

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

Company No. 998971
Charity No. 262067

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2005

Action on Smoking and Health

Report of the Directors

31st March 2005

The Directors submit their report and audited accounts for the year ended 31st March 2005. The audited accounts comply with the Statement of Recommended Practice for charity accounts, current statutory requirements and the requirements of the Memorandum and Articles of Association.

Legal and Administrative Details

Legal Status

Action on Smoking and Health ("ASH") is a company limited by guarantee without share capital. Its governing document is a Memorandum and Articles of Association. It is registered as company number 998971 and as charity number 262067.

Directors

For the purposes of the Companies Act 1985 the Directors of ASH are also Members of the Council. The directors are elected by the other Members of the Council at the Annual General Meeting. One third of the Directors are required to retire at each Annual General Meeting. Retiring Directors are eligible for re-election. The Directors are also Trustees for the purpose of the charitable activities of the Company.

The following Directors were in office at 31st March 2005 and served throughout the year and up to the date the financial statements were signed, except where shown:

Professor John Britton
Mr John Edwards
Dr Anna Gilmore
Mr Ed Gyde
Dr Martin Jarvis
Ms Patricia Jones
Ms Jean King
Ms Betty McBride (appointed 8 December 2004)
Dr Jennifer Mindell
Dr Lesley Owen (appointed 8 December 2004)
Mr Donald Reid
Mr David Simpson

Registered Office

102-108 Clifton Street
London
EC2A 4HW

Auditors

Kingston Smith
Devonshire House
60 Goswell Road
London
EC1M 7AD

Principal Bankers

Barclays Bank plc
London Corporate Banking Group
7th Floor, United Kingdom House
180 Oxford Street
London
W1D 1EA

Action on Smoking and Health

Report of the Directors (Continued)

Objectives

As stated in its Memorandum of Association, the objectives of ASH are:

- 1) To preserve and protect the health of the community both physical and mental and in the furtherance of this purpose to provide other charitable relief for those practising or likely to practise cigarette and other forms of smoking.
- 2) To advance the education of the public concerning the effects of cigarette and other forms of smoking and their effects on the health of the community and the individual.
- 3) To assist, carry out, promote and encourage research into cigarette and other forms of smoking and to collect and study information relating thereto with a view to publication of the same and the communication of information in connection therewith to the general public and others having legitimate interest in receiving such information for the benefit of the health of the community at large.

Organisational Structure

The Director of ASH, a member of staff, who is not a Board member, is responsible for the day to day running of the organisation and is responsible to the Board of Directors who meet four times a year and are also the Trustees. The Directors are elected by the Members of the Council at the Annual General Meeting. The Members of the Council are the Members of the Company.

Related Parties and Partner Organisations

ASH is entitled to one position on the Board of No Smoking Day. This entitlement was not taken up during the year.

Review of Activities

Introduction

2004-05 was a successful year in which ASH's campaigning activities went from strength to strength. We joined forces with other organisations and pressure groups to help maximise our impact. During the year we continued to work for improved public health policies that will halt the terrible toll of addiction, disease and death caused by the tobacco industry.

The Government White Paper "Choosing Health"

The year's hard work pressing for improved smokefree provision in workplaces and public places bore fruit in the Government's White Paper published in November 2004. The Government is now consulting on proposed legislation (the Health Improvement and Protection Bill) which would end smoking in the great majority of workplaces and public places, although exemptions are to be allowed for pubs which don't serve food and clubs.

This will sharply cut the toll of illness and premature deaths caused by secondhand smoke. There are 2.2 million people working in places where smoking is allowed throughout and a further 10.7 million in places where smoking is allowed somewhere on the premises. The White Paper proposals would protect the great majority of these employees from the risks of secondhand smoke. They would also protect the general public from most risks associated with smoking in enclosed public

However, there are no good reasons to exempt employees from the group identified as at most risk, namely staff in pubs and bars. ASH and the public health lobby pressed for any Government smokefree legislation to protect all workers and called on Ministers to make a clear commitment to action in the first session of the new Parliament.

