

**ACTION ON SMOKING AND HEALTH**  
(A company limited by guarantee and not having a share capital)

Company No. 00998971  
Charity No. 262067

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2016**



# Action on Smoking and Health

## CONTENTS

Trustees' Report and Charity Information Pages 1 - 15

Independent Examiner's Report Pages 16

Statement of financial activities Page 17

Balance sheet Page 18

Cash flow statement Page 19

Notes to the accounts Pages 20 - 26

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

The Trustees are pleased to present their report and the financial statements of the charity for the year ended 31<sup>st</sup> March 2016.

#### Legal & Administrative Details

##### Legal Status

Action on Smoking and Health ("ASH") is registered in England as company number 00998971 and as charity number 262067.

##### Registered Office

Suites 59-63, 6<sup>th</sup> Floor, New House, 67-68 Hatton Garden, London, EC1N 8JY.

##### Website

[www.ash.org.uk](http://www.ash.org.uk)

##### Directors & Trustees

The Directors of the charitable company are its trustees for the purposes of charity law and throughout this report are referred to as the Trustees.

The following Trustees (Honorary Officers as indicated) were in office at the 31<sup>st</sup> March 2016 and had served throughout the year, except where shown:

Dr Sanjay Agrawal	-	Appointed 09/12/15
Professor John Britton	-	
Professor Paul Burstow	-	Appointed 16/09/15
Alison Cox	-	Appointed 18/06/15
Marisa Crook	-	Treasurer, appointed 16/09/15
Carolan Davidge	-	Appointed 16/09/15
Maura Gillespie	-	Resigned 16/09/15
Simon Hopkins	-	Treasurer, resigned 16/09/15
Professor Martin Jarvis	-	Vice-Chair
Peter Kellner	-	
Professor Peter Kelly	-	Resigned 09/12/15
Dr Andy McEwen	-	
Jonathan McShane	-	
Professor John Moxham	-	Chair
Dr Lesley Owen	-	
Dr Helen Walters	-	
Sarah Woolnough	-	Resigned 18/06/15

##### Senior Staff

The senior member of staff to whom day to day management of the charity is delegated by the Trustees is the Chief Executive, Deborah Arnott. The Company Secretary is the Business Manager, Philip Rimmer.

##### Independent Examiner

Neil Finlayson, Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD.

##### Principal Bankers

Barclays Bank plc, Leicester, LE87 2BB.

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

#### Chair's Introduction to the Trustees Report for 1<sup>st</sup> April 2015 – 31<sup>st</sup> March 2016

As a small charity ASH is renowned for punching far above its weight and this year has been no exception. Over the past 12 months, following a very active campaign by ASH and other members of the Smokefree Action Coalition (SFAC), we have witnessed the final stages of the passing of legislation to implement standardised tobacco packaging, due to be implemented in the UK in May 2016. This measure was proposed by ASH in its 2008 report 'Beyond Smoking Kills', which also included the first UK-based research supporting its implementation. Since then, and particularly over the past year, ASH, together with Cancer Research UK, has been at the forefront of the campaign to ensure that the measure was kept high on the political agenda until the regulations were finally passed. This achievement was acknowledged by Charity Times which gave ASH and Cancer Research UK the award for campaign team of the year for the work on standardised packaging.

The other campaign priority for this year was for a new tobacco strategy. In June, just after the general election, ASH launched *Smoking Still Kills*, a major new report endorsed by more than 120 health and welfare organisations, which sets out a range of policy recommendations we believe are essential to a new strategy. The report was funded by Cancer Research UK and the British Heart Foundation, overseen by an editorial board chaired by trustee Peter Kellner, and informed by input from regional seminars. At a Parliamentary reception to launch the report, Jane Ellison MP (who was re-appointed as Minister for Public Health after the general election) was congratulated by the audience for announcing that the Department of Health had committed to replacing the Tobacco Control Plan for England with a new strategy. And support for a new strategy goes beyond those working in tobacco control. As ASH's opinion research shows, three-quarters of adults in Britain support the Government action to limit smoking.

As this report shows, ASH has also been working hard to support effective implementation of current government strategy for tobacco control. This includes work to support tobacco control at local level, work that started three years ago in advance of the transition of public health from the NHS to local authority control in England. ASH staff have been engaged in projects including a number designed to reduce health inequalities by tackling smoking among those with mental health disorders, people on low incomes, and women who smoke during pregnancy.

While we should celebrate achievements, much still remains to be done in order to continue to tackle the harm caused by tobacco. ASH and colleagues in the SFAC will continue to press for sustained (and preferably increased) investment in tobacco control at all levels of government. This will be essential if we are to conquer what is still the largest preventable cause of ill-health and premature death.

*Professor John Moxham*

*Chair*

#### **Structure, Governance & Management**

ASH was founded in 1971 by the Royal College of Physicians and is a company limited by guarantee without share capital. Its governing document is its Articles of Association.

The Trustees form the Board of Management of the charity. For the purposes of the Companies Act 2006 as the Directors of ASH they are also Members of the Advisory Council. The Trustees are elected by the other Members of the Advisory Council, who are also the members of the Company, at the Annual General Meeting. One third of the Trustees are required to retire at each Annual General Meeting. Retiring Trustees are eligible for re-election.

The Chief Executive of ASH, a paid member of staff, is responsible for the day to day running of the organisation and is responsible to the Board of Management who usually meet four times a year and are responsible for setting the strategic objectives.

So as to maintain a pool of skilled potential Trustees, new Advisory Council Members are constantly sought by the Board of Management, particularly from within the health, public health, public relations and political spheres. As new Trustees are recruited from the membership of the Advisory Council they tend to be grounded in the policies, working practices and procedures of the Board.

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

All new Trustees are advised of their responsibilities by the Chair and the Business Manager. In addition they receive an induction pack containing Board policies and advice booklets from the Charity Commission. The training needs of the Trustees are examined and acted upon as part of the regular review of risks.

#### Remuneration Policy

The governing principles of the Charity's remuneration policy are as follows:

1. to ensure delivery of the Charity's objectives;
2. to attract and retain a motivated workforce with the skills and expertise necessary for organisational effectiveness;
3. that remuneration should be equitable and coherent across the organisation;
4. to take account of the purposes, aims and values of the Charity;
5. to ensure that pay levels and pay increases are appropriate in the context of the interests of our beneficiaries.

#### Senior Executive Remuneration

In relation to deciding remuneration for the Charity's Chief Executive and other Key Management Personnel, the Charity considers the potential impact of remuneration levels and structures of senior executives on the wider Charity workforce and will take account of the following additional principles:

1. to ensure that the Charity can access the types of skills, experiences and competencies that it needs in its senior staff, the specific scope of these roles in the Charity and the link to pay;
2. the nature of the wider employment offer made to senior employees, where pay is one part of a package that includes personal development, personal fulfilment and association with the public benefit delivered. The Charity recognises that it is, on occasion, possible to attract senior executives at a discount to public sector or private sector market rates.

In line with the recommendations of the NCVO Inquiry into Executive Remuneration published in April 2014, the Charity has disclosed the aggregate remuneration of the key management personnel.

Remuneration for the year ended 31 March 2016 comprised salary and pension contributions. There are no other pecuniary benefits for senior or other staff at the Charity.

#### Related Parties and Partner Organisations

None.

