACTION LEVELS AMONGST CONSUMERS

For the first time in 2005 a new question was included in the survey in relation to satisfaction levels amongst consumers concerning the service provided by the Authority. The response to this question showed that three quarters of all those aware of ASAI considered that the Authority performs in an excellent or satisfactory manner in upholding advertising standards.

COPY ADVICE

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

During 2005 80 advertisements were submitted to the ASAI Secretariat in this way. Informal advice was also given in respect of a further 60 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, and experience has shown 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 Authority. 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 advertising self-regulatory bodies. While, as stated in the section on EASA, ASAI is one of the more developed advertising self-regulatory organisations in Europe, monitoring of advertisements by ASAI was identified as an area which could be improved upon.

A programme of monitoring has therefore been devised with the following objectives:

- ❖ To verify compliance with the adjudications of the Complaints Committee and to advise advertisers where adjudications have an industry-wide impact.
- ❖ To check compliance with Code provisions.
- ❖ To provide reliable data concerning trends in advertising and Code compliance.
- ❖ To improve industry knowledge and awareness of the Code provisions by supplying up-to-date compliance data and examples.
- ❖ To provide data on the appropriateness of Code provisions.
- ❖ To act as a deterrent to bad practice and to promote best practice.

This programme of monitoring will commence in the final quarter of 2006.

ALCOHOL ADVERTISING

2005 saw a continuation in the reduction of the numbers of complaints received in relation to advertisements for alcohol both on general grounds and specifically in relation to the alcohol rules of the Code. This trend had commenced in 2003 with the introduction of Central Copy Clearance Ireland (CCCI) for all alcohol advertisements. With the introduction of this service, under the auspices of the Association of Advertisers in Ireland and the Institute of Advertising Practitioners in Ireland, facilitated by the Drinks Industry Group, no advertisement could henceforth appear in the Irish media without pre-vetting and a certificate from CCCI.

A further significant development in relation to alcohol advertising and self-regulation took place at the end of 2005. A new Alcohol Marketing Communications Monitoring Body was established to monitor industry compliance with the new Voluntary Codes of practice whose aim is to reduce the exposure of young people to alcohol. This initiative was launched by the Tánaiste, and Minister for Health and Children, Mary Harney, TD in December 2005.

The Monitoring Body, which will be independently chaired by Peter Cassells, Chair of the National Centre for Partnership and Performance, will oversee the 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 being provided by the ASAI.

The new Monitoring Body will have access to and will review data from the Advertising Standards Authority for Ireland, Central Copy Clearance Ireland, AC Nielson, Joint National Listenership Research (JNLR), 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. A report will be provided to the Tánaiste on an annual basis.

Finally, the overall number of complaints received concerning alcohol advertisements in 2005 was 26 and only five were received in relation to the alcohol rules of the Code. No alcohol advertisement was found to be in breach of the ASAI Code in 2005.

BROADCAST MEDIA

In the report for 2004 we detailed the developments with the Broadcasting Commission of Ireland (BCI) and the Broadcasting Complaints Commission (BCC) in relation to the introduction of the Children's Advertising Code with effect from 1st January 2005.

One of the concerns we expressed at the time was that there was a possibility of causing confusion for consumers with two bodies, i.e. ASAI and BCC, dealing with complaints in the same area particularly where multi-media campaigns were involved. The evidence to date, however, is that complaints are not being made under the terms of the Children's Advertising Code.

When consultation originally commenced on the Children's Advertising Code it was hoped that it could be dealt with on the basis of co-regulation as is common in other jurisdictions including the United Kingdom.

The Authority proposes to use the occasion of the consultation process on the review of the Television Without Frontiers (TVWF) Directive, which will in the future be known as the Audiovisual Media Directive, to restate its case for all broadcast complaints to be dealt with on a co-regulatory basis.

In adopting this approach, the Authority is conscious of the support the current Commissioner for the area (Commissioner Reding) has shown for self-regulation and co-regulation in the consultation process to date.

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 advertising 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 a European level. Its members are self-regulatory organisations (SROs), and European associations representing the advertising business – advertisers, agencies and the media.

EASA's objectives are five-fold:

- ❖ To promote and support self-regulation
- ❖ To develop and promote best practice
- ❖ To manage cross-border complaints
- ❖ To provide information and research
- ❖ To promote convergence amongst national Self-Regulatory systems

In June 2004, EASA members signed their Advertising Self-Regulation Charter with representatives of DG Sanco as witnesses. Since then 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 Charter Principles of comprehensive coverage; adequate funding; the scope of the codes; consultation; stakeholder involvement; efficiency and resourcing; complaint handling; advice and training; sanctions and consumer awareness.

