

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 2014

Action on Smoking and Health

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Action on Smoking and Health

Report of the Trustees

31st March 2014

The Trustees are pleased to present their report and the financial statements of the charity for the year ended 31st March 2014.

Legal & Administrative Details

Legal Status

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

Registered Office

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

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 2014 and had served throughout the year, except where shown:

Professor John Britton

Ms Maura Gillespie

Mr Ed Gyde

Mr Simon Hopkins

- Treasurer.

Professor Martin Jarvis

- Vice-Chair.

Mr Peter Kellner

Professor Peter Kelly

Dr Andy McEwen

Dr Jennifer Mindell

- Resigned 10th December 2013.

Professor John Moxham

- Chair.

Dr Lesley Owen

Lord Rennard of Wavertree

Ms Sarah Woolnough

Senior Staff

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

Auditors

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

Principal Bankers

Barclays Bank plc, Leicester, LE87 2BB.

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Chair's Introduction

Each year brings new challenges and new opportunities in the ongoing battle to reduce the harm caused by smoking. The most important tobacco control policy currently on the political agenda is plain, standardised tobacco packaging. The tobacco industry spent millions of pounds lobbying against the policy but in the end, and with considerable cross-party support for the measure – including from health ministers - the Coalition Government decided to support primary legislation, paving the way for the measure to be implemented.

In England, ASH has been successfully promoting the CLear standard for local government and encouraging councils to sign up to a new Declaration to protect their health policies from tobacco industry interference. I'm delighted that so many local authorities are engaging in these measures – a reflection on ASH's decision to seize the opportunity provided by the transition of public health to local government.

Over the past year ASH has benefited enormously from the support provided by two Public Health trainees who joined ASH on short-term placements. The highly skilled pair contributed greatly to the Smoking and Pregnancy report and to the report of the APPG Inquiry into illicit trade in tobacco products.

In Europe, ASH has also been working hard to build support for the new EU Tobacco Products Directive which has the potential to help save thousands of lives not just in the UK but throughout Europe.

On behalf of my fellow trustees I am pleased to present the Report of the Trustees and to thank our funders, supporters and staff; without whom this vitally important work would not be possible.

Professor John Moxham
Chair of Trustees

Structure, Governance & Management

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

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

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

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

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

Related Parties and Partner Organisations

None.

Statement of Risk

The Trustees have examined the major risks to which the charity is exposed and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to control these risks. Detailed consideration of risks is delegated to the Business Manager, who acts as Risk Manager and reports to the Board. Risks are identified, assessed and controls established throughout the year. During this year particular attention was paid to the charity's reserves, threats to ASH staff and the

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Bribery Act 2010. A comprehensive review of risks takes place every two years, the current one being completed in June 2013.

Objectives

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

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

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

Strategic Planning

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

Overview

ASH's priority this year was the continued push for plain, standardised tobacco packaging to put an end to the last key remaining element of tobacco promotion in the UK. By March 2014 the UK had primary legislation for both standardised tobacco packaging and to prohibit smoking in cars with children. We were very encouraged by the strong support from the public and parliamentarians from across all Parties.

Public Health is undergoing its biggest upheaval in almost 40 years. From the first proposals to transfer lead responsibility for tobacco control to local government the ASH team were acutely aware of the risks and opportunities that lay ahead. The complexity of organisational change risked causing paralysis in the run-up to the change. Life in local government is a major change for public health staff, with radically different perspectives, priorities, and processes. Leading up to these changes, ASH initiated a series of measures in 2012 which have been brought to fruition in 2013. These include the CLear self-assessment tool, the

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development of policy and service improvement resources and – in collaboration with Newcastle City Council - the Local Government Declaration.

In Europe ASH worked with partners to build support for the proposed revised EU Tobacco Products Directive which includes measures such as making picture warnings mandatory and increasing the size of the warnings so that they occupy 65% of the front and back surfaces of the pack.

Plain, standardised packaging of tobacco products

In May 2013, when it became clear that the Government had postponed a decision to proceed with standardised packaging for tobacco products, ASH and members of the Smokefree Action Coalition pledged to re-kindle the campaign, initially by calling for a free vote in Parliament on the issue.

Subsequently, an amendment on standardised packs to the Children & Families Bill was tabled in the House of Lords with cross-party support. The amendment itself did not require the government to go ahead with standardised packs but gave the government a clear indication of the strength of parliamentary support for the measure.

Meanwhile, in the House of Commons a Westminster Hall debate led by Bob Blackman MP, Secretary of the APPG on Smoking and Health, was very well attended and prompted a wide-ranging discussion amongst MPs. The then Public Health Minister, Anna Soubry gave a very personal response, stating that she was an example of a young person who took up smoking before the age of 18 and who was attracted to smoking by virtue of the glamorous packaging.