#### Statement of Risk

The Trustees have examined the major risks to which the charity is exposed and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to control these risks. Detailed consideration of risks is delegated to the Business Manager, who acts as Risk Manager and reports to the Board. Risks are identified, assessed and controls established throughout the year whilst a comprehensive review takes place every 3 years. During the last full review in June 2013 and subsequent reviews of individual risks subject to change, the following risks have been assessed as being significant:

- The loss of a key funder. Mitigation: the charity's reserves policy, which is reviewed on an annual basis.
- Loss of functionality or important data from computer systems. Mitigation: on-site and off-site daily back-up of all data, regular software and security updates.
- Difficulty in evaluating our work & medium term planning. Mitigation: a triennial strategic review and in-depth evaluation of our work by outside consultants.
- Disruption through fire, flood, theft or terrorism. Mitigation: adequate levels of insurance, reviewed annually and whenever major additions are made to assets; maintenance of adequate office security, and; an emergency action plan to guide getting the organisation working again after any such disruption.

The next comprehensive review of risk is due to take place in 2016.

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

#### Objectives

As stated in its Articles of Association, the objectives of the charity are:

1. to preserve and protect the health of the public against the harmful effects of cigarette or other tobacco products; and
2. to advance the education of the public about the effects of cigarette and other tobacco and nicotine products.

The Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

#### Strategic Planning

The ASH Board of Trustees agreed in June 2013 that the organisation should undertake a comprehensive review of its three year Strategic Plan covering 2011-14. The intention was to develop a new plan to guide the charity over the three financial years, from April 2014 to March 2017. It was also agreed it would be fully reviewed every 3 years. The next review is due in 2016-17.

During August to January 2014 around 300 ASH stakeholders provided input through an on-line questionnaire as well as in face-to-face and telephone interviews. In addition, the Trustees and staff held a half day planning session. During this session, those attending worked to refine the strategic priorities and objectives of ASH and directed the staff to prepare this strategic plan.

ASH has decided that its four strategic priorities over the three years 2014-17 would be in the areas of:

##### 1. Advocacy & Policy Development

To press for concrete and evidence based measures to reduce the harm caused by tobacco.

##### 2. Information & Research

To maintain, develop and enhance the quality, reputation and integrity of the information which ASH provides and to communicate it effectively. To service the day-to-day information and intelligence needs of the tobacco control community in the UK.

##### 3. Communicating, Engagement & Networking

To remain the hub for UK tobacco control policy networking. To communicate and engage with a broad range of tobacco control stakeholders. To facilitate local, regional, national and international networking in order to advance shared objectives in tobacco control policy and practice.

##### 4. Resources & Sustainability

To secure appropriate funding and other resources for the achievement of the organisation's objectives in a sustainable way.

#### Activities

##### Standardised, plain packaging of tobacco products

No Smoking Day - Wednesday 11<sup>th</sup> March 2015 - was a momentous day in the history of tobacco control as regulations for standardised packaging were finally passed in the House of Commons by 367 to 113 votes, an overwhelming majority. Shadow Health Minister Luciana Berger gave ASH and the SFAC an honourable mention at the start of her speech in the debate on the Regulations: *"Today we have an opportunity to consider secondary legislation to introduce standardised packaging of tobacco products, which puts us within touching distance of a precious victory for children. I thank everyone who has campaigned to get us to this point, especially Action on Smoking and Health and the Smokefree Action Coalition. We are here today because colleagues on both sides of the other place successfully made the case for these provisions in the Children and Families Act 2014."*

ASH first started campaigning for standardised (plain) packaging in 2008 in *Beyond Smoking Kills* - a report which put forward 44 recommendations including plain packaging. It has been a long and challenging campaign but was helped by the growing consensus across the political spectrum in favour of the measure.

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

Days before the vote in the Commons, ASH published a Legal Opinion commissioned by the charity which concluded that standardised tobacco packaging is compatible with European law and that the UK Government was entitled to regulate tobacco packaging. The Opinion countered industry claims that it would be entitled to compensation if the measure went ahead. Though facing a legal challenge by the tobacco industry, standardised packaging was introduced from 20 May 2016.

#### Local Tobacco Control

To date 108 councils (83 top tier and 25 district councils) have now signed the Local Government Declaration on Tobacco Control. ASH and colleagues in the SFAC attended a number of regional network meetings to publicise the Declaration and the NHS Statement. New resources, including a document on implementing the Declaration and a bank of best practice case studies have been placed on the SFAC website.

Support for the NHS Statement also continues to grow and in the spring 2015 ASH held a Parliamentary Reception for the Statement to celebrate the initiative's first six months. Guest speakers included Simon Stevens, Chief Executive of NHS England. The reception was very well attended by senior NHS figures with good feedback from attendees about both the Statement as a tool for keeping tobacco control on the NHS agenda and the event itself. 53 NHS organisations have now signed the Statement. We also distributed our *Implementation Guide* for organisations who have signed the Statement already and this is now available online.

Over the year ASH has worked with Public Health England (PHE) in a series of events to make the case for evidence-based tobacco control locally. We have updated existing local toolkit briefings, and new councillor briefings on tobacco-related fires and litter are in production. The briefings will be tailored by region and based on figures presented in the ASH Ready Reckoner.

During the previous year Cancer Research UK commissioned ASH to conduct a survey of people working in tobacco control at the local level to assess the impact of the NHS reforms on their work. The survey was repeated again this year and early analysis suggests that funding in 2015 was facing many more challenges than was found in the 2014 survey. This has been exacerbated by the Chancellor's announcement that there would be a £200 million reduction in the amount allocated to local authorities for their public health budgets. A consequence of this is that some local authorities are already cutting back on their stop smoking services, a policy that could have serious implications for the health of the local population.

#### Smoking in Pregnancy

ASH has been working with PHE, Linda Bauld, Professor of Health Policy at the University of Stirling and Francine Bates, Chief Executive of the Lullaby Trust to produce an update of the Challenge Group's 2013 Report. This report reviews progress against each recommendation and identifies priority areas for future action. It has been developed by Challenge Group members and through the feedback of a range of professionals and academics working in the field. Earlier in the year a seminar was held in partnership with PHE which was attended by around 100 professionals.

The work of the Smoking In Pregnancy Challenge Group, co-ordinated by ASH, has been credited by PHE with raising the level and quality of activity in this area. Rates of smoking in pregnancy in England have started to fall more quickly since the Challenge Group first reported in 2013. To support the ongoing work of the Smoking in Pregnancy Challenge Group we have created a resource section on the Smokefree Action website: <http://www.smokefreeaction.org.uk/SiP.html>

#### Health Inequalities

In October 2015 ASH launched a health inequalities toolkit, designed to make the case for tobacco control within local authorities. The toolkit includes a 'local poverty calculator' which enables local authorities to see the number of households with adult smokers who are living below the poverty line, and what proportion would be lifted out of poverty if these smokers quit smoking. The toolkit contains a series of briefings on key groups with high smoking rates. These groups include prisoners and offenders, those with mental ill health or multiple complex disorders, low income families and LGBT communities.



# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

#### Mental Health

ASH has embarked on a project to develop a consensus position on smoking and mental health focused on the actions needed to significantly reduce the rate of smoking among people with a mental health condition. A round table event with experts on mental health and public health was held in October, and following this a report was due to be published in April 2016.