EASA's "get fit programme" includes the following:

- ❖ The encouragement of best practice and common high standards in advertising self-regulation
- ❖ The introduction of improvements, where necessary, in national self-regulatory systems
- ❖ The establishment of common principles of best practice.

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 recent years, however, is the level of direct contact undertaken with EU Commissioners and their staff commencing with a meeting with Commissioner Kyprianou in March 2005. Subsequent meetings or contacts included those with Commissioners Reding, McCreevy and Verheugen.

Significantly, in an introduction to EASA's *The Blue Book - Advertising Self-Regulation in Europe*, Commissioner Kyprianou saluted the work of EASA, "which has been responding to the challenges of enlargement, by developing European-wide best practices and bridging the existing gaps between Member States."

There have also been further developments with Commissioner Reding who publicly acknowledged the position of self-regulation and co-regulation at a UK conference on the TVWF Directive which will now be called the Audiovisual Media Services Directive. This item is dealt with more fully at page 13 in the section on Broadcast Advertising.



As indicated, EASA representatives have been involved in an EU Advertising Round Table with the European Commission, World Federation of Advertisers (WFA) and NGOs on the recognition and role of advertising self-regulation. At the initial meeting of this group on 19th October 2005 it was clear that NGOs, who traditionally have opposed self-regulation, could agree to a better appreciation of the system if it:

- ❖ Is more open and transparent (stakeholders consulted)
- ❖ Is participative (stakeholders involved in the Complaints Committee)
- ❖ Has clear measurable instruments for effectiveness (outcomes of decisions published and consequences known, systematic monitoring)

- ❖ Has credible data and performance indicators
- ❖ Is pro-active (copy advice provision, monitoring)
- ❖ Ensures consumer awareness (via an advertising campaign and measured via research)

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 € 0.5 m.). Despite this we still have work to do to meet all of the targets set by EASA and this work will be undertaken during early and mid-2006. The successful completion of this work will require the continued and indeed increased support of advertisers, agencies and the media.



The ASAI Secretariat above, front row l-r: Orla Twomey, Frank Goodman and Gemma Kinsella.

Back Row l-r: Seona Parker, Sabine Ludat and Mairead Collins.

COMPLAINTS

During 2005, the ASAI received 1,421 formal written complaints in relation to 898 advertisements from all sources. This level of complaints shows a very substantial increase over the figure of 1,146 complaints received in 2004 which related to 850 advertisements. As these figures show there is no great increase in the number of advertisements complained of; the increased number of complaints can be attributed to the high levels of awareness and the substantial numbers of complaints received in relation to a small number of advertisements.

While the number of advertisements complained of rose by 48 from 850 to 898, 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 97 complaints carried forward from 2004. In 2005, the ASAI dealt with 1,358 complaints leaving 160 to be carried forward to 2006. Comparisons with the previous year are as follows:

	Complaints	2005 Advertisements	Complaints	2004 Advertisements
Carried over	97	76	99	76
Received	1,421	898	1,146	850
Dealt with	1,358	835	1,148	850
Carried forward	160	139	97	76

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 breach the provisions of the Codes. Most complaints

are suitable for dealing with informally using well established procedures and 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



	Complaints	2005 Advertisements	Complaints	2004 Advertisements
No apparent breach of Codes	548	432	570	456
Outside remit of ASAI	240	189	182	159
Complaint withdrawn	83	67	72	71
Advertisement withdrawn or changed	11	6	8	7
Anonymous complaint	1	1	2	2
Pursued by other regulatory body	7	6	30	26
Previously considered	22	9	20	9
Cross-Border – forwarded to EASA	15	7	23	12
Submitted to Complaints Committee	431	118	241	108
Total	1,358	835	1,148	850