Smokefree Environments

ASH teamed up with the Chartered Institute of Environmental Health (CIEH) in August to produce a major new guidance document produced by both organisations called the Achieving Smoke Freedom Toolkit. A copy was circulated to all Local Authorities and Primary Care Trusts and the feedback has been positive. The guide was designed to equip them with the information they need to push for all workplaces and enclosed public places in their areas to go smokefree. It shows that Councils have many relevant powers – but that the Government still needs to change the law on smoking in the workplace to ensure that Council action can be fully effective.

The UK's medical Royal Colleges and their Faculties lobbied for legislation to make all workplaces and enclosed public places smokefree. All the Colleges and their Faculties supported a document launched by the Royal College of Physicians, produced with help from ASH, called 'Tobacco Smoke Pollution: The Hard Facts'. The Colleges wrote a letter to The Times explaining why a ban on smoking in public places is necessary which received widespread positive media coverage.

Action on Smoking and Health

Report of the Directors (Continued)

Review of Activities (continued)

ASH increased the pressure on the hospitality trade by spelling out the legal implications of their failure to protect employees' health from the dangers of secondhand smoke. Together with Thompsons, the UK's largest personal injury and trade union law firm, we issued a warning letter to hospitality industry bosses, stating that the "date of guilty knowledge" under the Health and Safety at Work Act has now passed, and that employers should therefore know the serious health risks faced by staff who cannot avoid inhaling secondhand smoke. The letter received extensive media coverage. Subsequently several hospitality firms have begun to view this issue more seriously, with a number of them now supporting national smokefree legislation.

ASH has also commissioned and published extensive research and polling evidence relating to the legislation, including:

- research on enforcement of the legislation and its implications for local authorities;
- polling on public opinion on smoking restrictions;
- surveys of the pub trade nationally and locally (Leicester etc) to establish numbers of pubs likely to be exempted under Government proposals and relation with areas of deprivation and high smoking prevalence;
- surveys of opinion among MPs;
- a survey of smoking policies for all local authorities in England and Wales;
- a legal opinion on the implications of exemptions from smoking restrictions under the Human Rights Act.

ASH has also written and published a detailed response to the Government's consultation document on the legislation and advised and assisted other organisations and individuals, including the Health and Safety Commission, in preparing their own responses.

ASH is currently developing an interactive map of wards in England and Wales showing smoking prevalence rates mapped against the ODPM index of deprivation. This will provide an important resource for policy makers.

Tobacco Policy Development

'Securing Good Health for the Whole Population', commissioned by the Treasury from Derek Wanless, provided "powerful backing" to the case for a new law ending smoking in the workplace. Other key ASH recommendations included in the report were a call for the Government to consider setting up a new independent regulatory body for nicotine products and for more ambitious Government targets to reduce smoking prevalence.

During the year ASH contributed to consultations held by both the Office of Communications (OFCOM) and the British Board of Film Classifications (BBFC) regarding the portrayal of tobacco smoking in television and film.

New WHO Global Tobacco Control Treaty

After much work by ASH and other tobacco control groups over recent years, the World Health Organisation's Framework Convention on Tobacco Control (FCTC) came into force on 27th February 2005.

The FCTC is the first-ever global health treaty. It provides the basic tools for countries to enact comprehensive tobacco control legislation and take on the powerful tobacco industry.

While the measures in the FCTC represent a minimum set of tobacco control policies, the treaty explicitly encourages countries to go above and beyond these measures.

Tobacco Advertising Ban

In February 2003, ASH celebrated the beginning of the end of tobacco advertising in the UK, as the first stage of the Tobacco Advertising and Promotion Act 2002 came into force. However, the Act was not fully implemented until July 2005, when the ban on tobacco sponsorship of Formula One motor racing came into effect. Restrictions on point of sale advertising were implemented on 21st December 2004, closing another loophole for cigarette promotion. ASH has already submitted one complaint to trading standards officials regarding a breach of the Act and will be carefully monitoring the situation to try to stop other direct or indirect breaches of the law.

The High Court threw out a challenge to the Point of Sale regulations by the tobacco industry. This means that the only advertising permitted will be an A5 size advertisement at point of sale. All other types of advertising such as tobacco branded shelving units will be banned. ASH Research Manager Amanda Sandford helped the Department of Health put the case together.