#### Tax & Smuggling

As well as responding to a Government consultation on a tobacco levy, ASH's annual submission for the Spring 2015 Budget, produced in conjunction with the UK Centre for Tobacco and Alcohol Studies (UKCTAS), and endorsed by 64 organisations, also supported the introduction of a tobacco levy. The submission also urged the government:

- to implement a Minimum Consumption Tax (MCT);
- to further regulate raw tobacco; to publish an updated anti-smuggling strategy;
- to hold a consultation on measures to support implementation of the WHO FCTC Illicit Trade Protocol, including the introduction of a retail licence.

There was a second Budget in July 2015, following the general election. In the submission for this Budget ASH & UKCTAS repeated the call for a tobacco levy and also for sustained funding for HMRC's anti-smuggling strategy. Unfortunately, the Chancellor said that he had decided not to proceed with the tobacco levy but did announce an enhanced strategy to tackle illicit trade.

To mark World No Tobacco Day on May 31<sup>st</sup> 2015 - the theme of which was illicit tobacco - ASH produced a new briefing, *Illicit Tobacco: What is the tobacco industry trying to do?* The briefing reports on how the tobacco industry uses the threat of an increase in the illicit trade to try to prevent new tobacco control policies, such as standardised packaging, from being implemented.

#### Public Attitudes to Tobacco Control

The 10<sup>th</sup> wave of the annual survey of public attitudes to tobacco control issues went into the field in March 2016. The data were collected by YouGov plc. Some key points of the survey are:

- Government activity to limit smoking: 39% of adults think the Government isn't doing enough to limit smoking and 35% think the Government is doing about the right amount. This is compared to just 11% who think Government is doing too much.
- Standard packs: 61% of adults in Great Britain supported requiring tobacco to be sold in plain standardised packaging with the product name in standard lettering, while only 10% opposed it.
- Electronic cigarettes: ASH estimates that there are currently 2.8 million adults in Great Britain using electronic cigarettes (6% of the adult population). Of these, approximately 1.3 million (47%) are ex-smokers while 1.4 million (51%) continue to use tobacco alongside their electronic cigarette use.
- Tobacco industry levy: 62% of adults would support adding 25 pence on a packet of cigarettes, with the money being used to help smokers quit and discourage young people from taking up smoking, whilst 17% would oppose the move.

#### Tobacco Industry

**BAT AGM:** the British American Tobacco AGM took place on 29<sup>th</sup> April 2015 and once again ASH coordinated a youth noisemaking event, attended by around 100 young people. After the AGM ASH held a workshop exploring the policy options surrounding the future of tobacco control. As well as presentations from young people, speakers included Tom Kibasi (Lord Darzi's adviser on the London Health Commission report) Ansa Hussain from Tobacco Free Futures and ASH's chief executive, Deborah Arnott.

**Imperial Tobacco AGM:** the Imperial Tobacco AGM took place on 3<sup>rd</sup> February 2016 and for the second year running ASH organised a youth noise making event. It was attended by around 20 people, including a group of young people from Cut Films, who demonstrated about tobacco industry profits.

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

#### All Party Parliamentary Group on Smoking & Health (APPG)

The APPG held a meeting to celebrate the Luther Terry award to the Department of Health's Tobacco Control Team for "Exemplary Leadership by a Government Ministry". This prestigious triennial award by the American Cancer Society honours the UK as a world leader in tobacco control. The meeting was attended by the Public Health Minister Jane Ellison as well as the Department of Health tobacco team.

At the APPG AGM Paul Burstow, the former Chair, was warmly thanked for his hard work and dedication to tobacco control. During his two years as Chair of the APPG Paul, together with other members of the APPG, played a crucial role in helping get standardised packaging legislation passed through parliament. Paul has since become a Trustee of ASH. Bob Blackman, Conservative MP for Harrow East and former leader of the London Borough of Brent, who was previously Secretary of the APPG, was elected as the new Chair.

In September 2015 in advance of the Chancellor's Comprehensive Spending Review, the APPG held an inquiry into the cost effectiveness of tobacco control which took evidence from a number of health and economic experts. The inquiry resulted in a report containing two key recommendations: that spending on tobacco control should be increased from around £200m a year to £300m a year, and that the cost of additional tobacco control funding should be met by an increase in the existing tax escalator on tobacco products from 2% above inflation to 5% above inflation for the next five years together with changes to the tax structure.

#### Protection from Secondhand Smoke

The implementation of smokefree legislation in 2007 means that the vast majority of people are now well protected from secondhand smoke in enclosed public places and work places. ASH continues to monitor the impact of the legislation.

The regulations to prohibit smoking in a private vehicle when a person under the age of 18 is present took effect on 1<sup>st</sup> October 2015, having been passed on 11<sup>th</sup> February 2015. The law, part of the Children & Families Act 2015, applies to England and Wales though each jurisdiction has its own regulations. ASH research shows that it is well supported by the general public with 85% of adults in England in favour. When the law prohibiting smoking in workplaces was passed it was accompanied by declines in smoking in the home. The new law on smoking in cars should also help to change attitudes and behaviour among the minority of people who continue to smoke around children, not just in the car but also in the home.

ASH was pleased by the Government announcement of a roll out for the long-awaited policy of making prisons in England and Wales smokefree. Prisons in Wales went completely smokefree in the New Year 2016, to be followed by a cluster of prisons in south-west England in spring 2016. The rest of the prison estate in England will follow suit (policy for prisons in Scotland and Northern Ireland is set domestically rather than at UK level), although at present the timescale for this is not clear. ASH has been lobbying for this measure since 2005 when our smokefree laws were first under development, but to our disappointment at that time prisons were exempted. There is clear evidence of the need for prisons to go smokefree. A report on air quality published at the same time as the announcement concluded that: "*Smoking in prisons thus represents a significant health hazard to prisoners and staff.*" Evidence from other countries where prisons have gone smokefree suggests that there have been few problems with enforcement and it has resulted in improved health for both inmates and staff.

#### Electronic Cigarettes

Over the past year ASH staff have held workshops and addressed a number of events to share the evidence base around electronic cigarettes. Generally there is agreement across the public health community that there are significant potential benefits for public health from electronic cigarettes but that we need to keep monitoring the evolution of the market and manage any potential risks through appropriate regulation. This evidence was summarised by Public Health England in its evidence review published in August.

ASH's annual opinion survey this year revealed a further increase in use of the devices with an estimated 2.8 million people in Great Britain currently using them. Usage remains almost exclusively among current and former smokers who are mainly using them as an aid to quitting smoking and/or preventing relapse. Among children, both regular use and experimentation is also largely confined to current smokers or those who have tried smoking. The survey also revealed that the public and smokers are increasingly failing to recognise that electronic cigarettes are less harmful than smoking. In 2016 only 15% of adults correctly identified that

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

electronic cigarettes are a lot less harmful than smoking whereas in 2013, 21% correctly identified they were a lot less harmful than smoking.

#### WHO Framework Convention on Tobacco Control (FCTC)

ASH worked collaboratively with others, including the Framework Convention Alliance and the Non-Communicable Disease Alliance, to support the inclusion of a requirement to strengthen implementation of the WHO FCTC in the Sustainable Development Goals (target 3.a). We also campaigned for tobacco taxation to be included as a funding mechanism in the SDG Financing for Development document. With our encouragement the European Union and the UK were strongly supportive. This will provide a useful hook for encouraging governments, development agencies and funders to support global FCTC implementation, particularly on tobacco taxation.