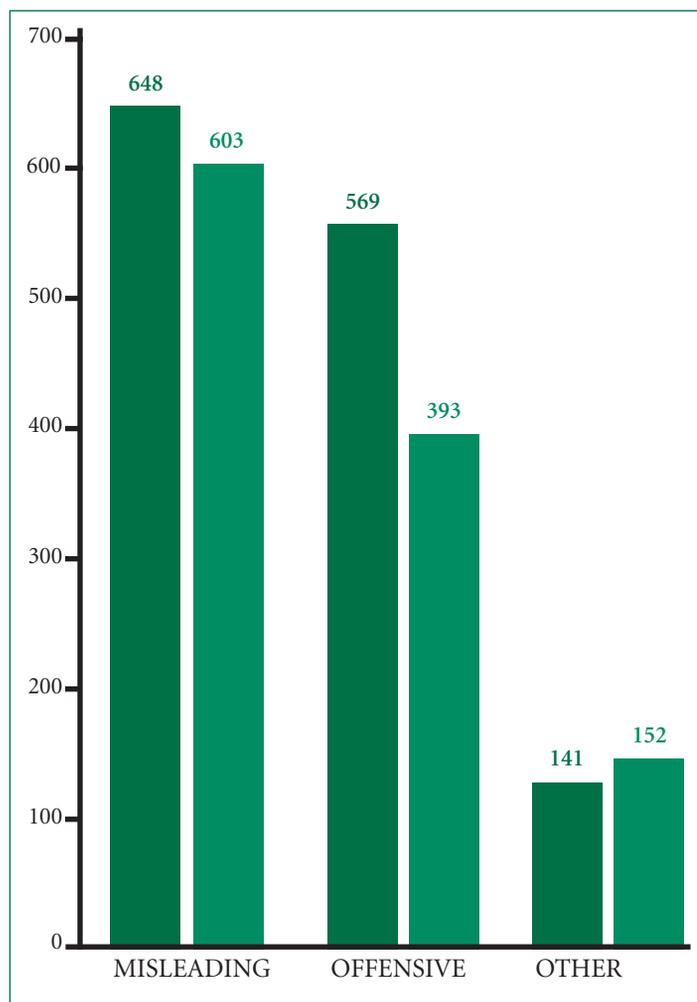
Thus in 2005, while there were 210 more complaints dealt with, the number of advertisements dealt with fell by 15 due to the varying number of complaints per advertisement. Further details on the complaints dealt with by the independent Complaints Committee are set out in the section of the Report devoted to the Complaints Committee.

Grounds of Complaint

Each year the two principal grounds of complaint are that the advertisements either appear to be misleading or that they cause offence. Last year while complaints made on the grounds of advertisements being misleading still constituted the largest category of complaints received, there was an appreciable increase in the number of complaints received based on offensiveness. In this category the numbers increased from 393 to 569.

Misleading

The 648 complaints dealt with in 2005 were in respect of 549 advertisements and sales promotions in various media. In 2004, the 603 complaints received under this heading were in respect of 526 advertisements and sales promotions.



Offensiveness

The 569 complaints dealt with in 2005 were in respect of 183 advertisements compared to the 393 complaints in respect of 204 advertisements in 2004. The increase in the number of complaints received in this category was due to substantial numbers of complaints received in relation to a small number of advertisements. The reductions in the number of advertisements complained about clearly does not support sentiments expressed from time to time that advertisements are growing more offensive and in conflict with prevailing standards of decency and propriety. Nevertheless, the Authority expressed its disappointment with even the small number of advertisements giving rise to a large number of complaints and as part of the ongoing review of its Codes the question of sanctions for serious breaches of the Codes is being reconsidered.

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 Code of Advertising Standards 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 86 competitor complaints dealt with in 2005, 18 complaints which were in respect of 18 advertisements, were formally adjudicated upon by the Complaints Committee and found to have breached Code requirements. Ten advertisements were found to be misleading, seven did not comply with the Code requirements relating to comparisons and one related to failure to substantiate the claims contained in the advertisement.

Sector	Complaints by Sector	
	2005	2004
Computers/ Telecommunications	244	202
Leisure	221	90
Food & Beverages	196	100
Travel/Holidays	142	154
Motoring	78	46
Health & Beauty	77	94
Household	57	56
Publishing	53	54
Financial	50	98
Business	44	31
Non-Commercial	34	26
Property	31	33
Alcohol	26	75
Education	24	3
Clothing/Footwear	19	24
TV/Audio/Video	15	22
Employment/ Business Opportunities	8	14
Agriculture	0	3
Miscellaneous	39	23
Total	1,358	1,148

As in 2005, the Computers/Telecommunications sector headed the list. The second highest was Leisure followed by the Food and Beverage sector in third place. Travel and Holidays, which had been in second place in 2004, dropped to fourth place.

Sector	Complaints by Media	
	2005	2004
Broadcast*	411	403
Outdoor	302	142
Print	248	205
Electronic media	114	124
Brochures/Leaflet	99	90
Sales Promotions	40	70
Direct Marketing	27	36
Other	117	78
Totals	1,358	1,148
*Broadcast	411	403
Radio	145	145
Television	266	258

Broadcast media again gave rise to the largest block of complaints but at a reduced level of 30% down from 35% and 37% in the previous two years. This was followed in 2005 by complaints about outdoor advertisements at 20% and print media at 18%.

