

**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 2015**

# Action on Smoking and Health

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# **Action on Smoking and Health**

## **Report of the Trustees**

### **31<sup>st</sup> March 2015**

The Trustees are pleased to present their report and the financial statements of the charity for the year ended 31<sup>st</sup> March 2015.

#### **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 were in office at the 31<sup>st</sup> March 2015 and had served throughout the year, except where shown:

Professor John Moxham	-	Chair.
Mr Simon Hopkins	-	Treasurer.
Professor Martin Jarvis	-	Vice-Chair.
Professor John Britton		
Ms Maura Gillespie		
Mr Ed Gyde	-	Resigned 10 <sup>th</sup> December 2014.
Mr Peter Kellner		
Professor Peter Kelly		
Dr Andy McEwen		
Dr Lesley Owen		
Lord Rennard of Wavertree	-	Resigned 10 <sup>th</sup> December 2014.
Dr Helen Walters	-	Appointed 10 <sup>th</sup> December 2014.
Ms Sarah Woolnough		

##### **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, Ms Deborah Arnott. The Company Secretary is the Business Manager, Mr Philip Rimmer.

##### **Auditors**

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 2015**

#### **Chair's Introduction**

The last year has been very productive. The necessary primary legislation for standardised tobacco packaging is now in place, embedded in the Children and Families Act. This is no mean feat given the multi-million pound global lobbying campaign being run against standard packs by the tobacco transnationals.

ASH has continued its important work with local authorities following the hand-over to Public Health England (PHE) of the CLear standard for local government which ASH had initiated. To see so many local authorities pledging their support for the Local Government Declaration on Tobacco Control is very encouraging. The Declaration will underpin their local tobacco control policies and help ensure that they are free of any interference by the tobacco industry.

Internationally, ASH, working in collaboration with the Brussels based organisation the Smokefree Partnership, has played a key role in building support throughout Europe for a strong revised EU Tobacco Products Directive. This passed its final legislative stages in spring 2014 and will be implemented from May 2016 onwards. ASH's Chief Executive also continues to work with colleagues in the Framework Convention Alliance (FCA) to drive development and implementation of the WHO Framework Convention on Tobacco Control (FCTC). At the Conference of the Parties (CoP) held during 2014 several ground-breaking measures were agreed, in particular guidelines on tobacco taxation which will help other Parties to the WHO FCTC adopt tax policies as tough as those of the UK. These guidelines have the potential to help reduce smoking prevalence and the global burden of non-communicable disease; and to support the funding of FCTC implementation.

Smoking rates are continuing to fall both among adults and children in England. This highlights the effectiveness of successive government strategies to tackle smoking, despite tobacco industry efforts to undermine or derail the Government's health promoting policies. However, smoking still remains the largest preventable cause of death and disease, which underlines how important it is to keep up the pressure to ensure governments at all levels - local, regional and national continue to sustain and develop tough tobacco control measures.

On behalf of my fellow Trustees I am pleased to present the 2014-15 annual report and to thank our funders and supporters without whom this vitally important work would not be possible.

*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.

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.

#### **Related Parties and Partner Organisations**

None.

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## Report of the Trustees

### 31<sup>st</sup> March 2015

#### 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. During this year particular attention was paid to the charity's reserves, threats to ASH staff and the Bribery Act 2010. A comprehensive review of risks takes place every two years, the current one being completed in June 2013.

#### 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 updated each year.

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 next three years will 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

##### Overview

During the past 12 months important new laws on tobacco control have been passed both domestically and in Europe. The Children and Families Act contains powers to enable the government to bring in standardised packaging, prohibition of smoking in cars with children present, age of sale of 18 for e-cigarettes and prohibition of the purchasing of tobacco by adults for children. Meanwhile in Europe the finalised revised EU

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### 31<sup>st</sup> March 2015

Tobacco Products Directive will require the introduction of larger pictorial health warnings amongst other important regulatory measures.