ASH was alerted to a meeting convened by the Pakistan Finance Minister which was attended by BAT and the British High Commissioner in March 2015. It was reported that the Commissioner had lobbied on behalf of the tobacco industry against the country's proposals for tobacco health warnings. Following criticism by ASH, the Foreign & Commonwealth Office denied that any lobbying had taken place but committed to reminding overseas missions of their obligations to act in accordance with Article 5.3 of the FCTC and to clarifying their guidance to Posts. At the time of publication the guidance was still in the process of being revised.

#### Smoking Still Kills report

The *Smoking Still Kills* report, published in June 2015, sets out our policy agenda for tobacco control for the next five years, in the same way as its predecessor *Beyond Smoking Kills* did in 2008. The report challenges all stakeholders to re-double efforts to accelerate the rate of decline in smoking, and to eliminate the current inequalities in smoking rates between the most affluent and poorest in society, with targets to:

- reduce smoking in the adult population to 13% by 2020 and 9% by 2025;
- reduce smoking in the routine and manual socio-economic group to 21% by 2020 and 16% by 2025;
- reduce smoking among pregnant women to 8% by 2020 and 5% by 2025;
- reduce regular and occasional smoking among 15-year-olds to 9% by 2020 and 2% by 2025;

In addition, a longer term ambition is to reduce smoking to below 5% across all socio-economic groups by 2035.

These targets and the policies to support them have already been incorporated into the new cancer plan for England (Achieving world class cancer outcomes: A strategy for England 2014-2020). Many of the tobacco control measures proposed in *Smoking Still Kills* are already in place but need to be renewed or reinforced with a stronger focus on reducing health inequalities. At the launch of the report, when the Public Health Minister announced that the Government would be developing a replacement for the current Tobacco Control Plan for England, she also said the Department of Health would read *Smoking Still Kills* with interest.

Spending on tobacco control is extremely cost effective yet resources for both national and local tobacco control are far from secure. *Smoking Still Kills* recommends that the tobacco industry be charged a levy to help meet the costs that smoking causes.

The report has been widely disseminated including via a joint conference on the future of tobacco control with the Local Government Association, Association of Directors of Public Health and Public Health England. The event provided an opportunity to brief senior local stakeholders on the next steps for tobacco control as well as providing a showcase for best local practice.

#### Consultation Responses

ASH responded to 28 tobacco related policy development consultations during the year (in alphabetical order by organisation):

- Cancer Task Force: proposal for a new cancer strategy.
- Department for Communities and Local Government (DCLG) Select Committee: consultation on business rates (impact on health spending).

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

- DCLG: revision of local government pension schemes.
- Department of Health (DH): allocation of public health spending cuts to local authorities.
- DH: Regulations on Tobacco Products Directive (TPD).
- DH: transposition of regulations on e-cigarette advertising.
- European Cancer Leagues and Smokefree Partnership: survey on the implementation of article 5.3 of the WHO FCTC (ASH responded on behalf of the UK).
- European Commission: Tobacco Products Directive (TPD) on illicit trade.
- European Public Health Alliance (EPHA): consultation on Investor State Dispute Settlement.
- European Union: Proposals for a panel to set rules on cigarette flavourings.
- Gateshead Council: proposed cuts to funding for FRESH NE.
- Health & Social Care Information Centre (HSCIC): the "Future of Smoking Drinking Drug Use" survey.
- HSCIC: "What About YOUth" survey.
- HM Revenue & Customs: frequency of bulletins.
- HMT: Autumn Statement 2015.
- HMT: Comprehensive Spending Review 2015.
- House of Commons Health Select Committee: ASH & Cancer Research UK joint submission to the inquiry into public health structure.
- House of Commons Health Select Committee: inquiry into impact of the Comprehensive Spending Review on health and social care.
- Medicines & Healthcare Products Regulatory Agency (MHRA): proposed fees for e-cigarette regulation.
- Ministry of Justice: Court fees (Freedom of Information).
- National Audit Office: reducing the regulatory burden.
- NHS England: cancer drugs fund.
- NICE: Quality Standards Consultation "Smoking: harm reduction".
- NICE: partial update of smoking cessation brief advice & referral guidance.
- Northern Ireland Department of Health, Social Services & Public Safety: Tobacco Retailers Act regulations.
- Office for National Statistics (ONS): proposed changes to publications (frequency & scope).
- Welsh Government: smoking in prisons.
- Westminster City Council: policy on shisha.

#### Website

The ASH website - [www.ash.org.uk](http://www.ash.org.uk) – is widely acknowledged as one of the best tobacco information sites in the world. It has a huge searchable content on every aspect of tobacco control and is easily accessible with hundreds of downloadable documents. The site has become a key factor in our ability to provide information, campaign successfully and to network cost-effectively both nationally and internationally. Over the course of the financial year the ASH website had 470,123 unique visitors, an average of 1,288 visitors a day. This is unchanged from the previous twelve months.

Keeping the site accessible, up to date and accurate is central to our work, and a key factor in our ability to provide information and to network with others both nationally and internationally. It is updated by ASH staff regularly with all ASH publications, press releases, responses to current events and links to the latest information, research and data being placed on the site as soon as they become available.

#### Information & Publications

Of our regular publications, *ASH Daily News* has 4,792 subscribers, up an amazing 2,519 (90%) on last year. The twice monthly *News & Events Bulletin* has 4,614 subscribers, up from 2,123 (117%) on last year.

ASH Fact Sheets are our basic information products and there are two types. There are now a total of 5 *Facts at a Glance*, short fact sheets covering key facts and statistics and 34 detailed *Fact Sheets*, each covering a different aspect of tobacco and health in some depth and fully referenced. In addition, we have 5 more detailed research reports and a number of policy briefings. All of these publications continue to undergo a rolling programme of review, up-date and addition where necessary. They are available, free of charge, from the ASH website.

ASH has had *Information Standard* accreditation since early 2011.

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

#### Media work

Over the past twelve months ASH issued 47 national press releases. Based on figures from professional media monitors contracted by ASH, it is estimated that ASH's media 'reach' (the number of people who would have been exposed to our message across TV, radio and print media but excluding the internet) was an average of 4.23 million people per week.

#### Impact Report

As an integral part of the strategic review for 2014-17, the Trustees agreed a series of success indicators for each of the four strategic priorities, measuring our impact as an organisation. These relate to outcomes as well as outputs whilst recognising that ASH plays a role but is not solely responsible when it comes to successful outcomes. Progress has been as follows:

##### 1. Advocacy & Policy Development

1. Primary legislation for standardised tobacco packaging passed by the UK Parliament.
2. Primary legislation for smoking in cars with children which came into effect 1<sup>st</sup> October 2015.
3. European Union Tobacco Products Directive passed.
4. WHO FCTC illicit trade protocol adopted.
5. The Government has announced that the 2% above inflation tobacco tax escalator, a long term ASH policy, will be sustained for the whole of the current Parliament.
6. ASH responded to 28 tobacco related policy development consultations during the year:
7. ASH continues to support the transition of public health from the NHS to local government through the Local Government Toolkit; the CLear standard (which is now being operated by Public Health England); disseminating NICE guidance; and the Local Government Declaration.

##### 2. Information & Research

1. ASH has had *Information Standard* accreditation since 2011.
2. Over the course of the financial year the ASH website had 470,123 unique visitors, an average of 1,288 visitors a day, unchanged from the previous twelve months.
3. Of our regular publications, 'ASH Daily News' has 4,792 subscribers, up from 2,519 or (90%) on last year. The twice monthly 'News & Events Bulletin' has 4,614 subscribers, up from 2,123 or (117%) on last year.