Location of Complaints

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

County	Complaints by County	
	Number of Complaints	% of Total
Dublin	757	53
Cork	108	8
Kildare	81	6
Wicklow	58	4
Meath	50	4
Galway	41	3

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 the Report shows that the awareness of ASAI is uniformly high throughout the country.

24th Annual General Meeting 2005



Pat Breen - Regtel, Catherine Lenihan - Assistant Director of Consumer Affairs and Michael O'Keeffe - Complaints Committee Member and Chief Executive of the Broadcasting Commission of Ireland.



Paul Mulligan - Media Board Member, Edward McCumiskey - Chairman ASAI, Eamonn Buttle - Media Board Member and Steve Shanahan - Agency Board Member.



Frank Goodman - Chief Executive ASAI, Kevin O'Doherty - first Chief Executive of ASAI, Denis Henderson - former Board Member and Orla Twomey - Assistant Chief Executive ASAI.



Brian Pierce - Complaints Committee Member, Grace Aungier - Periodical Publishers Association, Trevor Jacobs - Central Copy Clearance Ireland and Michael Caraher - Advertiser Board Member.



Frank Goodman - Chief Executive ASAI, Bairbre Redmond - Complaints Committee Chairperson and Edward McCumiskey - Chairman ASAI.



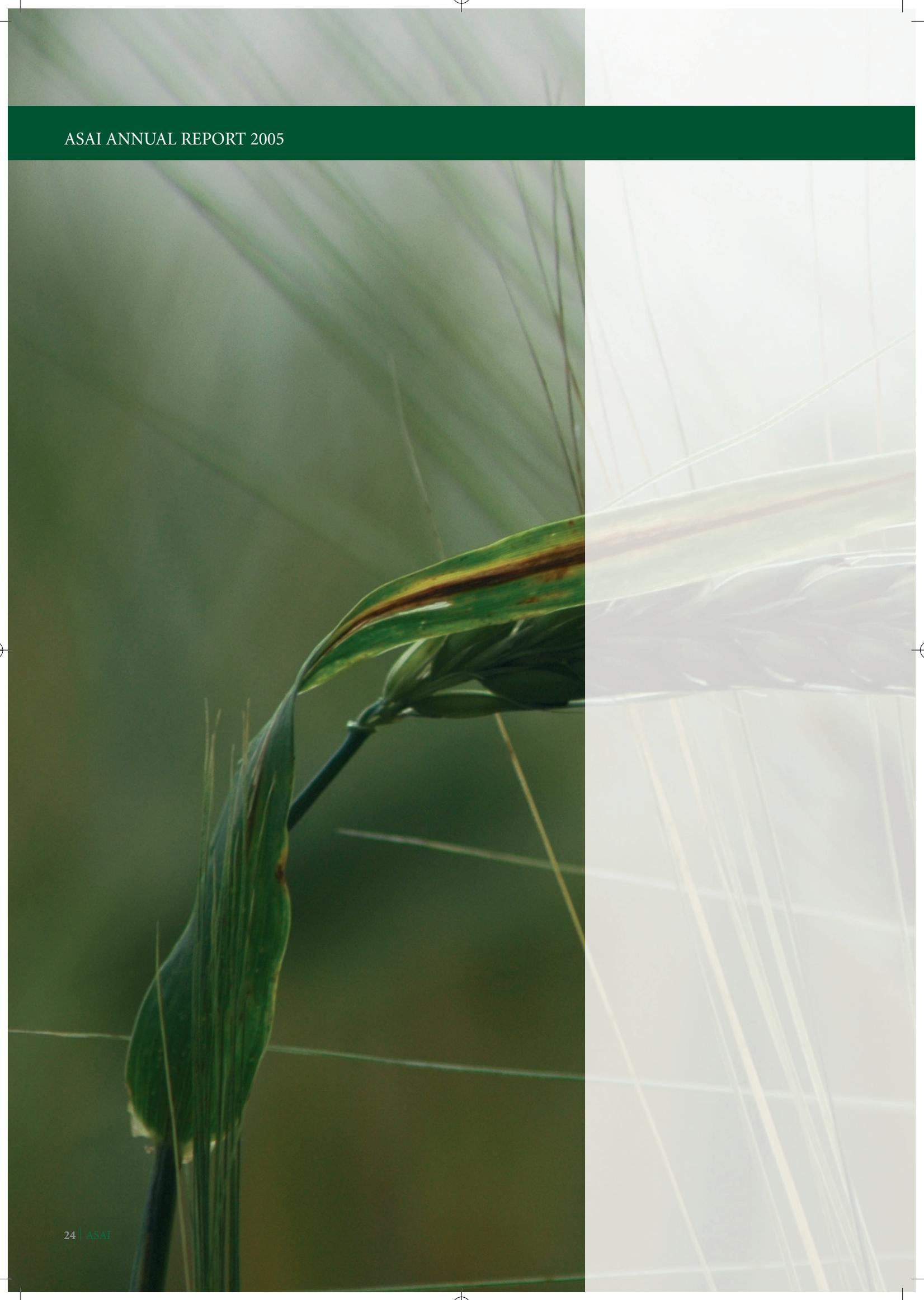
Tom Morgan - Complaints Committee Member, Shane Lynch - Agency Board Member, Brendan McCabe - Media Board Member and Mary McLoughlin - Complaints Committee Member.