But for many the big news of last year was the extraordinary rise in use of electronic cigarettes: our research shows that in spring 2014 there were an estimated 2.1 million adult users in Great Britain, up from 1.3m in 2013. ASH has been leading the call for a regulatory regime that maximises the potential benefits while minimising the risks. To this end, ASH has carried out research and produced a number of briefings on electronic cigarettes including working with the Chartered Institute of Environmental Health to produce policy briefings and guidance on usage of electronic cigarettes in the workplace.

Working with Smokefree Action Coalition (SFAC) partners, ASH has been active in continuing to build support for tobacco control at local level and we have produced a range of new materials for local government, following the transfer of CLear to Public Health England.

Also this year we published ground-breaking research on the social care costs of smoking which shows that the cost to local authorities in England of providing care is estimated to be £600 million, with a further £450m being spent by smokers or former smokers who require care. The report shows that smokers are likely to need care on average nine years earlier than non-smokers. Consequently, local authorities can save money by providing stop smoking services to help current smokers to quit in order to reduce social care costs.

#### **Plain, standardised packaging of tobacco products**

After stalling by Government on this issue in 2013, the prospects for standardised packaging were given a boost towards the end of the year when a cross-party and cross-bench group of peers, backed by the APPG on Smoking and Health, tabled an amendment to the Children and Families Bill. Following parliamentary debates in both Houses which revealed widespread cross-party support for the measure, the Government tabled its own amendment to the Children and Families Bill to give the Secretary of State for Health powers to bring in regulations for standardised packaging. At the same time, the Government announced that it had commissioned a paediatrician, Sir Cyril Chantler, to review the public health evidence for standardised packaging.

In his review, which included an analysis of the impact of standardised packaging in Australia, Sir Cyril Chantler concluded that the measure would be expected to have a positive impact on public health. He also dismissed tobacco industry arguments that standardised packaging would lead to an increase in illicit trade.

Responding to the review, the Minister for Public Health said that she was *"minded to proceed with introducing regulations to provide for standardised packaging"*, subject to a further short consultation to take into account any evidence that had arisen since the end of the 2012 consultation. Following the public consultation which closed in August, the Government notified the regulations on standardised packaging to the European Commission as it is required to do under EU law.

On 11<sup>th</sup> March 2015, the standardised packaging regulations were passed by the House of Commons by 367 to 113 votes, an overwhelming majority. Across all parties a majority were in favour (apart from UKIP whose two MPs voted against) with significantly more of the 75% of Conservatives who voted voting in favour (122 to 104). The tobacco industry is planning a legal challenge but standardised packaging could be implemented at the same time as tobacco packaging measures under the EU Tobacco Products Directive entry into force in May 2016.

#### **Local Public Health & Tobacco Control**

Local Government has long been a vital partner in tobacco control but transition of public health responsibilities from the NHS has put England's town and county halls at the centre of local tobacco policy. That is why ASH has made a priority of building stronger networks in local government. As a result the Smokefree Action Coalition (SFAC) is now bigger than ever, with over 300 member organisations, including 90 local authorities.

CLear – which stands for Challenging services, Leadership and Results – is a self-assessment tool developed by ASH to enable local authorities to review existing action on tobacco control and to identify areas for improvement. It was developed to help transition of tobacco control to local authorities. In April,



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ASH handed over management of the CLear project to Public Health England, as PHE stepped up its delivery of support to local authorities. PHE recognises the value of the programme and aims to expand uptake by local authorities. By the time of the handover, 90 of England's 152 top tier local authorities had become members of the CLear scheme with 35 having undergone peer reviewed assessments.

Launched in 2013 by Newcastle City Council, the Local Government Declaration on Tobacco Control commits councils to protect communities from tobacco harms and protect policies from the commercial and vested interests of the tobacco industry. It was endorsed by both the Public Health Minister and the Chief Medical Officer. To encourage local authorities to sign the Declaration we produced a package of supportive materials and also engaged in activities such as speaking to networks, creating a web page and developing joint briefings with PHE centres. We are pleased to report that over 96 councils (74 top tier and 22 district councils) have now signed the Declaration.

