

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 2012

Action on Smoking and Health

Report of the Trustees 31st March 2012

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Action on Smoking and Health

Report of the Trustees 31st March 2012

The Trustees are pleased to present their report and the financial statements of the charity for the year ended 31st March 2012.

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

First Floor, 144-145 Shoreditch High Street, London, E1 6JE.

Website

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 31st March 2012 and had served throughout the year, except where shown:

Professor John Britton	
Mr Ed Gyde	
Mr Simon Hopkins	- Treasurer
Professor Martin Jarvis	
Ms Patricia Jones	- resigned 8 th December 2011
Mr Peter Kellner	
Professor Peter Kelly	- appointed 8 th December 2011
Ms Jean King	- Vice-Chair
Ms Betty McBride	
Dr Andy McEwen	
Dr Jennifer Mindell	
Professor John Moxham	- Chair
Dr Lesley Owen	
Lord Rennard of Wavertree	

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, 93 Baker Street, London, W1A 4FD.

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Chair's Introduction

In 1971, a small group of doctors from the Royal College of Physicians, dismayed at the rising toll of deaths from an entirely preventable cause and lack of political action to tackle the problem, founded Action on Smoking and Health. Since then, smoking rates among adults in Britain have halved and 73% of children now report that they have never smoked. Whilst ASH cannot claim all the credit for this success, by working collaboratively with medical and charitable organisations, it has played a key role in the reduction of smoking in the UK and in helping to change the public's attitude to smoking.

On behalf of my fellow trustees, I am delighted to present the review of ASH's extensive activities and achievements during 2011-12. It is particularly pleasing to report that ASH was a recipient of this year's WHO World No Tobacco Day award and the American Cancer Society's Luther Terry award for significant accomplishments in tobacco control - a very fitting way of commemorating ASH's 40th anniversary.

Professor John Moxham

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.

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 risk of reduced funding, the charity's reserves and threats made via the internet. A comprehensive review of risks takes place every two years, the last one having been completed during the 2009-10 financial year. The next is scheduled to be conducted in late 2012.

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

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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

In June 2010, the Trustees agreed that the organisation should develop a Strategic Plan to guide the charity over the three financial years, from April 2011 to March 2014. Over the following twelve months, through a series of consultations, workshops and meetings, the Trustees, staff and stakeholders developed the plan which was agreed at a Board meeting held in June 2011.

The plan set ASH's strategic priorities for the three years and established a process to monitor, review and evaluate ASH's progress following implementation. Staff have been charged with the responsibility of achieving various objectives through their annual business plans and the Chief Executive provides Trustees with regular progress reports.

The four strategic priorities set were as follows:

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

Affordability of Tobacco

Our 2012 Budget submission was endorsed by 91 other organisations, up from 70 the previous year, and was jointly branded as ASH and the UK Centre for Tobacco Control Studies (UKCTCS). In advance of the budget we met both the civil servants and the Economic Secretary to the Treasury, Chloe Smith MP, to discuss our recommendations. We were pleased to see that the Chancellor raised the tax escalator on tobacco duty introduced by the previous Government from 2% to 5% above inflation as we had recommended.

We are continuing to meet regularly with HM Treasury and HM Revenue & Customs (HMRC) officials to discuss tobacco taxation and illicit trade in tobacco and work to develop understanding amongst the public health community of the issues involved.

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We were also involved in discussions with HMRC about the content of its new anti-smuggling strategy in advance of its launch on 27th April 2011 and were pleased to see that it referenced both ASH and the UKCTCS as partners. It included increased funding for tackling tobacco smuggling which is a positive step in the current financial climate. However, we are concerned that no objectives have been set for the reduction in smuggling to be achieved in return for this new investment. ASH is also concerned about the government's proposals for extensive collaboration with the tobacco industry, included in the strategy and that as yet the commitment to publish details of all policy-related meetings with the tobacco industry and government departments has not been fulfilled.