Advertising Standards Authority for Ireland



Complaints Committee





Bairbre Redmond, Chairperson,
Complaints Committee.

Chairperson's Statement

I have pleasure in presenting my second report as the independent Chairperson of the Complaints Committee.

While the number of advertisements attracting complaints only increased from 108 in 2004 to 118 in 2005, the number of complaints adjudicated on by the Complaints Committee increased substantially from 241 in 2004 to 431 in 2005. The principal reason for this increase, as discussed elsewhere in this Report, was the large amount of complaints received about a few specific advertisements on the grounds of offensiveness. The Committee considered that these few advertisements, which were clearly in breach of the Code, posed a threat to the role of advertising self-regulation and this sentiment was shared by other interested parties in the media. These concerns have been reported to the

Board and have been subsequently conveyed to those responsible for the advertising.

Despite these issues, I am glad to say that there is no evidence of reduced standards in advertising in general. While there is a significant level of awareness amongst the general public about our service, those advertisements that do attract complaints still remains a small fraction of those published or broadcast.

At the time of preparing this report I would like to take the opportunity to thank the outgoing Director of Consumer Affairs, Carmel Foley, for all her support and encouragement during her term in Office. Her four nominees on the Complaints Committee play an important role in representing the views of those outside of the advertising industry.

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 2005

MEDIA MEMBERS



Bairbre Redmond
CHAIRPERSON
MSoc Sc, CQSN, PhD.
Vice-Principal, College of
Human Sciences, UCD.



AnneMarie Lenihan
Communications and Public
Affairs Manager, National
Newspapers of Ireland.

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 any other person or body of persons.



Brian Martin
Copywriter and Lecturer in
Advertising Communications



Margaret Beaumont
BSS, MA, MSc, CQSW,
Psychotherapist and Training
Consultant.



Tom Morgan
Senior Investigator, Office of the
Ombudsman



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



Bill Moss
Managing Director, The Bill
Moss Partnership



NOMINATED BY THE DIRECTOR
OF CONSUMER AFFAIRS



Emer McLeavey
*Managing Director, McConnells
Fusion*



Josephine Garry
Consumer



Michael O’Keeffe
*Chief Executive, Broadcasting
Commission of Ireland*



Mary McLoughlin
*Senior Civil Servant, The
Department of Health
and Children*



Brian Pierce
*Former Manager RTE Radio
Sales and former Chairman of
the RTE Copy Clearance
Committee.*



Leonie Lunny
Chief Executive, Comhairle



Vacancy

COMPLAINTS COMMITTEE

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 Codes;
- (b) To initiate corrective action where necessary and to issue appropriate directives;
- (c) To notify the Board of ASAI where 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 of 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 devised 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 2005, Mr Ken Kilbride resigned from the Committee and the Director of Consumer Affairs has advised the Authority that she will shortly nominate Dr Garret Campbell, a secondary school teacher, to fill the resulting vacancy. This will restore 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 six times during 2005. The Committee's adjudications are published regularly to 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 2005 AND 2004

(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

	Complaints	Advertisements complained about	2005		2004	
			Advertisements in breach of Codes	Complaints	Advertisements complained about	Advertisements in breach of Codes
Misleading	120	80	73	83	71	54
Offensive	283	16	12	122	17	10
Other	28	22	22	36	20	14
Total	431	118	107	241	108	78