The *'Cost of Smoking'* section of the Local Authority toolkit was updated and is now in three parts. The first is now more closely align the current tool with the NICE ROI tool. The second helps attribute costs down to ward and constituency level. The third part is the inclusion of data on the cost of smoking to social care. The *'Councillor Briefings'* section has been updated with a number of new briefs, which are co-branded with PHE. New topics covered are: harm reduction; the benefits of regional tobacco control; protecting local health policy for the tobacco industry; fire and litter. We have also updated public opinion regional fact sheets and the presentations in the toolkit.

PHE formally took over the CLear standard on April 1<sup>st</sup> 2014. We will continue to support CLear and will remain involved in the delivery and development of the model.

#### **NHS Statement of Support for Tobacco Control**

The NHS Statement was created following requests from local NHS organisations who wanted something similar to the Local Government Declaration to show their support for tobacco control. The Statement of Support has been endorsed by 10 leading public health figures/organisations including the Minister for Public Health, the Royal College of GPs, Public Health England, the Care Quality Commission and NHS England, in addition to 42 local NHS organisations.

#### **Social care costs of smoking**

In September ASH published a new report on the cost of smoking to the social care system. This was in response to the Care Act 2014 which requires councils with social care responsibilities to put in place measures designed to reduce the need for social care. One way of doing this is to improve the health and well-being of people now to reduce care costs in the future. As smoking remains the biggest single cause of preventable ill-health it is a priority issue.

The report was based on an analysis by economist Howard Reed at Landmark Economics. The estimates are conservative as they are based only on people aged over 50 (data for younger age groups are not available). The report finds that smoking costs local authority social care budgets around £600 million a year and costs those who fund their own care a further £450 million. However, these costs could be significantly reduced if local authorities invest in services to help current smokers to quit, thus saving future care costs.

The report was sent to council leaders, Chairs of Health and Wellbeing Board and Directors of Public Health. It also been disseminated through the Association of Directors of Adult Social Services.

#### **Smoking in Pregnancy**

ASH's work to support the Government's ambitions to reduce smoking in pregnancy continues. Following our successful co-ordination last year of the Smoking in Pregnancy (SiP) Challenge Group report we held a seminar in March to bring together the Department of Health, Public Health England, the Royal College of Midwives, local tobacco control staff, NHS representatives and civil society to establish the next steps. This highly successful event led to the establishment of a SiP communications to women group, further correspondence with the Health Minister and collaboration with Public Health England to produce a series of 8 seminars for Midwifery Commissioners. The purpose of the seminars is to improve stop smoking support for pregnant women and increase the number of pregnant women being offered carbon monoxide monitoring as part of standard prenatal care.

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#### **Health Inequalities**

In September 2015 we published a joint briefing on health inequalities, with contributions from NCSCT, TFF, TCC and Fresh. The purpose of the document was to raise the profile of tobacco within health inequalities and provide clear actions that local authorities can take. The briefing was sent to Directors of Public Health, the Chairs of local Health & Welfare Boards as well as the political party lead member for each Health & Welfare Board.

#### **Fostering & Adoption**

During the year ASH and the Fostering Network produced a policy guidance brief for local authorities and service providers concerning smoking and use of electronic cigarettes among foster carers and adoptive parents.

#### **Tax & Smuggling**

Our budget submission this year had to be produced at very short notice as a deadline was set by HMT for submissions, which had not been the case in previous years. The Submission was endorsed by 64 organisations including BHF and CRUK. The submission focused on the tobacco levy but also urged the government to implement a Minimum Consumption tax (MCT), to further regulate raw tobacco, to publish an updated anti-smuggling strategy and to consult on measures needed to implement the WHO FCTC Illicit Trade Protocol. We met with the Economic Secretary to the Treasury, Priti Patel, on February 24<sup>th</sup> to talk through the recommendations. The Government had already announced that the 2% above inflation tobacco tax escalator will be sustained not just for the last Parliament, but for the whole of the current Parliament.

We are meeting fairly regularly with both HMRC and HMT to discuss issues and policies of common concern.