Quitting

We worked with Foundation for the Study of Infant Deaths (FSID), UKCTCS, Stillbirth & Neonatal Death (SANDS), Bliss, Tommy's, and the Department of Health (DH) on an expert seminar on smoking and pregnancy. This took place on March 8th 2012, with a DH representative as keynote speaker. There were 60 participants and the event was well received by speakers and participants alike. As agreed in advance, the DH delivered a "challenge" to participants to establish a group to address delivery of the aspiration in the Tobacco Control Plan for England to reduce smoking rates at the time of delivery to 11% by 2015. The group is due to make its first report on the first anniversary of the event (the second anniversary of the publication of the strategy).

ASH has convened the "challenge group" and will be supporting this work under the leadership of Martin Dockrell. The group is to be chaired by Professor Linda Bauld and Francine Bates, CEO of FSID.

Protection from Secondhand Smoke

It has been agreed by the National Offender Management Service Health and Safety Committee that prisons will be moving to becoming smokefree. We are very pleased to see this happen as we have been campaigning for it for a number of years.

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.

Tobacco harm reduction

Deborah Arnott, ASH CEO, is on the Commission for Human Medicines working group on harm reduction and is also on the NICE PDG developing guidance on tobacco harm reduction. ASH has been involved in discussions with the Behavioural Insight Team, the Department of Business, Innovation & Skills (DBIS) and the Prime Minister's office on tobacco harm reduction. We met with the World Health Organization Tobacco Free Initiative (WHO TFI) at the end of January 2012 to discuss developments in nicotine regulation in the UK.

Support the transition of public health to local government.

In partnership with the Local Government Group (LGG), the Faculty of Public Health (FPH) and regional offices of tobacco control, ASH launched a web-based toolkit for Directors of Public Health (DsPH) to make the case for tobacco control. The toolkit includes a long and short presentation for DsPH, six briefing papers for councillors and a local costs of tobacco "reckoner". Data from the toolkit were used in the preparation of the London Health Improvement Board case for action on the prevention of cancer and to inform its public health strategy development.

Following a presentation in October 2011 to the Chief Medical Officer's (CMO) meeting of Regional Directors of Public Health (RDsPH), further presentations to regional meetings of DsPH have taken place and the Regions reached now include East of England, North East, North West, South East, West Midlands and Yorkshire & Humber.

The toolkit was well received and now carries the DH logo and foreword from the Public Health Minister, Anne Milton. The DsPH website has undergone its first major update including the addition of the ministerial foreword, links to all relevant National Institute for Clinical Excellence (NICE) guidance, and links to DH factsheets on the new public health structures.

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Supporting Local Tobacco Control

Partnerships have been established with British Medical Association (BMA), British Thoracic Society (BTS) Stop Smoking Champions, Cancer Research UK (CRUK) Ambassadors, British Heart Foundation (BHF) Hearty Voices, Diabetes UK Diabetes Voices, and the Roy Castle Lung Cancer Foundation to equip local advocates for tobacco control.

In partnership with the Local Government Association (LGA), the FPH, Smokefree South West, Tobacco Free Futures (formerly Smokefree North West) and FRESH North East, ASH has launched a web-based toolkit for local tobacco control alliances.

With partners in the voluntary sector, public health and local government, we continue to make progress in developing resources to support local tobacco commissioning to implement the Tobacco Control Plan for England. Outputs include case studies, a self-assessment tool and local tobacco plan checklist.

We have built links with key local authority opinion formers such as chairs of Health & Wellbeing Boards and scrutiny committees in a range of different types of local authority including Newcastle, Hackney, Lambeth and East Riding of Yorkshire.

We hold regular discussions with Public Health England and NICE to ensure harmonisation of our work to support local tobacco commissioning.