Table 2 – Adjudications by Media

	Complaints	Advertisements complained about	2005		Complaints	Advertisements complained about	2004	
			Advertisements in breach of Codes	Advertisements in breach of Codes				
Broadcast*	102	37	31	115	32	19		
Brochures/Leaflet	16	13	13	16	14	11		
Direct Marketing	2	2	2	1	1	1		
Electronic/Internet	2	2	2	13	11	9		
Outdoor	230	14	12	41	12	8		
Print (Press & Magazine)	63	38	35	45	31	25		
Sales Promotion	7	7	7	3	3	3		
Other	9	5	5	7	4	2		
Total	431	118	107	241	108	78		
*Broadcast	102	37	31	115	32	19		
Radio	41	18	15	26	12	7		
Television	61	19	16	89	20	12		

Table 3 – Adjudications by Sector

	Complaints	2005		Complaints	2004	
		Advertisements complained about	Advertisements in breach of Codes		Advertisements complained about	Advertisements in breach of Codes
Agriculture	0	0	0	0	0	0
Alcohol	0	0	0	52	11	5
Business	9	2	2	1	1	0
Clothing/Footwear	1	1	1	2	2	2
Computers/ Telecommunications	60	23	22	61	17	16
Education	0	0	0	1	1	1
Employment/ Business Opportunities	1	1	1	5	3	3
Financial	4	3	3	17	5	3
Food & Beverages	99	16	13	15	10	6
Health & Beauty	21	10	9	15	9	8
Household	7	6	5	3	3	2
Leisure	161	11	11	14	10	8
Motoring	15	10	8	16	7	4
Non-Commercial	2	2	2	1	1	1
Property	4	4	3	1	1	1
Publishing	10	5	5	3	3	2
Travel/Holidays	33	20	18	23	22	15
TV/Audio/Video	2	2	2	11	2	1
Miscellaneous	2	2	2	0	0	0
Total	431	118	107	241	108	78



Advertising Standards Authority for Ireland

ASAI

Reports & Financial Statements

DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS

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

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



REPORT OF THE DIRECTORS

The Board of Directors present their annual report and financial statements for the year ended 31 December 2005.

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 Authority's results for the year under review are set out on page 40. The future financial performance of the Authority relies primarily on a strong performance from the advertising industry.

RESULTS

2005
€

The surplus for the year before taxation amounted to	53,978
Taxation	<u>(7,702)</u>

The surplus for the year after taxation amounted to	46,276
Surplus brought forward 1 January 2005	<u>273,583</u>

Surplus carried forward 31 December 2005	<u>319,859</u>
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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, have signified their willingness to 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: 15 February 2006

STATEMENT OF THE 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 2005 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 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 9. 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 Annual Report, including as set out in the Statement of Directors' Responsibilities, the preparation of the financial statements in accordance with applicable Irish law and accounting standards. Our responsibilities, as independent auditors, are established in Ireland by statute, auditing standards as promulgated by the Auditing Practices Board in Ireland and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and

are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2005, 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 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 given 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 within it. Our responsibilities do not extend to other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with the auditing standards issued by the Auditing Practices Board and generally accepted in Ireland. 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 of the state of affairs of the company as at 31 December 2005 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2005, as applicable to companies limited by guarantee not trading for profit.

We have obtained all the information and explanations we considered necessary for the purpose 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: 15 February 2006

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	2005 €	2004 €
SUBSCRIPTION INCOME		<u>557,652</u>	<u>477,005</u>
SURPLUS FOR THE YEAR BEFORE TAXATION	3	53,978	10,090
Taxation	4	<u>(7,702)</u>	<u>(1,429)</u>
SURPLUS FOR THE YEAR AFTER TAXATION		46,276	8,661
Surplus brought forward 1 January 2005		<u>273,583</u>	<u>264,922</u>
Surplus carried forward 31 December 2005		<u>319,859</u>	<u>273,583</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 15 February 2006 and signed on its behalf by:

Edward McCumiskey
CHAIRMAN

Stephen Shanahan
DIRECTOR

BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 €	2004 €
FIXED ASSETS	5	<u>31,080</u>	<u>47,752</u>
CURRENT ASSETS			
Bank and cash balances		311,331	244,309
Debtors and prepayments		<u>37,301</u>	<u>33,580</u>
		348,632	277,889
CURRENT LIABILITIES			
Creditors and accruals	6	<u>(59,853)</u>	<u>(52,058)</u>
NET CURRENT ASSETS		<u>288,779</u>	<u>225,831</u>
NET ASSETS		<u>319,859</u>	<u>273,583</u>
REPRESENTED BY:			
Profit and loss account - Balance 31 December 2005		<u>319,859</u>	<u>273,583</u>