#### **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 2015. The data were collected by YouGov plc. Some key points of the survey are:

- Packaging: 63% of adults support plain packaging of tobacco products compared to just 14% who oppose it.
- Tobacco industry: 6% of adults believe that the tobacco industry can be trusted to tell the truth and 73% believe they could not. Whilst 4% agreed that tobacco companies behave ethically, 68% disagreed.
- Electronic cigarettes: the percentage of smokers using electronic cigarettes has risen from 3% in 2010 to 18% in 2015. ASH estimates that there are 2.6 million current users of electronic cigarettes in the UK.
- Tobacco industry levy: 63% 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 19% would oppose the move.

#### **Tobacco Industry**

In April 2014 around 120 young people from schools and youth groups in Gateshead, Leicestershire, Cambridge, Kent and London joined the protest to make noise and confront BAT shareholders going into their AGM. This year's activity sought to highlight the industry's use of packaging to attract children and the use of child labour.

Following the protest the young people hosted a Parliamentary reception in the House of Commons, which was chaired by Paul Burstow MP. The event was opened by Lord Rea and included a presentation by young people from Cut Films as well as a speech from Observer journalist, Jamie Doward.

In January 2015 for the first time, ASH and Cut Films organised a youth noise-making event outside the Imperial Tobacco AGM, which was attended by around 30 young people from Bristol and London. The focus of the protest was Imperial Tobacco's tax deal with the Lao Government and the protest was preceded by a short talk from Deborah Arnott and a banner making workshop. Alongside the protest, young people from Cut Films produced a video interview with Stephen Williams MP and ASH leading SFAC partners in raising awareness of Imperial Tobacco's deal with the Lao Government on social media channels.



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

During June 2014, the APPG had a very positive meeting on electronic cigarettes jointly with the APPGs on Pharmacy and Heart Disease. Following on from this meeting a new briefing was produced.

#### **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 Opposition tabled an amendment in the Lords to the Children and Families Act which prohibited smoking in cars when children are present. After this was passed by the Lords, the Government tabled its own amendment in the Commons and announced that it would allow a free vote on the issue. The government amendment was passed by a huge majority: 376 voted in favour and only 107 against. This is a major step forward. However, in our response to the consultation on the regulations, we argued that the Government should also include the option of a review of the legislation in the regulations. This would enable the regulations to be extended to all cars which we believe would be preferable for reasons both of health and easier enforcement.

#### **Electronic Cigarettes**

Electronic cigarettes are a contentious issue and ASH is working hard to support the public health community in engaging with the evidence base. From 2016 most electronic cigarettes on sale within the European Union will be regulated by the Tobacco Products Directive, unless they have gained a licence as a medicine from the Medicines and Healthcare products Regulatory Agency (MHRA).

As in previous years, ASH commissioned YouGov to conduct a survey of public attitudes and behaviour in relation to smoking and tobacco control among both adults and children. (The adult survey was the eighth consecutive annual survey and the youth survey the second.) With regard to electronic cigarettes, the research revealed a significant increase in awareness of the devices among children but, as in 2013, sustained use is rare and remains confined to those who have already tried smoking. Among adults, we found a substantial rise in the number of current smokers who had tried electronic cigarettes: from 8% in 2010 to 51% in 2014. There has also been a steady rise in the number of adults currently using electronic cigarettes – from an estimated 700,000 in 2010 to 2.1 million in 2014. A third of these are ex-smokers and about half of the rest report actively trying to quit smoking.

ASH responded to the consultation by the Committees on Advertising Practice on new rules to govern the advertising of electronic cigarettes. The new rules are designed to protect young people and also ensure that ads are not targeted at non-smokers and do not promote smoking.

ASH have produced a document for organisations looking to develop a policy on electronic cigarette use within their organisations. This is based on feedback from the 7 councils taking part in a joint project between ASH and CIEH. There will be a final report in 2015 on council's progress. We also delivered our half day workshop on the issue at a session for all councils in the North East. Some of the findings from this work were shared at the E-cigarette Summit held in London in November 2014.

We have run a number of workshops and addressed a number of events sharing the evidence base around electronic cigarettes. In particular we were invited with CIEH to deliver workshops to the States of Guernsey and Jersey to help inform their policy development. In addition we've also spoken at the ASH Wales conference, a mental health event in Kent, a public health conference in the South West, the CIEH Conference, to public health trainees in the East of England and The Pharmacy Show.