Public Attitudes to Tobacco Control

The 7th annual survey of public attitudes to tobacco control issues went into the field in February 2012. This was developed with the University of Bath and regional Offices of Tobacco Control. The data were collected by YouGov plc from a sample of 12,436 adults across Great Britain. Some key points of the survey are:

- Smokefree: 78% of adults support the smokefree legislation with 47% of all smokers supporting the law.
- Packaging: 62% of adults support plain packaging of tobacco products compared to just 11% who oppose it.
- Promotion: 56% of adults believed that tobacco companies should not be allowed to promote tobacco products in any way.
- Tobacco industry: 6% of adults believe that the tobacco industry can be trusted to tell the truth and 64% believe they could not. Whilst 6% agreed that tobacco companies behave ethically, 58% disagreed.
- Pensions: 58% of adults supported the proposition that public sector pension funds should not invest in tobacco companies and 9% opposed this.

Consultation Responses

ASH responded to the following consultations during the year:

- Health Select Committee Inquiry into public health.
- QOF Indicator proforma.
- NICE draft scope on harm reduction and smoking cessation.
- NICE consultation on both the draft scope on smokeless tobacco use and interventions among South Asians and the resulting consultation on guidance on cessation.
- NICE consultation on quality standards.
- NICE Citizen Council meeting on the use of incentives to improve health.
- NICE consultation on whether the guidance on preventing the uptake of smoking among children needed to be updated.
- NICE consultation on proposals to make the NICE clinical guidelines development process more efficient.
- HMRC consultation on taxing herbal smoking products.
- RAND survey on smokeless tobacco for the European Commission.
- Children & Young Peoples (health) outcomes framework.

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- Statutory register for lobbyists.
- Information Centre's Lifestyle Surveys review.
- Local Better Regulation Office consultation on age-restricted sales.

Tobacco Marketing & Promotion

Professor Marcus Munafo of Bristol University was commissioned to carry out an experimental study using fMRI technology to assess the impact of plain tobacco packaging, compared with branded packaging, on brain response to cigarette pack images. This will test the hypothesis that plain packaging will be associated with relatively greater amygdala activation (due to greater focus on health warning information), and that branded packaging will be associated with relatively greater striatum activation (due to greater focus on branding information).

New research was undertaken with Professor Ann McNeill and Professor David Hammond on an online survey to investigate the impact of different size and types of pack warnings on young people. We also assisted BHF in developing a short survey on plain packaging and young people.

Laws to prohibit the display of tobacco products in large shops came into effect in April 2012. Small retailers will have to apply the new laws from 6th April 2015.

During 2011 ASH and the RCP wrote to the Formula 1 motor racing governing body, the FIA, and to the European Commission to protest that the renewal of the sponsorship deal that Philip Morris has with Ferrari was in contravention of TAPA and Article 5 of the EU tobacco advertising directive. Without admitting any legal liability, Ferrari immediately removed the word 'Marlboro' from its name worldwide - previously the Ferrari team was called Scuderia Ferrari Marlboro. The sponsorship deal continues and is estimated to be worth US\$100 million a year to Ferrari.

All Party Parliamentary Group on Smoking & Health

ASH continues to act as Secretariat for the APPG on Smoking & Health with Stephen Williams MP, Liberal Democrat member for Bristol West, as the group's elected Chair. The group now has officers from across the major parties in both the Commons and the Lords and membership stands at 52. With considerable support from ASH, the APPG undertook an inquiry into smoking in private vehicles.

WHO Framework Convention on Tobacco Control

Articles 9 & 10: We have had discussions with the WHO Framework Convention on Tobacco Control (FCTC) Secretariat and the Parties acting as Key Facilitators for the development of the Article 9 and 10 guidelines and are working to develop support for guidelines that will be in line with UK priorities.

We also commissioned the drafting of an expert paper on addictiveness that was supervised by Professor David Hammond, Professor Marcus Munafo and Professor Ann McNeill. This includes the recommendation that guidelines on addictiveness should not be developed until there is sufficient national regulatory experience. The ASH CEO attended the working group meeting to discuss the draft guidelines that was held in Geneva the week commencing 23rd January 2012.