The financial statements were approved by the Board of Directors on 15 February 2006 and signed on its behalf by:

Edward McCumiskey
CHAIRMAN

Stephen Shanahan
DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 €	2004 €
Net cash inflow/(outflow) from operating activities (see below)		69,715	(6,229)
Corporation tax paid		(984)	(2,270)
Purchase of capital equipment		(1,709)	(20,079)
Increase/(decrease) in cash and bank balances	7	<u>67,022</u>	<u>(28,578)</u>

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

	2005 €	2004 €
Operating surplus	53,978	10,090
Depreciation charge	18,381	20,024
Increase in debtors and prepayments	(3,721)	(15,472)
Increase/(decrease) in creditors and accruals	<u>1,077</u>	<u>(20,871)</u>
Net cash inflow/(outflow) from operating activities	<u>69,715</u>	<u>(6,229)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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 2005.

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.

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. SURPLUS FOR THE YEAR BEFORE TAXATION

	2005 €	2004 €
Surplus for the year is stated after charging:		
Directors' remuneration:		
Fees	27,618	16,167
Depreciation	18,381	20,024
Auditors' remuneration	3,800	3,500
	<hr/>	<hr/>
and after crediting:		
Deposit interest receivable	6,285	5,335
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

4. TAXATION

	2005 €	2004 €
(a) Analysis on the tax charge for the year:		
The taxation charge on the surplus on ordinary activities for the year was as follows:		
Corporation tax on the surplus for the year	7,999	1,487
Over provision of tax in previous year	(297)	(58)
	<u>7,702</u>	<u>1,429</u>
(b) Factors affecting the charge for the year:		
Surplus on ordinary activities before taxation	<u>53,978</u>	<u>10,090</u>
Surplus on ordinary activities multiplied by standard rate of tax in Ireland of 12.5% (2004: 12.5%).	6,747	1,261
Effects of:		
Expenses not deductible for tax purposes	79	36
Depreciation for the year in excess of capital allowances	388	(34)
Deposit interest	785	668
Utilisation of tax losses	-	(444)
	<u>-</u>	<u>(444)</u>
Current tax charge for the year	<u>7,999</u>	<u>1,487</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

5. FIXED ASSETS	Computer equipment €	Office equipment €	Total €
Cost:			
Balance 1 January 2005	65,564	116,208	181,772
Additions in year	1,709	–	1,709
	<hr/>	<hr/>	<hr/>
Balance 31 December 2005	67,273	116,208	183,481
	<hr/>	<hr/>	<hr/>
Depreciation:			
Balance 1 January 2005	43,587	90,433	134,020
Charge for the year	6,931	11,450	18,381
	<hr/>	<hr/>	<hr/>
Balance 31 December 2005	50,518	101,883	152,401
	<hr/>	<hr/>	<hr/>
Net book value:			
31 December 2005	16,755	14,325	31,080
	<hr/>	<hr/>	<hr/>
31 December 2004	21,977	25,775	47,752
	<hr/>	<hr/>	<hr/>

6. CREDITORS AND ACCRUALS

	2005 €	2004 €
Creditors and accruals	42,085	43,683
Corporation Tax	7,502	784
PAYE/PRSI	10,266	7,591
	<hr/>	<hr/>
	59,853	52,058
	<hr/>	<hr/>

7. CASH FLOW STATEMENT

	2005 €	2004 €
Analysis of changes in cash and bank during the year:		
Balance 1 January 2005	244,309	272,887
Net cash inflow/(outflow)	67,022	(28,578)
	<hr/>	<hr/>
Balance 31 December 2005	311,331	244,309
	<hr/>	<hr/>

8. RELATED PARTY TRANSACTIONS

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

9. PENSION

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

OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	2005 €	2004 €
INCOME		
Subscriptions - Advertiser members	517,604	440,298
- Media / agencies	34,198	35,707
Consultancy	5,850	1,000
	<u>557,652</u>	<u>477,005</u>
Deposit interest receivable	<u>6,285</u>	<u>5,335</u>
	<u>563,937</u>	<u>482,340</u>
EXPENDITURE		
Rent, rates and service charges	76,158	72,221
Repairs and renewals	2,682	5,017
Insurances	18,039	21,854
Salaries	277,311	244,573
Staff training	2,637	285
Printing and stationery	5,646	6,845
Publications	4,793	3,513
Production costs of annual report	8,000	8,000
Promotional campaign	16,700	8,693
Advertising, promotions and public relations	17,577	16,291
Telephone and postage	14,349	12,558
Travel and subsistence	18,506	16,089
Bank charges	392	379
Audit and accountancy	8,863	9,831
Computer running costs	8,011	8,980
Legal and consultancy	10,136	10,220
Sundry expenses	1,778	6,877
Depreciation: Fixtures and fittings	<u>18,381</u>	<u>20,024</u>
	<u>509,959</u>	<u>472,250</u>
SURPLUS FOR THE YEAR BEFORE TAXATION	<u>53,978</u>	<u>10,090</u>