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

ASH works closely with the Framework Convention Alliance (FCA) on FCTC matters. The 6<sup>th</sup> Conference of the Parties (CoP) took place in Moscow from 13-18 October 2014. ASH's Chief Executive, Deborah Arnott, attended as a member of the Framework Convention Alliance, a coalition of over 500 organisations in over 100 countries, which has observer status. There were many significant developments of which the most notable was the adoption of Article 6 guidelines on tobacco tax. Other measures that were agreed included support for ratification and implementation of the Illicit Trade Protocol; an impact assessment to demonstrate the effectiveness of the FCTC; and strengthening of work to support implementation of the FCTC particularly in low to middle income countries.

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#### **Smoking Still Kills report**

Work began during the year on a major new report on the future of tobacco policy beyond the current Tobacco Plan for England. This will be published after the 2015 General Election.

#### **Consultation Responses**

ASH responded to 22 tobacco related policy development consultations during the year:

- Department of Health - standard packs consultation on draft regulations.
- Department of Health - smoking in cars consultation on draft regulations.
- Department of Health - electronic cigarettes: age of sale & proxy purchasing.
- HM Treasury - consultation on Minimum Excise Tax.
- HM Revenue & Customs - consultation on forestalling regulations.
- HM Revenue & Customs - consultation on raw tobacco.
- HM Revenue & Customs - consultation on the illicit trade protocol.
- HM Revenue & Customs - consultation on minimum excise tax.
- HM Revenue & Customs - consultation on a tobacco levy
- NICE - Proposed update of the guidance on preventing uptake of youth smoking.
- NICE - consultation on QOF & CCG Indicators, harm reduction quality standard.
- Public Health England - consultation MSM Health & Wellbeing.
- London Health Commission's Report - we were asked to comment on the report before it was finalised. Our suggestions were adopted.
- Committee on Advertising Practice (CAP) – consultation on advertising rules for electronic cigarettes.
- Scottish Government - electronic cigarettes and tobacco control.
- Welsh Assembly government - consultation on smoking in cars with children present.
- Welsh Assembly's government - consultation on whether or not electronic cigarettes should be brought into smokefree laws.
- Public Health Wales - consultation on the Public Health White Paper.
- European Commission - consultation on investor state dispute settlement elements of the Trans-Atlantic Trade & Investment Partnership.
- WHO - questionnaire on enforcement of the smokefree law (for their annual tobacco profiles publication).
- UN Secretary General's Post-2015 Development Goals Report - short response noting with concern that reference to the FCTC and importance of tobacco control as part of the development agenda had been omitted.
- United States Food & Drug Administration - consultation on deeming regulations (our response only covered the issue of electronic cigarettes).

#### **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 471,251 unique visitors, an average of 1,291 visitors a day, a 4% increase on 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 2,519 subscribers, up from 2,263 or (11%) on last year. The twice monthly 'News & Events Bulletin' has 2,123 subscribers, up from 1,851 or (15%) on last year.

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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 33 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.

#### Media work

Over the past twelve months ASH issued 40 national press releases. ASH staff were called on almost daily by the national, international, regional and local media to provide reaction to, and information on, tobacco related news stories. ASH staff gave 144 radio interviews and 67 TV interviews.

During the year ASH changed the way it calculates its media 'reach' (the number of people who would have been exposed to our message across TV, radio and print media but excluding the internet). As a result of this our figures are no longer comparable with previous periods. However, using the new methodology, during the period October 2014 – March 2015 our 'reach' was over 4 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 comes into effect 1<sup>st</sup> October 2015.
3. European Union Tobacco Products Directive (EU TPD) passed.
4. WHO Framework Convention on Tobacco Control (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 22 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; 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 471,251 unique visitors, an average of 1,291 visitors a day, a 4% increase on the previous twelve months.
3. 'ASH Daily News' has 2,519 subscribers, up from 2,263 or (11%) on last year. The twice monthly 'News & Events Bulletin' has 2,123 subscribers, up from 1,851 or (15%) on last year.