Illicit Trade Protocol: We held regular discussions and meetings with HMRC, OLAF (the European anti-fraud office) and the European Commission both in Brussels and Geneva in preparation for the negotiating body meeting on the protocol held during March 2012. There was a positive outcome from the negotiations at INB-5 held in Geneva during March-April 2012, which the ASH CEO attended. The draft protocol, which is supported by the UK government, will be presented to the FCTC Conference of the Parties (CoP) for adoption in November 2012.

EU Tobacco Products Directive Review

We continue to provide the European Commission, and other public health organisations working in this area, with factual information and support on the policy areas under discussion as part of the review of the Tobacco Products Directive. We met with the new Head of Unit for Tobacco Policy at DG Sanco and his team in November 2011 and subsequently provided them with a range of evidence relating to the Tobacco

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Products Directive review for example on nicotine regulation, the illicit market in the UK, smokeless tobacco and vending machines.

Website

The ASH website - www.ash.org.uk – which continues to develop and improve, 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 393,342 unique visitors, an average of 1,077 a day, more than twice the number for 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 1,973 subscribers, an increase of 10% on the previous twelve months. The twice monthly 'News & Events Bulletin' has 1,491 subscribers, an increase of 15% on the previous twelve months.

Our Factsheets are ASH's basic information products and there are two types. There are now a total of 5 "Facts at a Glance", entry level fact sheets covering basic information and 32 "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. All of these publications continue to undergo a rolling programme of review, update and addition where necessary. They are available, free of charge, from the ASH website

In early 2011, ASH received accreditation from the Information Standard. A successful first annual audit was completed in early 2012.

Media work

Over the past twelve months ASH issued 23 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 were also interviewed on numerous smoking and health stories, on topics such as: implementation of the legislation prohibiting the sale of tobacco from vending machines in October 2011, plain packaging of tobacco products, the anniversary of the ban on smoking in workplaces and enclosed public places, pensions and the All Party Parliamentary Group on Smoking & Health inquiry into smoking in private vehicles.

Over the twelve months, based on figures from professional media monitors contracted by ASH, it is estimated that ASH's media 'reach' (the number of people who would have been exposed to our message across TV, radio and print media but excluding the internet) was an average of 3.6 million people per week, an increase of 0.4 million per week on the previous year.

Achievements & Performance

As an integral part of the strategic review, the Trustees agreed a series of success indicators for each of the four strategic priorities. These relate to outcomes as well as outputs 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. ASH continues to play a leading role in developing support for new tobacco control policy initiatives.

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2. The effectiveness of the tobacco advertising ban continues to be monitored.
3. Tobacco tax was increased above inflation this year and the market share of illicit tobacco continues to fall.
4. ASH works in collaboration with the FCA to ensure the effective implementation of the WHO FCTC. We have been involved in ensuring that a comprehensive set of guidelines are in development and an illicit trade protocol to the FCTC is adopted.
5. The ban on the sale of tobacco products from vending machines came into effect in England in October 2011.
6. The new fire safety standard for cigarettes was introduced across the European Union from November 2011. All cigarettes sold in the UK must now comply with the new safety standards.
7. The government's public consultation on the introduction of plain packaging for tobacco products, planned for late 2011, began in April 2012.
8. New law, passed in 2011, which prohibits the display of tobacco products came into effect in April 2012 for large shops. Small retailers will have to apply the new laws from 6th April 2015.

2. Information & Research

1. The ASH website continues to be seen by other groups as the leading site for information on tobacco control and receives considerable positive feedback.
2. The ASH website has been developed into one of the best tobacco sites in the world. It currently averages around 1,077 unique visitors a day, more than twice the number for the previous 12 months.
3. Plans for checking and updating the informational needs of the charity are in place.
4. ASH received Information Standard accreditation in early 2011 and completed a successful audit in early 2012.