Action on Smoking and Health

Report of the Directors (Continued)

Review of Activities (Continued)

Taxation and Smuggling

ASH, along with other health charities, made a submission to the Chancellor of the Exchequer regarding changes to tobacco taxes in the budget. It focused on raising tax by at least the rate of inflation, improving the strategy to deal with tobacco smuggling, the impact of the governments proposed smokefree legislation on health inequalities and the need to improve the market reporting of data.

Tobacco Industry

In the run up to the BAT AGM, ASH published, jointly with Christian Aid and Friends of the Earth, a report on BAT's misuse of corporate social responsibility using BAT's own documents, held in the Guildford archive as part of the master settlement of tobacco related litigation in the US. The visual stunt provided by Friends of the Earth at BAT's AGM helped secure coverage in the national press.

Regulation and Harm Reduction

This was the subject of a paper to the ASH Advisory Council which was discussed at its annual meeting. A strategy has now been agreed by the Board and ASH is involved in pursuing this, working with other organisations such as the Department of Health and the Medicines and Healthcare Products Regulatory Agency (MHRA) to encourage the implementation of key recommendations.

The ASH Website and Electronic Media

The ASH website has gone from strength to strength, and is widely acknowledged as one of the best tobacco 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. To give an example of the number of people using the site, during November 2004 it had over 118,391 visitors, an average of 3,819 a day.

Our two most popular resources remain the set of 25 Factsheets, covering various aspects of smoking and health, and the Quitting Smoking resources

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. We continue to prioritise improvement of the website and welcome any feedback and ideas for further development.

ASH Information and Publications

ASH Daily News continues to be an invaluable tool that provides up-to-date information on all of the UK tobacco news stories to campaigners around the world. Daily circulation now stands at 2,700. We also produce a wide range of fact sheets and reports almost all of which can be downloaded from our website free of charge.

During 2004 we launched a new periodical, the ASH "Political Bulletin". This is distributed free to Department of Health Regional Tobacco Policy Managers, MPs, Peers, MEPs and opinion formers to keep them up to date on current issues relating to tobacco and health.

Strategic Review

The ASH Board of Trustees agreed in February 2004 that the organisation should develop a Strategic Plan to guide the charity over the three year financial years, from April 2005 to March 2008.

During the summer of 2004 over one thousand stake-holders in ASH were asked to provide input through on-line and printed questionnaires as well as in face-to-face interviews. In addition, a small group of selected senior stake-holders joined the Trustees and staff in the first day of the two day planning session. During the second day, the Trustees and staff worked to refine the strategic priorities and objectives of ASH and directed the staff to prepare this strategic plan.

The Trustees have agreed ASH's strategic priorities for the next three years and established a process to monitor, review and evaluate ASH's progress following the implementation of the plan in April 2005. Staff have been charged with the responsibility of achieving various objectives through their annual business plans and the Director will provide Trustees with regular progress reports.

Action on Smoking and Health Report of the Directors (Continued)

Review of Activities (Continued)

Thanks

ASH would like to thank the British Heart Foundation, Cancer Research UK, the Department of Health and our individual members for supporting our work during the year. In addition, the Directors would like to thank the ASH staff for all of their work during the year.

Policies

Reserves

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets (the 'free reserves') held by the charity should be between 3 and 6 months of the resources expended annually, which presently equates to £125,000 to £251,000 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.

As a result of a substantial legacy received towards the end of 2004, the current level of free reserves is approximately £51,000 above the desired range. This has enabled the Trustees to agree to budget for drawing down the free reserves in a gradual and responsible manner over the next three financial years, in order to fund additional work.

Investments

When not required, the free reserves held by the charity are placed on short-term Treasury deposit.

Grant Making

The Trustees do not make grants

Statement of Risk

The Directors 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.

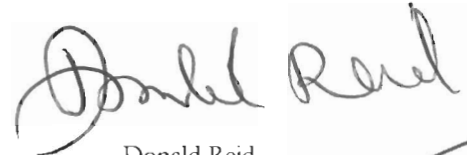
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period.

In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Directors



Donald Reid
Chairman

19/9/05

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 31st March 2005 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The responsibilities of the directors (who also act as trustees for the charitable activities of Action on Smoking and Health) for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out above. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31st March 2005 and of its incoming resources and resources expended including its income and expenditure for the year then ended and have been prepared in accordance with the Companies Act 1985.