##### 3. Communicating, Engagement & Networking

1. The Local Government Declaration on Tobacco Control, which is endorsed by both the Public Health Minister and the Chief Medical Officer, has now been signed by 108 local authorities (83 top tier councils and 25 district councils).
2. The NHS Statement of Support for Tobacco Control was endorsed by 10 leading public health figures/organisations including the then Minister for Public Health, the Royal College of GPs, Public Health England, the Care Quality Commission and NHS England in 2014. A total of 53 local NHS organisations have so far signed it.
3. Continuing development of the Smokefree Action Coalition (SFAC) which has grown to over 300 organisations (up from 160 in 2011). The SFAC has campaigned effectively on key policy issues and engaged parliamentarians of all parties and in both houses.
4. ASH continues to play a key role as an active member of the Framework Convention Alliance (FCA) working for the effective implementation of the WHO FCTC in the UK and worldwide.
5. ASH established the ASH Five Nations Group which continues to contribute to the harmonisation of the work conducted by ASH partners across the UK and Ireland.
6. During the period April 2015 – March 2016 our media 'reach' was over 4.23 million people per week.

##### 4. Resources & Sustainability

1. All statutory reporting was completed on time by the charity.
2. Good relations with funders are being maintained via regular reporting and contact with key decision makers within each organisation. Funding from our three key funders has been sustained.
3. Staff turnover has remained under 25% per annum.

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

#### Finance

##### Investments Policy

When not required, the free reserves held by the charity are held on deposit and may be placed on short-term Treasury Deposits at the discretion of the Business Manager.

##### Principal Funding Sources

The principal sources of project funding for the charity during the year were:

- Department of Health Section 64 General Scheme for "Project 1: Supporting the Tobacco Control Plan for England" (this grant did not fund, and never has funded, ASH's campaigning work);
- Cancer Research UK for Project 2: Smoking Still Kills Report; Project 3: Local Authority Tobacco Control Report; and Project 4: Tobacco Strategy & Policy

Core funding for the entire programme of work of the charity was provided by:

- Cancer Research UK;
- British Heart Foundation (BHF).

##### Financial Review

The year saw a £30 decrease in funds. Total income of £917,264 was 19.5% higher than the previous year.

Charitable expenditure, at £917,294 increased by 26.9% on the previous year. ASH finished the year with cash balances of £570,611 (down £8,979 from last year) and net assets of £699,916.

Having made transfers of £409,833 from general funds to meet deficiencies on the various projects for which restricted funds were available, the balance of general funds at the end of the year decreased by £1,784 to £623,939.

##### Reserves Policy

Reserves are maintained at a level that enables the Charity to manage financial risk, such as the loss of funding source, allowing the Charity to sustain current activities in the short-term and ensuring that financial commitments can be met as they fall due.

The reserves measure is on a 'managed cash and investments' basis. 'Managed cash and investments' includes all amounts available to finance the general activities of the Charity, and normally include the cash held in the Charity's bank accounts. The targeted level of reserves is a minimum of six months (£415,297) and a maximum of 12 months (£830,595), annualised forecast cash outflow. Six months is considered a reasonable time period considering two of the Charities funding sources are received quarterly in arrears and the third is often not finalised until half-way through the financial year.

If the Charity were to suffer a loss of a funding source, the reserves would allow only a short-term maintenance of current activity levels. Steps would still need to be taken to either replace the funding source or to change activities in the longer-term. The current level of managed cash and investments (£570,611) is within the desired range.

##### Plans for Future Periods

The charity's objectives for the period 2014-17 are as laid out in the Strategic Plan. The plan includes four strategic priorities which are:

1. Advocacy & Policy Development
2. Information & Research
3. Communication, Engagement & Networking
4. Resources & Sustainability

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

In addition, success indicators for each of the objectives have been developed. The success indicators provide a broad overview of how ASH will measure its progress and accomplishments. In detail, the four Strategic Priorities and their related Success Indicators are as follows:

#### 1. Advocacy & Policy Development

To press for concrete and evidence based measures to reduce the harm caused by tobacco.

##### Objectives:

1. Provide leadership nationally and internationally on future priorities for tobacco control.
2. Prevent the tobacco industry from influencing tobacco policy by exposing their lobbying and misinformation in collaboration with Tobacco Tactics.
3. Promote the effective implementation of the Coalition Government's Tobacco Control Plan in England and support for it from the public health community.
4. Work to ensure that the national strategy is replicated both at sub-national and local level in the UK and at EU level. Also continue to work with the other ASHs across the UK to achieve consistency.
5. Advocate for a new Tobacco Control Plan for England after the 2015 General Election.
6. Support the development of the evidence base for policies to tackle tobacco use.
7. Support effective regulation of electronic cigarettes to maximise opportunities and minimise risks.
8. Monitor effectiveness of existing tobacco control policies.
9. Ensure all tobacco control policies contribute, as far as is possible, to health improvements, the reduction of health inequalities, poverty and social exclusion.
10. Support measures to reduce the affordability of tobacco including the maintenance of high tobacco taxation and the minimisation of smuggling.
11. Promote the effective implementation of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC).
12. Promote the provision of effective information for consumers, such as: mass media campaigns, education and product labelling.
13. Ensure that all new tobacco control policy proposals are costed and examined for both value for money and affordability.
14. Analyse and respond appropriately to industry Corporate Social Responsibility (CSR) initiatives.
15. Be sensitive to the concerns of the smoker.

##### Success Indicators:

1. Smoking prevalence will decline at a faster rate than over the last ten years, in particular amongst pregnant women, routine and manual workers and the most disadvantaged.
2. Evidence that tobacco control policies are complied with and are popular.
3. The extent to which ASH recommendations are acted on by policy makers.
4. The level of support by all UK political parties for tobacco control measures as central to improving public health.
5. The post-2015 Government agrees to develop a new tobacco strategy for England.
6. The Department of Health (DH) consult and involve ASH in the development and implementation of the post-2015 Government's tobacco strategy.
7. Increase in public agreement, particularly amongst routine un-skilled or semi-skilled professions, that tobacco is a harmful drug, that smoking in front of children is unacceptable and that tobacco taxes should rise each year above inflation.
8. The extent to which there is sustained funding and support by the Coalition Government, the post 2015 Government and Local Authorities for an ambitious tobacco control strategy which will ensure that driving down smoking prevalence is at the core of public health policy at national, sub-national and local level.
9. The level of exposure of children to secondhand smoke in the home and in cars will continue to decline as measured by Office for National Statistics (ONS) smoking-related behaviour and attitudes survey backed up by General Lifestyle Survey, Integrated Household Survey and Health Survey for England cotinine tests measuring exposure levels in children in households where adults smoke.
10. Electronic cigarette use by smokers to quit and cut down will increase whilst smoking prevalence continues to decline amongst both adults and young people.
11. Tobacco tax continues to increase above the rate of inflation at each budget.

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

12. HM Treasury and HM Revenue & Customs continue to involve ASH and civil society in the development of tax and anti-smuggling policies.
13. ASH's work in collaboration with the Framework Convention Alliance on effective implementation of the WHO FCTC helps ensure that the UK continues to consult civil society in the development of its tobacco control strategy, as it is required to do under the WHO FCTC.
14. The EU Tobacco Products Directive will be brought into force in the most effective way possible by the UK.