3. Communicating, Engagement & Networking

1. It is intended that our 'reach' in both the print and broadcast media should be maintained at a high level. Our weekly 'reach' averaged 3.6 million people during the year.
2. Stephen Williams MP, Chair of the All Party Parliamentary Group on Smoking & Health hosted ASH's 40th birthday celebrations at a reception in Parliament at which Anne Milton, the Public Health Minister, presented us with our WHO World No Tobacco Day award.
3. The 2011 UK National Smoking Cessation Conference marked ASH's 40th anniversary with a special policy strand in the programme and an evening reception.
4. Other groups involved in tobacco control continue to expect ASH to take a leadership role in tobacco control. This is primarily through leadership and coordination of the Smokefree Action Coalition (SFAC). Over the last year the SFAC has been active and continued to grow and now has over 180 members.
5. The ASH 5 Nations Group was established during 2008 with a view to quarterly liaison meetings to coordinate national aspects of tobacco control issues across the British Isles.

4. Resources & Sustainability

1. Work on a new strategic plan, to cover the period from April 2011 to March 2014 was completed on schedule.
2. We continue to have an effective working relationship with all our key funders.
3. All statutory reporting was completed on time.

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.

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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: Work to support delivery of 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;
- ASH International for Project 2: the Framework Convention Alliance.

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 £6,658 increase in funds. Total income of £732,349 was 7.74% lower than the previous year.

Charitable expenditure, at £725,691, decreased by 4.56% on the previous year. ASH finished the year with cash balances of £608,962 (down from £636,516 last year) and net assets of £625,383.

Having made transfers of £292,612 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 actually increased by £12,485 to £556,055 (of which branches held £8,825).

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 3 months and a maximum of 12 months of the resources expended annually, which presently equates to £180,819 to £723,275 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 (£547,230) is within the desired range.

Plans for Future Periods

The charity's objectives for the period 2011-14 are as laid out in the Strategic Plan. The plan includes four strategic priorities which are:

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

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.

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Objectives:

1. Promote the effective implementation of the Coalition Government's Tobacco Control Plan in England and build support for it from the public health community.
2. 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 ASH organisations across the UK to achieve consistency.
3. Support the development of the evidence base for policies to tackle tobacco use.
4. Monitor effectiveness of existing tobacco control policies.
5. To ensure all tobacco control policies contribute, as far as is possible, to health improvements, the reduction of health inequalities, poverty and social exclusion.
6. To support measures to reduce the affordability of tobacco including the maintenance of high tobacco taxation and the minimisation of smuggling.
7. To promote the effective implementation of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC).
8. To promote the provision of effective information for consumers, such as: mass media campaigns, education and product labelling.
9. Analyse and respond appropriately to industry Corporate Social Responsibility (CSR) initiatives.
10. Ensure that all new tobacco control policy proposals are costed and examined for both value for money and affordability.
11. To be sensitive to the concerns of the smoker.

Success Indicators:

1. Evidence that tobacco control policies are complied with and are popular.
2. The extent to which ASH recommendations are acted on by policy makers.
3. The level of support by all UK political parties for tobacco control measures as central to improving public health.
4. Increase in public support, particularly amongst routine unskilled or semi-skilled workers, in particular that tobacco is a harmful drug, that smoking in front of children is unacceptable, and that tobacco taxes should rise each year above inflation.
5. The extent to which there is sustained funding and support by the Coalition Government and localities 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.
6. Smoking prevalence will start to decline again and decline at a faster rate than over the last ten years, in particular amongst pregnant women, routine and manual workers and the most disadvantaged.
7. The level of exposure of children to secondhand smoke in the home and in cars will continue to decline as measured by the Health Survey for England cotinine tests measuring exposure levels in children in households where adults smoke.
8. Tobacco tax continues to increase above the rate of inflation at each budget.
9. HM Treasury and HM Revenue & Customs continue to involve ASH and civil society in the development of tax and anti-smuggling policies.