Devonshire House
60 Goswell Road
London EC1M 7AD



Kingston Smith
Chartered Accountants
and Registered Auditors

22/9/2005

Action on Smoking and Health
(A company limited by guarantee and not having a share capital)
Statement of Financial Activities
(Incorporating Income and Expenditure Account)
For the year ended 31st March 2005

	Note	Unrestricted Funds General £	Designated Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
INCOME AND EXPENDITURE						
Incoming Resources						
Grants received	2	151,593	-	316,932	468,525	495,619
Donations and legacies received		42,421	-	-	42,421	138,006
Activities in furtherance of the charity's objects						
Subscriptions		7,539	-	-	7,539	9,302
Sales of literature and services		9,626	-	-	9,626	16,262
Other income		4,713	-	-	4,713	3,713
Interest received		13,560	-	-	13,560	6,069
Total Incoming Resources		<u>229,452</u>	<u>-</u>	<u>316,932</u>	<u>546,384</u>	<u>668,971</u>
Charitable Expenditure						
Cost of activities in furtherance of the charity's objects						
Direct project costs		14,288	-	160,293	174,581	209,375
Support costs		44,019	5,706	254,238	303,963	257,717
Management and administration		21,917	-	43,316	65,233	56,234
Total Resources Expended	3	<u>80,224</u>	<u>5,706</u>	<u>457,847</u>	<u>543,777</u>	<u>523,326</u>
Net Incoming Resources/(Resources Expended) for the Year before transfers		149,228	(5,706)	(140,915)	2,607	145,645
Transfers	6	<u>(146,724)</u>	<u>5,809</u>	<u>140,915</u>	-	-
Net Movement in Funds		2,504	103	-	2,607	145,645
Funds brought forward		<u>337,063</u>	<u>63,173</u>	<u>1,800</u>	<u>402,036</u>	<u>256,391</u>
Funds Carried Forward		<u><u>339,567</u></u>	<u><u>63,276</u></u>	<u><u>1,800</u></u>	<u><u>404,643</u></u>	<u><u>402,036</u></u>
		Note 12	Note 11	Note 10		

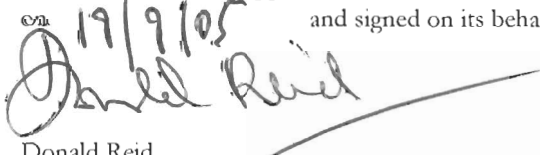
All of the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above.

Action on Smoking and Health
(A company limited by guarantee and not having a share capital)
Balance Sheet at 31st March 2005

	Note	2005 £	2005 £	2004 £	2004 £
Fixed Assets					
Tangible assets	7		6,459		6,356
Investments			<u>24</u>		<u>24</u>
			6,483		6,380
Current Assets					
Debtors	8	27,134		13,548	
Cash at bank and in hand		<u>424,444</u>		<u>517,896</u>	
		451,578		531,444	
Creditors: Amounts falling due within one year	9	<u>(53,418)</u>		<u>(135,788)</u>	
Net Current Assets			<u>398,160</u>		<u>395,656</u>
Net Assets			<u><u>404,643</u></u>		<u><u>402,036</u></u>
Funds					
Restricted					
Central funds	10	1,800		1,800	
Branch funds	10	<u>-</u>	1,800	<u>-</u>	1,800
Unrestricted					
Designated funds	11		63,276		63,173
General Funds					
Central funds	12	302,299		301,007	
Branch funds	12	<u>37,268</u>		<u>36,056</u>	
			<u>339,567</u>		<u>337,063</u>
			<u><u>404,643</u></u>		<u><u>402,036</u></u>

The accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These accounts were approved by the board of directors on 19/9/05 and signed on its behalf by:


Donald Reid


John Edwards

Action on Smoking and Health

Notes to the Financial Statements

For the year ended 31st March 2005

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), "Accounting and Reporting by Charities", the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective June 2002).

The charity has taken advantage of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

The financial statements incorporate the activities of the branches of the charity on a line by line basis.

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

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Costs which cannot be directly allocated to particular headings have been allocated to activities on the basis of the proportion of staff time spent in the 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 and depreciation

Tangible fixed assets costing more than £1,000 are capitalised at their cost to the charity.