## 2. Information & Research

To maintain, develop and enhance the quality, reputation and integrity of the information which ASH provides and to communicate it effectively. To service the day-to-day information and intelligence needs of the tobacco control community in the UK.

### Objectives:

1. To continuously review the informational needs of ASH and others in the field and develop materials to meet those needs.
2. To effectively monitor, analyse and expose the tactics and messages of the tobacco industry.
3. To provide a substantial readily-accessible library of information resources on tobacco control through the ASH website.
4. To support high quality tobacco control commissioning by Public Health England and local commissioners.
5. Maintain sound quality control of all information provided.
6. To ensure effective collection and storage of information.
7. To ensure that all information resources are up to date.
8. To gather evidence on public opinion about issues to do with smoking and health.
9. To gather evidence on effective policies to change behaviour.
10. To make use of new social media when and where they add value to the work of the charity.
11. To address the information needs and priorities of the Coalition Government up to 2015, the post-2015 Government and other relevant audiences.

### Success Indicators:

1. The ASH website continues to be seen by other groups as the leading site for information on tobacco control. To be measured by regular surveys of users.
2. The ASH website is a key resource used by commissioners of tobacco control in England.
3. Usage of the ASH website, as measured for the quarterly reports to the Trustees, is maintained and begins to increase.
4. The number of subscribers to "ASH Daily News" is sustained.

## 3. Communicating, Engagement & Networking

To remain the hub for UK tobacco control policy networking. To communicate and engage with a broad range of tobacco control stakeholders. To facilitate local, regional, national and international networking in order to advance shared objectives in tobacco control policy and practice.

### Objectives:

1. To sustain and develop the communication, engagement and networking strategy.
2. Continued involvement in tobacco control by other public health-related organisations through the Smokefree Action Coalition (SFAC) and other collaborative working.
3. To maximise the effectiveness of existing networks and to develop new ones where relevant, locally, nationally and internationally.
4. To identify and rank potential new partners.
5. To communicate using materials which are appropriate to the various segments of the target audience.
6. To use technology effectively in servicing and enabling networks.
7. To continue to innovate and develop the methods used to enable networks.
8. To develop ways through which we can constantly re-invigorate the SFAC and sustain active participation and support.



# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

#### Success Indicators:

1. Other groups involved in tobacco control continue to expect ASH to take a 'leadership' role in tobacco control. This will be assessed on an ongoing basis directly by ASH backed up by three yearly independent evaluations. This survey will also be used to determine whether partners are getting what they expect and need from meetings and networks. The aim is to maintain the high level of success and satisfaction found in previous surveys.
2. The involvement of ASH continues to be sought for national and international tobacco control policy development.
3. ASH is recognised for a conspicuous, positive and effective contribution to WHO FCTC.
4. Tobacco control partners across England are positive about our role in supporting their work.
5. Sustained high media reach and positive coverage of tobacco control issues.
6. Positive media coverage of tobacco control issues linked to ASH is sustained and ASH remains the first port of call for the media on tobacco-related stories.
7. Continued high level of awareness of ASH as measured by opinion polls.

#### 4. Resources & Sustainability

To secure appropriate funding and other resources for the achievement of the organisation's objectives in a sustainable way.

#### Objectives:

1. To maintain good relations with the current key funders and sustain our funding from them.
2. To review other potential sources of new funding, especially for new initiatives. Expansion beyond the key funders should be evidence based and only cost-effective grants which don't divert us from our strategic aims and objectives should be sought.
3. To have emergency financial planning in place in case of the loss of one or more funders.
4. To recruit, train and retain high quality staff.

#### Success Indicators:

1. Achieve adequate medium term funding (3 years) for the work we do.
2. Cash reserves remain within the levels agreed by the Trustees.
3. Completion of annual staff reviews and development of the related business plans.
4. Staff turnover remains under 25% per annum for permanent staff.

#### Thanks

The Trustees would like to thank the British Heart Foundation, Cancer Research UK, the Department of Health, our partners in the Smokefree Action Coalition and our individual members for supporting our work during the year. In addition, they would like to thank the ASH staff for all of their work during the year.

#### Trustees' responsibilities

The Trustees (who are also the directors of Action on Smoking and Health for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2016

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Small Company Exemption

The above report has been prepared in accordance with the special provisions of section 416 of the Companies Act 2006 relating to small companies and Section 162 of the Charities Act 2011.

On behalf of the Trustees



.....  
**Professor John Moxham**  
Chair

Date: 15/9/2016 .....

# INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF ACTION ON SMOKING AND HEALTH

I report on the accounts of the Charity for the year ended 31st March 2016, which comprise the Statement of Financial Activities, Balance Sheet and related notes.

## Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the ICAEW.

Having satisfied myself that the company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

## Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanation from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

## Independent Examiner's Statement

In accordance with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
  - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met: or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

*N.F. - S.M. LLP*  
.....  
**Neil Finlayson, Independent Examiner**  
for and on behalf of Kingston Smith LLP

Devonshire House  
60 Goswell Road  
London EC1M 7AD  
Date: 16/9/2016

**ACTIONS ON SMOKING AND HEALTH  
STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2016**

Note	Unrestricted Funds		Restricted Funds	Total 2016	Unrestricted Funds		Restricted Funds	Total 2015
	General	Designated			General	Designated		
<b>Income and Endowments From:</b>								
	Donations and legacies							
2a	435,113	-	-	435,113	424,500	-	-	424,500
2b	23,326	-	-	23,326	5,116	-	-	5,116
2c	162,500	-	-	162,500	-	-	-	-
	296	-	-	296	267	-	-	267
	<b>Charitable activities</b>							
2a	-	-	263,247	263,247	-	-	266,008	266,008
	32,782	-	-	32,782	71,555	-	-	71,555
	654,017	-	263,247	917,264	501,438	-	266,008	767,446
	<b>Expenditure On:</b>							
	Charitable activities							
3	240,629	4,861	671,804	917,294	79,247	4,586	639,068	722,901
	240,629	4,861	671,804	917,294	79,247	4,586	639,068	722,901
	413,388	(4,861)	(408,557)	(30)	422,191	(4,586)	(373,060)	44,545
10	(415,172)	5,339	409,833	-	(375,404)	2,344	373,060	-
	(1,784)	478	1,276	(30)	46,787	(2,242)	-	44,545
	625,723	64,223	10,000	699,946	578,936	66,465	10,000	655,401
	<b>623,939</b>	<b>64,701</b>	<b>11,276</b>	<b>699,916</b>	<b>625,723</b>	<b>64,223</b>	<b>10,000</b>	<b>699,946</b>
	Note 10	Note 9	Note 8		Note 10	Note 9	Note 8	

All results are from continuing activities.

No gains or losses arose in the year other than those shown above.

The notes on pages 20 to 26 form a part of these financial statements.