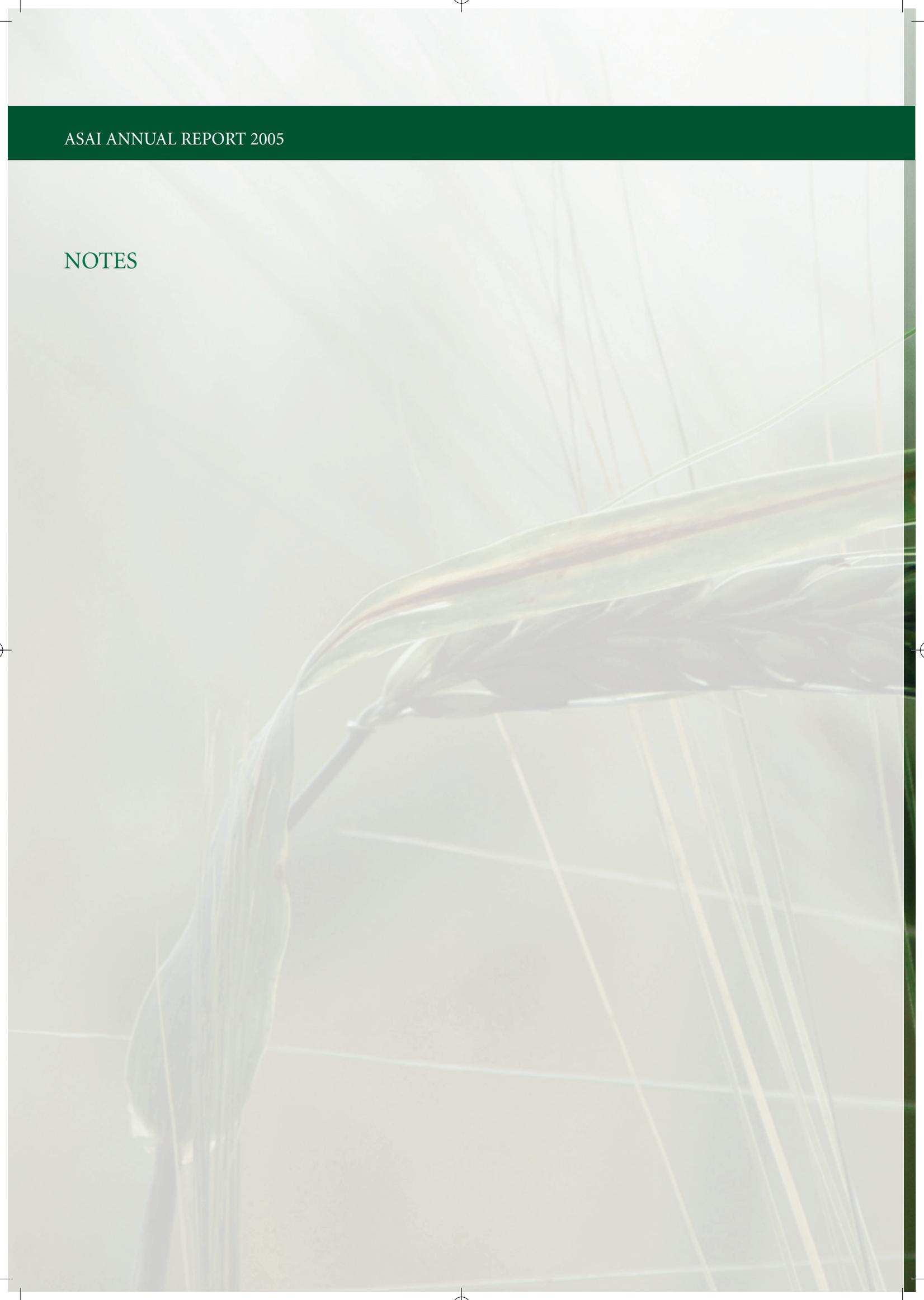
Note:

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

Advertising Standards Authority for Ireland



NOTES



Advertising Standards Authority for Ireland



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

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