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10. ASH's work in collaboration with the Framework Convention Alliance on effective implementation of the WHO FCTC helps ensure:
 - a. A strong illicit trade protocol adopted at COP5 (Conference of the Parties) in 2012 which contains all the major elements set out in the template presented at the first negotiating meeting and meets the needs of low to mid income countries. This will be ratified in a timely fashion and by sufficient parties to bring it into force.
 - b. 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.
11. The revised EU Tobacco Products Directive includes mandatory picture warnings, removal of yield data from tobacco packs and recommendations for plain packaging.
12. All parties have developed strong manifesto commitments on tobacco control policies for England in advance of the next General Election.

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 provide a substantial readily-accessible and freely available library of information resources on tobacco control through the ASH website.
2. To ensure sound quality control of all information provided.
3. To support high quality tobacco control commissioning by Public Health England and local commissioners.
4. To monitor, analyse and expose the tactics and messages of the tobacco industry.
5. To continuously review the informational needs of ASH and others in the field and develop materials to meet those needs.
6. To ensure effective collection and storage of information.
7. To ensure that all information resources are regularly updated
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.
11. To address the information needs and priorities of the Coalition Government, parliamentarians 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.

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Objectives:

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

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 need and expect from meetings and networks. The aim is to sustain the level of success and satisfaction found in previous surveys.
2. The involvement of ASH continues to be sought for local, national and international tobacco control policy development.
3. ASH is recognised for its conspicuous, positive and effective contribution to WHO FCTC.
4. Tobacco control partners across England are positive about our role in supporting their work.
5. High media reach and positive coverage of tobacco control issues is sustained.
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 do not divert us from our strategic aims and objectives should be sought.
3. To recruit, train and retain high quality staff.

Success Indicators:

1. Achieve adequate medium term funding (3-5 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.

Action on Smoking and Health

Report of the Trustees 31st March 2012

Thanks

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

Trustees' responsibilities

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

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

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

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

In 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.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

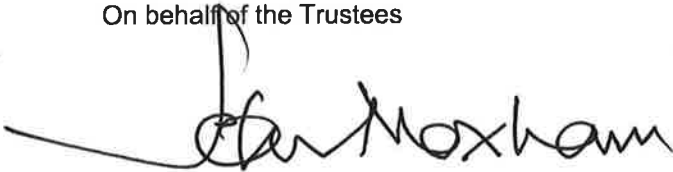
Action on Smoking and Health

Report of the Trustees 31st March 2012

Small Company Exemption

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

On behalf of the Trustees



.....
Professor John Moxham
Chair

Date:

18/9/12

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 Health for the year ended 31 March 2012 which comprise the Statement of Financial Activities (*the Summary 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 the Financial Reporting Standard for Smaller Entities (Effective April 2008), United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable 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 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, 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 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. 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 2012 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.


.....
Neil Finlayson, Senior Statutory Auditor

for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 19/9/2012

**ACTION ON SMOKING AND HEALTH
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	Unrestricted Funds		Restricted Funds	Total 2012	Total 2011
		General £	Designated £	£	£	£
Incoming Resources						
<i>Incoming resources from generated funds</i>						
Voluntary income						
Grants received	2	366,131	-	-	366,131	343,066
Donations and legacies received		5,720	-	-	5,720	15,365
Interest received		344	-	-	344	365
<i>Incoming resources from charitable activities</i>						
Grants received	2	-	-	358,439	358,439	423,924
Contract income		-	-	-	-	-
Subscriptions		1,195	-	-	1,195	1,351
Sales of literature and services		520	-	-	520	888
Other income		-	-	-	-	8,813
Total Incoming Resources		<u>373,910</u>	<u>-</u>	<u>358,439</u>	<u>732,349</u>	<u>793,772</u>
Resources Expended						
Charitable activities						
Policy Research and Informati	3	55,507	5,827	651,051	712,385	745,283
Governance	4	13,306	-	-	13,306	15,052
Total Resources Expended		<u>68,813</u>	<u>5,827</u>	<u>651,051</u>	<u>725,691</u>	<u>760,335</u>
Net Income for the year before transfers		305,097	(5,827)	(292,612)	6,658	33,437
Transfers	12	(292,612)	-	292,612	-	-
Net Movement in Funds		12,485	(5,827)	-	6,658	33,437
Funds brought forward		<u>543,570</u>	<u>65,155</u>	<u>10,000</u>	<u>618,725</u>	<u>585,288</u>
Funds carried forward		<u>556,055</u>	<u>59,328</u>	<u>10,000</u>	<u>625,383</u>	<u>618,725</u>
		Note 12	Note 11	Note 10		

All results are from continuing activities.