**ACTION ON SMOKING AND HEALTH**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**  
**BALANCE SHEET AT 31 MARCH 2016**

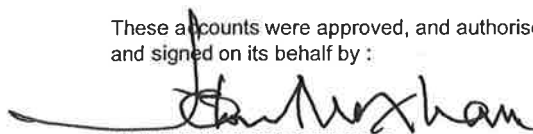
	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed Assets</b>					
Tangible assets	5		7,884		7,406
Investments			<u>24</u>		<u>24</u>
			7,908		7,430
<b>Current Assets</b>					
Debtors	6	229,974		232,621	
Cash at bank and in hand		<u>570,611</u>		<u>579,590</u>	
		800,585		812,211	
<b>Creditors: Amounts falling due within one year</b>	7	<u>(108,577)</u>		<u>(119,695)</u>	
<b>Net Current Assets</b>			<u>692,008</u>		<u>692,516</u>
<b>Net Assets</b>	11		<u><u>699,916</u></u>		<u><u>699,946</u></u>
<b>Funds</b>					
Restricted					
Central funds	8		11,276		10,000
Unrestricted					
Designated funds	9		64,701		64,223
General Funds					
Central funds	10	623,785		625,569	
Branch funds	10	<u>154</u>		<u>154</u>	
			<u>623,939</u>		<u>625,723</u>
			<u><u>699,916</u></u>		<u><u>699,946</u></u>

For the year ending 31 March 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the companies Act 2006 and with the Financial Reporting Standard 102 (effective January 2015).

The notes on pages 20 to 26 form a part of these financial statements.

These accounts were approved, and authorised for distribution, by the Board of Directors on 15/9/2016 and signed on its behalf by:



Professor John Moxham



Marisa Crook

Company number: 00998971

**ACTION ON SMOKING AND HEALTH**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Net (Expenditure)/ income for the year	(30)	44,545
Adjustments for:		
Interest received	(296)	(267)
Depreciation of tangible fixed assets	4,861	4,591
Purchase of tangible fixed assets	(5,339)	(2,349)
Decrease/ (increase) in debtors	2,647	(196,928)
(Decrease)/ increase in creditors	(11,118)	93,009
<b>Net cash (used in) / generated by operating activities</b>	<b>(9,275)</b>	<b>(57,399)</b>
<b>Cash flows from investing activities</b>		
Interest received	296	267
<b>Net cash from investing activities</b>	<b>296</b>	<b>267</b>
<b>Change in cash and cash equivalents in the year</b>	(8,979)	(57,132)
Cash and cash equivalents at beginning of year	579,590	636,722
<b>Cash and cash equivalents at end of year</b>	<b>570,611</b>	<b>579,590</b>

# ACTION ON SMOKING AND HEALTH

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2016

#### 1 Accounting Policies

##### **Basis of preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and Charities Act 2011.

This is the first year that the charitable company has prepared its financial statements under FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was 1 April 2014. No adjustments have been made to comparative data other than the reclassification of governance costs to support costs. This has had £nil effect on net funds per the Statement of Financial Activities nor the Balance Sheet.

##### **Going concern**

The trustees have assessed whether the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on fee income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

##### **Company status**

The charity is a company limited by guarantee, registered in England & Wales. In the event of the charity being wound up, the liability of each member in respect of the guarantee is limited to £1.

The functional currency of the charity is sterling.

##### **Income**

All income including government grant income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Life subscriptions are included as income in full in the year of receipt. Legacies are included in the accounts at the point where the amount receivable can be measured with sufficient reliability; this is normally the point of receipt by the charity.

##### **Resources expended**

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure has been classified under headings that aggregate all costs related to the category.

- Charitable activities include expenditure associated with the development of policy, research, information and related activities and include both the direct costs and support costs relating to those activities.
- Support costs are the costs of central functions which relate to the whole organisation. These have been allocated to cost categories on the basis of staff time occupied in each area.

##### **Pension contributions**

The company makes contributions to a defined contribution scheme for eligible members of staff the amount being determined in relation to the individual's current salary. Additional contributions are made to the individual personal pension scheme of three members of staff.

##### **Operating leases**

Rentals applicable to operating leases are charged to the SOFA (Statement of Financial Activities) over the period in which the cost is incurred.

**ACTION ON SMOKING AND HEALTH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**

**Tangible fixed assets**

Items are capitalised as fixed assets if their value exceeds £500.

Depreciation is provided on expenditure at rates calculated to write off each asset over its estimated remaining life. The estimated lives of the classes of assets are as follows:

Fixtures, fittings and office equipment	3-5 years
Computer equipment and software	3 years

**Investments**

Investments are held in tobacco related companies to give ASH the right to attend annual general meetings. The holdings are minimal and it is therefore considered appropriate to disclose them at historical cost rather than market value as required by SORP. There is no material difference between the cost and the market value.

Dividend income is negligible and has, therefore, been included with interest received.

**Fund Accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objectives of the charity. Designated funds are also unrestricted funds but have been designated by the trustees for a particular purpose and includes the net book value of tangible fixed assets used by the charitable company in its operational activities. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised for particular purposes. The aim and use of each restricted and designated fund is given in the notes.

**Gift in kind**

Donated assets are capitalised at a value estimated to be their market value at the time of donation. Where services are provided to the Charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements as an estimate based on the value of the contribution to the Charity.

**Critical accounting estimates and areas of judgement**

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**Other financial instruments**

**i. Cash and cash equivalents**

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

**ii. Debtors and creditors**

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

2a Grants	2016 £	2015 £
<b>Unrestricted grants received</b>		
Supporting charities	435,113	424,500
<b>Restricted grants arising from charitable activities</b>		
Department of Health	150,000	200,000
Supporting charities	82,583	66,008
Individual donation	30,664	-
	<u>263,247</u>	<u>266,008</u>
<b>2b Donations and legacies (All unrestricted)</b>	<b>2016 £</b>	<b>2015 £</b>
Donations	5,217	5,116
Legacies	18,109	-
	<u>23,326</u>	<u>5,116</u>
<b>2c Gift in Kind</b>	<b>2016 £</b>	<b>2015 £</b>
Pro bono legal costs	162,500	-
	<u>162,500</u>	<u>-</u>



# ACTION ON SMOKING AND HEALTH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)

### 3 Charitable activities

The detailed charitable activities are more fully described in the trustees' report and relate to interlinked areas of policy, research and information.

	Direct project costs £	Direct staff costs (see Note 4) £	Support costs (see below) £	2016 £
Policy research and Information	238,271	352,751	326,272	917,294

	Direct project costs £	Direct staff costs (see Note 4) £	Support costs (see below) £	2015 £
Policy research and Information	210,446	342,275	170,180	722,901

Support costs are those shared costs which relate to the operation of the organisation and include:

	Total 2016 £	Total 2015 £
Staff costs (See Note 4)	51,047	48,404
Depreciation	4,861	4,586
Legal & Consultancy	8,640	8,640
Pro Bono Legal work (gift in kind)	162,500	-
Office running costs	65,466	58,903
Telephone and postage	13,923	15,166
Printing, stationery and design	3,630	7,783
Board expenses	4,493	4,525
Independent Examination fee	3,850	-
Audit fees - current year	-	6,800
Audit fees - prior year under-provision	90	362
Accountancy and payroll	5,502	3,448
Other costs	2,270	11,563
	326,272	170,180

The basis of allocation of support costs is staff time.

### 4 Staff Costs

	2016 £	2015 £
Gross pay	350,581	339,127
Social security	36,560	34,837
Pension contributions	14,487	13,567
	401,628	387,531
Other staff costs	2,170	3,148
	403,798	390,679

The remuneration of 1 member of staff (2015: 1 member of staff) fell into the range £80,000 - £90,000 (2015: £80,000-£90,000). The pension cost of this individual was £4,307 (2015: £4,307).