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

1. The Local Government Declaration on Tobacco Control, endorsed by both the Public Health Minister and the Chief Medical Officer, has now been signed by 96 councils (74 top tier and 22 district councils).
2. The NHS Statement of Support for Tobacco Control has been endorsed by 10 leading public health figures/organisations including the Minister for Public Health, the Royal College of GPs, Public Health England, the Care Quality Commission and NHS England, in addition to 42 local NHS organisations.
3. Continuing development of the Smokefree Action Coalition (SFAC) which has grown to over 300 organisations (up from 160 in 2011). The SFAC has lobbied effectively on key policy issues and engaged parliamentarians of all parties and in both houses.

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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 October 2014 – March 2015 our media 'reach' was over 4 million people per week.

#### 4. Resources & Sustainability

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

#### 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 4: Tobacco Strategy & Policy & Project 2: Smoking Still Kills Report.

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 £44,545 increase in funds. Total income of £767,446 was 8.4% higher than the previous year.

Charitable expenditure, at £722,901 decreased by 4.9% on the previous year. ASH finished the year with cash balances of £579,590 (down £57,132 from last year) and net assets of £699,946.

Having made transfers of £373,060 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 increased by £46,787 to £625,723 (of which branches held £154).

##### Reserves Policy

Given the continuing difficult economic circumstances, the Trustees reviewed the reserves policy during the year and agreed a new policy whereby the unrestricted funds not committed or invested in tangible fixed assets (the 'free reserves') held by the charity should be between a minimum of 6 months and a maximum of 12 months of the resources expended annually, which presently equates to £361,451 to £722,901 in general funds. At this level, the Trustees feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary to consider how the funding would be replaced or activities changed in order to continue to pursue the charitable objectives. The current level of free reserves excluding the branch reserve (£625,569) 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



# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2015

3. Communication, Engagement & Networking
4. Resources & Sustainability

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.

# **Action on Smoking and Health**

## **Report of the Trustees**

### **31<sup>st</sup> March 2015**

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.
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.



# **Action on Smoking and Health**

## **Report of the Trustees**

### **31<sup>st</sup> March 2015**

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.

#### **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;

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2015

- 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.

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.

#### **Audit information**

So far as each of the trustees, at the time the trustees' report is approved, is aware; there is no relevant information of which the auditors are unaware; and they have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **Small Company Exemption**

This report has been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the provisions of the Financial Report Standard for Smaller Entities (effective April 2008).

On behalf of the Trustees



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

Date: 16/9/2015

# **ACTION ON SMOKING AND HEALTH**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF ACTION ON SMOKING AND HEALTH**

We have audited the financial statements of Action on Smoking and Health for the year ended 31 March 2015 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Trustees and Auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 13 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

  
.....

**Neil Finlayson, Senior Statutory Auditor**  
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date: 17 / 9 / 2015

**ACTION ON SMOKING AND HEALTH  
STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	Unrestricted Funds General	Designated	Restricted Funds	Total 2015	Total 2014
		£	£	£	£	£
<b>Incoming Resources</b>						
<i>Incoming resources from generated funds</i>						
Voluntary income						
Grants received	2	424,500	-	-	424,500	399,740
Donations and legacies received		5,116	-	-	5,116	49,223
Interest received		267	-	-	267	362
<i>Incoming resources from charitable activities</i>						
Grants received	2	-	-	266,008	266,008	215,002
Contract income		71,555	-	-	71,555	42,350
Subscriptions		-	-	-	-	1,247
Sales of literature and services		-	-	-	-	-
Other income		-	-	-	-	220
<b>Total Incoming Resources</b>		<u>501,438</u>	<u>-</u>	<u>266,008</u>	<u>767,446</u>	<u>708,144</u>
<b>Resources Expended</b>						
Charitable activities						
Policy Research and Informatic	3	64,112	4,586	639,068	707,766	744,008
Governance	4	15,135	-	-	15,135	15,755
<b>Total Resources Expended</b>		<u>79,247</u>	<u>4,586</u>	<u>639,068</u>	<u>722,901</u>	<u>759,763</u>
<b>Net Income for the year before transfers</b>		422,191	(4,586)	(373,060)	44,545	(51,619)
Transfers	11	(375,404)	2,344	373,060	-	-
<b>Net Movement in Funds</b>		46,787	(2,242)	-	44,545	(51,619)
Funds brought forward		<u>578,936</u>	<u>66,465</u>	<u>10,000</u>	<u>655,401</u>	<u>707,020</u>
<b>Funds carried forward</b>		<u>625,723</u>	<u>64,223</u>	<u>10,000</u>	<u>699,946</u>	<u>655,401</u>
		Note 11	Note 10	Note 9		