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

The notes on pages 19 to 24 form a part of these financial statements.

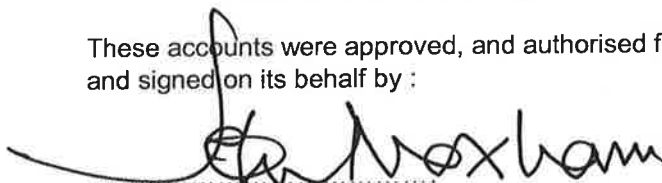
ACTION ON SMOKING AND HEALTH
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
BALANCE SHEET AT 31 MARCH 2012


	Note	2012 £	2012 £	2011 £	2011 £
Fixed Assets					
Tangible assets	6		2,511		8,338
Investments			<u>24</u>		<u>24</u>
			2,535		8,362
Current Assets					
Debtors	7	31,437		72,233	
Cash at bank and in hand		<u>608,962</u>		<u>636,516</u>	
		640,399		708,749	
Creditors: Amounts falling due within one year	8		<u>(17,551)</u>		<u>(98,386)</u>
Net Current Assets			<u>622,848</u>		<u>610,363</u>
Net Assets	12		<u><u>625,383</u></u>		<u><u>618,725</u></u>
Funds					
Restricted					
Central funds	9		10,000		10,000
Unrestricted					
Designated funds	10		59,328		65,155
General Funds					
Central funds	11	547,230		534,623	
Branch funds	11	<u>8,825</u>		<u>8,947</u>	
			<u>556,055</u>		<u>543,570</u>
			<u><u>625,383</u></u>		<u><u>618,725</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 19 to 24 form a part of these financial statements.

These accounts were approved, and authorised for distribution, by the Board of Directors on 18/9/12 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 2012

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 2012 (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.

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	2012 £	2011 £
Voluntary income		
Supporting charities	<u>366,131</u>	<u>343,066</u>
Arising from charitable activities		
Department of Health	150,000	220,500
ASH International	82,581	152,657
Supporting charities	<u>125,858</u>	<u>50,767</u>
	<u>358,439</u>	<u>423,924</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 2012 £	Total 2011 £
Direct project costs	234,020	211,412
Direct staff costs	344,843	391,868
Support costs (see below)	<u>133,522</u>	<u>142,033</u>
	<u>712,385</u>	<u>745,313</u>

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

Staff costs	45,415	46,628
Depreciation	5,827	7,172
Travel and meeting costs	79	84
Conferences, consultancy & seminar costs	3,135	3,295
Office running costs	55,433	61,092
Telephone and postage	13,524	14,379
Printing, stationery and design	4,598	6,683
Other costs	<u>5,511</u>	<u>2,670</u>
	<u>133,522</u>	<u>142,003</u>

**ACTION ON SMOKING AND HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012 (CONTINUED)**

4 Governance costs	Total 2012 £	Total 2011 £
Board expenses	4,197	6,185
Audit fees - current year	7,500	7,300
Audit fees - prior year under-provision	104	38
Other fees paid to auditors	<u>1,505</u>	<u>1,529</u>
	<u><u>13,306</u></u>	<u><u>15,052</u></u>

One trustee (2011: one) was reimbursed for expenses incurred in attending meetings totalling £69 (2011: £201). No trustee received any remuneration in the year (2011: none).