No trustees (2015: none) were reimbursed for expenses incurred. No trustee received any remuneration in the year (2015: none).

The Chief Executive and those reporting to the Chief Executive are key management personnel. Total remuneration paid was £211,627 (2015: £204,169). Key management personnel consists of 3 (2015: 3) members of staff.

The average number of staff employed, including part time staff, allocated according to function was:

	2016 Number	2015 Number
Central charitable activities	9	9
	9	9

**ACTION ON SMOKING AND HEALTH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**

<b>5</b>	<b>Fixed Assets</b>	<b>Office fixtures, fittings and equipment £</b>
	<b>Cost</b>	
	At 1 April 2015	45,836
	Additions	5,339
	Disposals	<u>(5,105)</u>
	At 31 March 2016	<u>46,070</u>
	<b>Depreciation</b>	
	At 1 April 2015	38,430
	Charge for the year	4,861
	Eliminated on disposal	<u>(5,105)</u>
	At 31 March 2016	<u>38,186</u>
	<b>Net Book Value</b>	
	At 31 March 2016	<u>7,884</u>
	At 31 March 2015	<u>7,406</u>

All fixed assets are held for use in the charitable activities of ASH.

<b>6</b>	<b>Debtors</b>	<b>2016 £</b>	<b>2015 £</b>
	Other debtors	218,546	221,634
	Prepayments	<u>11,428</u>	<u>10,987</u>
		<u>229,974</u>	<u>232,621</u>

All debtors are financial instruments measured at present value.

<b>7</b>	<b>Creditors: Amounts falling due within one year</b>	<b>2016 £</b>	<b>2015 £</b>
	Trade creditors	90,275	79,888
	VAT Liability	1,800	16,644
	Accruals	<u>16,502</u>	<u>23,163</u>
		<u>108,577</u>	<u>119,695</u>

Included within the figures for accruals is an amount of £2,338 (2015: £2,338) owing to the pension scheme.

All creditors, except accruals, are financial instruments measured at present value.

**ACTION ON SMOKING AND HEALTH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**

8 Restricted Funds		Funds brought forward April 2015 £	Incoming resources £	Resources expended £	Transfers from General funds £	Funds carried forward March 2016 £
<b>Central</b>						
Secondhand Smoking	(a)	10,000	-	-	-	10,000
Work to support delivery of the Tobacco Control Plan for England	(b)	-	150,000	(355,160)	205,160	-
Smoking Still Kills	(c)	-	11,275	(52,822)	41,547	-
Tobacco strategy and policy	(d)	-	38,508	(195,614)	157,106	-
Tobacco control	(e)	-	23,464	(29,484)	6,020	-
Retail sector research	(f)	-	40,000	(38,724)	-	1,276
		<b>10,000</b>	<b>263,247</b>	<b>(671,804)</b>	<b>409,833</b>	<b>11,276</b>
		Funds brought forward April 2014 £	Incoming resources £	Resources expended £	Transfers from General funds £	Funds carried forward March 2015 £
<b>Central</b>						
Secondhand Smoking	(a)	10,000	-	-	-	10,000
Work to support delivery of the Tobacco Control Plan for England	(b)	-	200,000	(371,270)	171,270	-
Smoking Still Kills	(c)	-	22,000	(94,329)	72,329	-
Tobacco strategy and policy	(d)	-	44,008	(173,468)	129,460	-
		<b>10,000</b>	<b>266,008</b>	<b>(639,068)</b>	<b>373,060</b>	<b>10,000</b>

- (a) This amount represents the legacy of Jean Matthews. The money was specified for use in campaigns against involuntary smoking.
- (b) This project provided factual information, resources and support for the Department of Health's implementation of the Tobacco Control Plan for England. The Department of Health made a Section 64 Scheme grant of £150,000 to this project.
- (c) This project supports the consultation, research, writing, production and dissemination of the planned report "Smoking Still Kills", published June 2015.
- (d) This project supports research, development and promotion of new policies designed to reduce the disease and premature death caused by Tobacco.
- (e) To establish a set of core quantitative indicators that can be investigated annually to track the delivery of tobacco control in local government.
- (f) To fund research on the retail sales of tobacco products.

**ACTION ON SMOKING AND HEALTH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**

9 Designated Funds	Funds brought forward April 2015 £	Incoming resources £	Resources expended £	Transfers from General funds £	Funds carried forward March 2016 £
Capital equipment	7,406	-	(4,861)	5,339	7,884
Tobacco Control Alliance (TCA)	56,817	-	-	-	56,817
	<u>64,223</u>	<u>-</u>	<u>(4,861)</u>	<u>5,339</u>	<u>64,701</u>
	Funds brought forward April 2014 £	Incoming resources £	Resources expended £	Transfers from General funds £	Funds carried forward March 2015 £
Capital equipment	9,648	-	(4,591)	2,349	7,406
Tobacco Control Alliance (TCA)	56,817	-	-	-	56,817
	<u>66,465</u>	<u>-</u>	<u>(4,591)</u>	<u>2,349</u>	<u>64,223</u>

The capital equipment fund represents money set aside for fixed assets.

The TCA fund represents the transfer of funds from the TCA on its cessation which have been set aside by the directors to enable the continuation of that work within ASH.

It has been agreed by the trustees that these funds will be closed and transferred into the general fund in the next year.

10 General Funds	Funds brought forward April 2015 £	Incoming resources £	Resources expended £	Transfers from General funds £	Funds carried forward March 2016 £
Central funds	625,569	654,017	(240,629)	(415,172)	623,785
Branch funds	154	-	-	-	154
	<u>625,723</u>	<u>654,017</u>	<u>(240,629)</u>	<u>(415,172)</u>	<u>623,939</u>
	Funds brought forward April 2014 £	Incoming resources £	Resources expended £	Transfers from General funds £	Funds carried forward March 2015 £
Central funds	570,792	501,438	(79,247)	(367,414)	625,569
Branch funds	8,144	-	-	(7,990)	154
	<u>578,936</u>	<u>501,438</u>	<u>(79,247)</u>	<u>(375,404)</u>	<u>625,723</u>

The transfer to the restricted fund represents deficiencies on the various restricted fund projects, for which some funding was available.

**ACTION ON SMOKING AND HEALTH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**

**11 Analysis of Net Assets between Funds**

	Fixed assets £	Investments and net current assets £	Total 2016 £
Restricted funds:			
Central funds	-	11,276	11,276
Unrestricted funds:			
Designated funds	7,884	56,817	64,701
General funds:			
Central funds	-	623,785	623,785
Branch funds	-	154	154
	<u>7,884</u>	<u>692,032</u>	<u>699,916</u>

	Fixed assets £	Investments and net current assets £	Total 2015 £
Restricted funds:			
Central funds	-	10,000	10,000
Unrestricted funds:			
Designated funds	7,406	56,817	64,223
General funds:			
Central funds	-	625,569	625,569
Branch funds	-	154	154
	<u>7,406</u>	<u>692,540</u>	<u>699,946</u>

**12 Operating Lease Commitments**

The company had annual commitments under operating leases as follows:

	2016 Land and Buildings £	2015 Land and Buildings £
Expiring:		
- within 1 year	22,000	22,000
- in between two and five years	11,000	33,000
	<u>33,000</u>	<u>55,000</u>

During the year £26,400 (2015: £26,400) has been recognised as an expense in the SOFA.

**13 Related Party Transactions**

There have been no related party transactions during the year that require disclosure.