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.

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.

Action on Smoking and Health
Notes to the Financial Statements
For the year ended 31st March 2005 (Continued)

2	Grants	2005	2004
		£	£
	Department of Health	172,400	168,200
	Wales Assembly Government	80,000	94,427
	Other Regional Offices	40,000	20,500
	Supporting charities	<u>172,605</u>	<u>192,834</u>
		465,005	475,961
	Local projects	<u>3,520</u>	<u>19,658</u>
		<u><u>468,525</u></u>	<u><u>495,619</u></u>

3	Total Resources Expended	Staff Costs	Depreciation	Other Costs	Total 2005	Total 2004
		£	£	£	£	£
	Direct project costs	68,218	-	106,363	174,581	209,375
	Support costs	220,170	5,706	78,087	303,963	257,717
	Management and administration	<u>37,083</u>	<u>-</u>	<u>28,150</u>	<u>65,233</u>	<u>56,234</u>
		<u><u>325,471</u></u>	<u><u>5,706</u></u>	<u><u>212,600</u></u>	<u><u>543,777</u></u>	<u><u>523,326</u></u>
	Total 2004	<u><u>253,023</u></u>	<u><u>8,252</u></u>	<u><u>262,051</u></u>	<u><u>523,326</u></u>	
		Note 4		Note 5		

4	Staff Costs	2005	2004
		£	£
	Gross pay	284,897	220,495
	Social security	28,456	22,815
	Pension contributions	8,072	7,392
	Other staff costs	<u>4,046</u>	<u>2,321</u>
		<u><u>325,471</u></u>	<u><u>253,023</u></u>

One member of staff was paid between £50,000 and £50,999 for the year (2004: None). Pension contributions of £2,700 were made in respect of this member.

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

	No.	No.
Central charitable activities	5.75	3.75
Branch charitable activities	5.00	7.00
Management and administration	<u>1.00</u>	<u>1.00</u>
	<u><u>11.75</u></u>	<u><u>11.75</u></u>

Action on Smoking and Health
Notes to the Financial Statements
For the year ended 31st March 2005 (Continued)

5	Other Costs	2005	2004
		£	£
	Direct project costs		
	Publications	15,117	19,406
	Consultancy	46,782	73,695
	Subscriptions	4,335	3,714
	Information	21,029	12,295
	Travel	5,805	6,129
	Polling	-	17,308
	Other	13,295	7,845
		<u>106,363</u>	<u>140,392</u>
	Support Costs		
	Travel and meeting costs	4,534	6,144
	Conferences, consultancy & seminar costs	9,330	8,373
	Office running costs	36,714	44,848
	Telephone and postage	12,020	8,681
	Printing, stationery and design	6,878	23,243
	Other costs	8,611	4,433
		<u>78,087</u>	<u>95,722</u>
	Management and Administration:		
	Directors' expenses (see below)	161	261
	Audit fees	5,370	4,994
	Other fees paid to auditors	959	935
	Branch audit fees	1,429	1,438
	Legal and professional fees:		
	Central	-	3,614
	Branch	12,000	6,417
	Office running costs	5,350	4,164
	Telephone and postage	1,850	1,736
	Printing, stationery and design	444	779
	Other costs	587	1,599
		<u>28,150</u>	<u>25,937</u>

One director (2004 - two) was reimbursed for expenses incurred in attending meetings.
No director received any remuneration.

6	Transfers between funds	Unrestricted Funds		Restricted Funds
		General	Designated	Funds
		£	£	£
	Core contribution to projects	(140,915)	-	140,915
	Purchase of fixed assets	(5,809)	5,809	-
		<u>(146,724)</u>	<u>5,809</u>	<u>140,915</u>

Action on Smoking and Health
Notes to the Financial Statements
For the year ended 31st March 2005 (Continued)

7 Fixed Assets	Office Fixtures, Fittings and Equipment
Cost	£
At 1st April 2004	79,197
Additions	<u>5,809</u>
At 31st March 2005	<u>85,006</u>
Depreciation	
At 1st April 2004	72,841
Charge for the year	<u>5,706</u>
At 31st March 2005	<u>78,547</u>
Net Book Value	
At 31st March 2005	<u>6,459</u>
<i>At 31st March 2004</i>	<u><u>6,356</u></u>