5 Staff Costs	2012 £	2011 £
Gross pay	337,981	379,916
Social security	38,973	42,228
Pension contributions	<u>7,455</u>	<u>7,308</u>
	<u>384,409</u>	<u>429,452</u>
Other staff costs	<u>5,849</u>	<u>5,456</u>
	<u><u>390,258</u></u>	<u><u>434,908</u></u>

The remuneration of 1 member of staff (2011: 2 members of staff) fell into the range £60,000 - £80,000. The pension cost of this individual was £4,307 (2011: £4,307).

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

	2012 Number	2011 Number
Central charitable activities	<u>8</u>	<u>9</u>
	<u><u>8</u></u>	<u><u>9</u></u>

**ACTION ON SMOKING AND HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012 (CONTINUED)**

6 Fixed Assets	Office fixtures, fittings and £
Cost	
At 1 April 2011 and as at 31 March 2012	77,785
Depreciation	
At 1 April 2011	69,447
Charge for the year	<u>5,827</u>
At 31 March 2012	<u>75,274</u>
Net Book Value	
At 31 March 2012	<u>2,511</u>
At 31 March 2011	<u>8,338</u>

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

7 Debtors	2012 £	2011 £
Other debtors	18,523	59,438
Prepayments	<u>12,914</u>	<u>12,795</u>
	<u>31,437</u>	<u>72,233</u>

8 Creditors: Amounts falling due within one year	2012 £	2011 £
Trade creditors	-	36,079
Deferred income	-	39,234
Other creditors	3,192	1,375
Accruals	<u>14,359</u>	<u>21,698</u>
	<u>17,551</u>	<u>98,386</u>

**ACTION ON SMOKING AND HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012 (CONTINUED)**

9 Restricted Funds		Funds brought forward £	Incoming resources £	Resources expended £	from General funds £	Funds carried forward £
Central						
Secondhand Smoking	(a)	10,000	-	-	-	10,000
Work to support delivery of the Tobacco Control Plan for England	(b)	-	182,002	(267,878)	85,876	-
FCA	(c)	-	82,581	(84,570)	1,989	-
Tobacco strategy and policy	(d)	-	93,856	(298,603)	204,747	-
		<u>10,000</u>	<u>358,439</u>	<u>(651,051)</u>	<u>292,612</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 communications to support the implementation of the Tobacco Control Plan for England and the Framework Convention on Tobacco Control. The Department of Health made a Section 64 Scheme grant of £150,000 to this project.
- (c) This project provides staff support and essential resources in order to carry out international tobacco control work in support of the Framework Convention Alliance on Tobacco Control.
- (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 £	from General funds £	Funds carried forward £
Capital equipment		8,338	-	(5,827)	-	2,511
Tobacco Control Alliance (TCA)		56,817	-	-	-	56,817
		<u>65,155</u>	<u>-</u>	<u>(5,827)</u>	<u>-</u>	<u>59,328</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 2012 (CONTINUED)**

12 General Funds	Funds brought forward £	Incoming resources £	Resources expended £	from General funds £	Funds carried forward £
Central funds	534,623	373,910	(68,691)	(292,612)	547,230
Branch funds	8,947	-	(122)	-	8,825
	<u>543,570</u>	<u>373,910</u>	<u>(68,813)</u>	<u>(292,612)</u>	<u>556,055</u>

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

13 Analysis of Net Assets between Funds	Fixed assets £	Net current £	Total net assets £
Restricted funds:			
Central funds	-	10,000	10,000
Unrestricted funds:			
Designated funds	2,511	56,817	59,328
General funds:			
Central funds	-	547,230	547,230
Branch funds	-	8,825	8,825
	<u>2,511</u>	<u>622,872</u>	<u>625,383</u>

14 Operating Lease Commitments

The company had annual commitments under operating leases as follows:

	2012 Land and Buildings £	2011 Land and Buildings £
Expiring:		
- within one year	29,500	-
- in between two and five years	<u>-</u>	<u>29,500</u>