All results are from continuing activities.

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

The notes on pages 18 to 23 form a part of these financial statements.

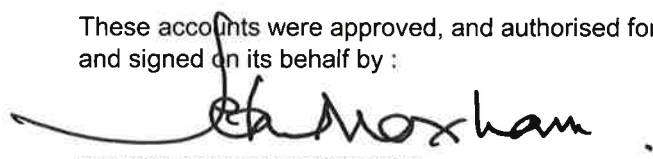
**ACTION ON SMOKING AND HEALTH**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**  
**BALANCE SHEET AT 31 MARCH 2015**

	Note	2015 £	2015 £	2014 £	2014 £
<b>Fixed Assets</b>					
Tangible assets	6		7,406		9,648
Investments			<u>24</u>		<u>24</u>
			7,430		9,672
<b>Current Assets</b>					
Debtors	7	232,621		35,693	
Cash at bank and in hand		<u>579,590</u>		<u>636,722</u>	
		812,211		672,415	
<b>Creditors: Amounts falling due within one year</b>	<b>8</b>	<u>(119,695)</u>		<u>(26,686)</u>	
<b>Net Current Assets</b>			<u>692,516</u>		<u>645,729</u>
<b>Net Assets</b>	<b>12</b>		<u><u>699,946</u></u>		<u><u>655,401</u></u>
<b>Funds</b>					
Restricted					
Central funds	9		10,000		10,000
Unrestricted					
Designated funds	10		64,223		66,465
General Funds					
Central funds	11	625,569		570,792	
Branch funds	11	<u>154</u>		<u>8,144</u>	
			<u>625,723</u>		<u>578,936</u>
			<u><u>699,946</u></u>		<u><u>655,401</u></u>

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 for Smaller Entities (effective April 2008).

The notes on pages 18 to 23 form a part of these financial statements.

These accounts were approved, and authorised for distribution, by the Board of Directors on 16/9/2015 and signed on its behalf by :



Professor John Moxham



Simon Hopkins

Company number: 00998971

# **ACTION ON SMOKING AND HEALTH NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

## **1 Accounting Policies**

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice (SORP 2005), "Accounting and Reporting by Charities", the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

### **Company status**

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

### **Income**

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only where the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period. 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 recognised when a liability is incurred. All expenditure is accounted for on an accruals basis and 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.
- Governance costs include the costs of providing the strategic direction of the organisation and of meeting constitutional and regulatory requirements.
- 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 one member of staff. No amounts were outstanding or prepaid at the balance sheet date.

### **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.

### **Tangible fixed assets**

#### **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



# ACTION ON SMOKING AND HEALTH

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

#### 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 comprise unrestricted funds that have been set aside by the trustees for particular purposes. 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.

2 Grants	2015	2014
	£	£
<b>Voluntary income</b>		
Supporting charities	<u>424,500</u>	<u>399,740</u>
<b>Arising from charitable activities</b>		
Department of Health	200,000	175,000
Supporting charities	<u>66,008</u>	<u>40,002</u>
	<u>266,008</u>	<u>215,002</u>

#### 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.

	Total 2015	Total 2014
	£	£
Direct project costs	210,446	220,885
Direct staff costs (See Note 5)	342,275	368,023
Support costs (see below)	<u>155,045</u>	<u>155,100</u>
	<u>707,766</u>	<u>744,008</u>