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

8 Debtors	2005	2004
	£	£
All amounts fall due within one year		
Other debtors	4,705	8,803
Accrued income	16,378	-
Prepayments	<u>6,051</u>	<u>4,745</u>
	<u>27,134</u>	<u>13,548</u>

9 Creditors: Amounts falling due within one year	2005	2004
	£	£
Trade creditors	15,530	70,535
Deferred income	-	25,412
Other creditors	1,375	1,375
Taxation and social security	2,122	2,047
Accruals	<u>34,391</u>	<u>36,419</u>
	<u>53,418</u>	<u>135,788</u>

Action on Smoking and Health
Notes to the Financial Statements
For the year ended 31st March 2005 (Continued)

10 Restricted Funds		Funds Brought Forward £	Incoming Resources £	Resources Expended £	Transfers from General Funds £	Funds Carried Forward £
Central						
Beyond Smoking Kills	(a)	-	168,000	(302,676)	134,676	-
National Programmes	(b)	-	21,012	(27,078)	6,066	-
Local Networks	(c)	-	4,400	(4,573)	173	-
Legal Representation	(d)	1,800	-	-	-	1,800
		<u>1,800</u>	<u>193,412</u>	<u>(334,327)</u>	<u>140,915</u>	<u>1,800</u>
Branch						
Welsh Projects	(e)	-	80,000	(80,000)	-	-
Other branch projects	(f)	-	43,520	(43,520)	-	-
		<u>-</u>	<u>123,520</u>	<u>(123,520)</u>	<u>-</u>	<u>-</u>
		<u>1,800</u>	<u>316,932</u>	<u>(457,847)</u>	<u>140,915</u>	<u>1,800</u>

- (a) This project is to provide an information base and communications to support the White Paper "Smoking Kills". The Department of Health made a Section 64 grant of £168,000 to this project.
- (b) This is to mobilise opinion former support for Government action on tobacco issues.
- (c) This project related to the coordination and maintenance of the local alliances. The Department of Health made grants of £4,400 to this project.
- (d) The legal representation fund relates to money held to enable the support of individuals in test cases.
- (e) These projects were locally funded for work in Wales.
- (f) This project relates to money received for local initiatives.

11 Designated Funds		Funds Brought Forward £	Incoming Resources £	Resources Expended £	Transfers from General Funds £	Funds Carried Forward £
Capital equipment		6,356	-	(5,706)	5,809	6,459
Tobacco Control Alliance (TCA)		56,817	-	-	-	56,817
		<u>63,173</u>	<u>-</u>	<u>(5,706)</u>	<u>5,809</u>	<u>63,276</u>

The capital equipment fund represents money set aside for the replacement of fixed assets. In previous years it related solely to computer equipment but has now been extended in line with Charity Commission recommendations to represent the total value of fixed assets held. Depreciation relating to the underlying assets has been charged to the fund.

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

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12 General Funds	Funds Brought Forward £	Incoming Resources £	Resources Expended £	Transfers £	Funds Carried Forward £
Central funds	301,007	215,573	(67,557)	(146,724)	302,299
Branch funds	36,056	13,879	(12,667)	-	37,268
	<u>337,063</u>	<u>229,452</u>	<u>(80,224)</u>	<u>(146,724)</u>	<u>339,567</u>

13 Analysis of Net Assets between Funds	Fixed Assets £	Net Current Assets £	Total Net Assets £
Restricted funds			
Central funds	-	1,800	1,800
Unrestricted Funds			
Designated funds	6,459	56,817	63,276
General funds			
Central funds	24	302,275	302,299
Branch funds	-	37,268	37,268
	<u>6,483</u>	<u>398,160</u>	<u>404,643</u>

14 Operating Lease Commitments

The company had annual commitments under operating leases as follows:

	2005 Land and Buildings £	2004 Land and Buildings £
Expiring:		
- in less than one year	3,625	-
- in between two and five years	-	14,500
	<u>3,625</u>	<u>14,500</u>

A new six year lease was signed on 22 August 2005. The annual payment will be £21,600.