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

Staff costs (See Note 5)	48,404	47,859
Depreciation	4,586	3,719
Travel and meeting costs	-	49
Conferences, consultancy & seminar costs	8,640	21,360
Office running costs	58,903	59,853
Telephone and postage	15,166	17,440
Printing, stationery and design	7,783	5,966
Other costs	<u>11,563</u>	<u>(1,146)</u>
	<u>155,045</u>	<u>155,100</u>

**ACTION ON SMOKING AND HEALTH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)**

<b>4 Governance costs</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Board expenses	4,525	6,020
Audit fees - current year	8,500	8,000
Audit fees - prior year under-provision	362	(98)
Other fees paid to auditors	<u>1,748</u>	<u>1,833</u>
	<u><u>15,135</u></u>	<u><u>15,755</u></u>

No trustees (2014: none) were reimbursed for expenses incurred in attending meetings. No trustee received any remuneration in the year (2014: none).

<b>5 Staff Costs</b>	<b>2015 £</b>	<b>2014 £</b>
Gross pay	339,127	362,911
Social security	34,837	40,086
Pension contributions	<u>13,567</u>	<u>7,763</u>
	<u>387,531</u>	<u>410,760</u>
Other staff costs	<u>3,148</u>	<u>5,121</u>
	<u><u>390,679</u></u>	<u><u>415,881</u></u>

The remuneration of 1 member of staff (2014: 1 member of staff) fell into the range £80,000 - £90,000 (2014: £80,000-£90,000). The pension cost of this individual was £4,307 (2014: £4,307).

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

	<b>2015 Number</b>	<b>2014 Number</b>
Central charitable activities	<u>9</u>	<u>9</u>
	<u><u>9</u></u>	<u><u>9</u></u>

**ACTION ON SMOKING AND HEALTH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)**

<b>6 Fixed Assets</b>	<b>Office fixtures, fittings and £</b>
<b>Cost</b>	
At 1 April 2014	43,487
Additions	<u>2,349</u>
At 31 March 2015	<u>45,836</u>
<b>Depreciation</b>	
At 1 April 2014	33,839
Charge for the year	4,591
At 31 March 2015	<u>38,430</u>
<b>Net Book Value</b>	
At 31 March 2015	<u>7,406</u>
At 31 March 2014	<u>9,648</u>

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

<b>7 Debtors</b>	<b>2015 £</b>	<b>2014 £</b>
Other debtors	221,634	23,809
Prepayments	<u>10,987</u>	<u>11,884</u>
	<u>232,621</u>	<u>35,693</u>
 <b>8 Creditors: Amounts falling due within one year</b>	<b>2015 £</b>	<b>2014 £</b>
Trade creditors	79,888	-
Deferred income	16,644	4,566
Accruals	<u>23,163</u>	<u>22,119</u>
	<u>119,695</u>	<u>26,686</u>

Included within the figures for accruals is an amount of £2,338 (2014: £3,817) owing to the pension scheme.

**ACTION ON SMOKING AND HEALTH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)**

9 Restricted Funds		Funds brought forward £	Incoming resources £	Resources expended £	Transfers from General funds £	Funds carried forward £
<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	-
		<u>10,000</u>	<u>266,008</u>	<u>(639,068)</u>	<u>373,060</u>	<u>10,000</u>

- (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 £200,000 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

10 Designated Funds		Funds brought forward £	Incoming resources £	Resources expended £	Transfers from General funds £	Funds carried forward £
Capital equipment		9,648	-	(4,586)	2,344	7,406
Tobacco Control Alliance (TCA)		<u>56,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,817</u>
		<u>66,465</u>	<u>-</u>	<u>(4,586)</u>	<u>2,344</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.

**ACTION ON SMOKING AND HEALTH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)**

11 General Funds	Funds brought forward £	Incoming resources £	Resources expended £	Transfers from General funds £	Funds carried forward £
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.

12 Analysis of Net Assets between Funds	Fixed assets £	Net current assets £	Total net assets £
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>

**13 Operating Lease Commitments**

The company had annual commitments under operating leases as follows:

	2015 Land and Buildings £	2014 Land and Buildings £
Expiring:		
- in between two and five years	<u>22,000</u>	<u>22,000</u>