"I distinctly remember the power of that package. It was the opening of the cellophane and the gold and the silver that was so powerfully important to many people who, as youngsters, took up smoking. I say that to my hon. Friend the Member for Bury North (Mr Nuttall) who says that he has never met anyone so drawn; well, he has now, because I am that person, and I am not alone by any means." (Hansard. Westminster Hall Debate, 3 Sept. 2013)

The decision by the Government to table its own amendment to the Children and Families Bill on standardised packaging was a game changer. It was followed by the Coalition Government taking on Labour amendments, first on proxy purchasing and then on prohibiting smoking in private vehicles containing children. A minimum age of 18 for the sale of electronic cigarettes was also included. These passed with substantial majorities in both houses of Parliament and the Bill received Royal Assent in March 2014. The key message to take from this is that tobacco control has significant cross-party support both in the Lords and the Commons and is no longer a party political issue.

Local Public Health & Tobacco Control

Local Government has long been a vital partner in tobacco control but transition of public health responsibilities from the NHS has put England's town and county halls at the centre of local tobacco policy. That is why ASH has made a priority of building stronger networks in local government. As a result the Smokefree Action Coalition (SFAC) is now bigger than ever, with over 250 member organisations. The loss of Primary Care Trust members in April 2013 has been more than made up for by the addition of 38 Local Authorities, 4 Clinical Commissioning Groups, 4 NHS Trusts and 46 other organisations that have joined this year. ASH organised the first SFAC national conference during winter 2013.

To assist those who are new to tobacco control, ASH launched an update to its *Top of the Agenda* publication which explains how the new public health system works and the importance of prioritising tobacco control within public health. It includes insights from professionals working across the system as well as political perspectives from local councillors from each of the major political parties.

The launch took place at the UK National Smoking Cessation Conference in June and was accompanied by a workshop at the conference conducted by ASH Special Projects Advisor, Hazel Cheeseman. The report has proved a popular resource and has attracted praise from partners.

In addition, we have updated the web-based *Local Costs of Tobacco* which enables the use of local smoking prevalence data to estimate the costs of smoking in a locality.

During the year a key focus for the charity was CLear. CLear, which stands for Challenging services, Leadership and Results is a self-assessment tool which allows local authorities to review existing action on tobacco control, to follow best practice, and to identify further areas for improvement. An evaluation of

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CLear was completed in May 2013 with recommendations for several improvements to the model. The first CLear awards for excellence in local tobacco control were conducted in partnership with CRUK at the LGA conference in Manchester. ASH took part in the Public Health England Conference in September to help raise the profile of local tobacco control with a particular focus on the CLear process. We currently have 91 of England's 152 top tier local authorities as members of the CLear partnership and 131 Peer Assessors have been trained.

Smoking in Pregnancy

The Smoking in Pregnancy Challenge Group, an ASH initiative set up following an inaugural expert seminar in March 2012, held a number of meetings over the past 12 months addressing issues such as training, service delivery and commissioning. There are now 21 partner organisations in the Group and in addition NICE and the Department of Health act as observers.

The activities of the Group culminated in a report, published in June 2013, which sets out key recommendations to reduce the incidence of smoking in pregnancy. These include better data collection, implementation of NICE guidelines, routine use of carbon monoxide testing, and ensuring local stop smoking services are fully equipped to counsel and support pregnant smokers who want to quit. Department of Health officials have described smoking in pregnancy as the main priority for the remainder of the Tobacco Control Plan for England and are meeting with the Challenge Group to pursue the group's recommendations.

On behalf of the Smoking in Pregnancy Challenge Group, ASH organised a seminar in March 2014 bringing together 91 delegates from government, the voluntary sector, academia, commissioners, midwives and smoking cessation practitioners. Feedback from the day was positive with 92% of delegates reporting that by the end of the day they were "confident" or "very confident" in their ability to play their part in reducing smoking in pregnancy by the end of the day. Government officials presented their response to the Challenge Group's 2013 report.

Since the seminar, ASH has been working closely with PHE to take forward specific recommendations from the report around better national communication with women and increasing uptake of CO monitoring. We have also written to the Public Health Minister urging greater action on smoking in pregnancy in the last year of the tobacco control plan and detailing specific recommendations. The letter was co-signed by the Challenge Group Chairs as well as the Royal College of Midwives and Royal College of Paediatrics and Child Health.

Tax & Smuggling

ASH's 2014 Budget submission was endorsed by 80 health and welfare organisations. Our chief recommendation was to introduce a tobacco tax escalator of 5% above inflation for manufactured cigarettes and an increase of 15% above inflation for hand-rolled tobacco. Other recommendations included an update to the Government's anti-smuggling strategy and the introduction of a minimum excise tax. The Chancellor made a commitment to extend the annual tobacco tax escalator but only at 2% above inflation. However, ASH was pleased to note that the Chancellor announced that the Government would consult on the impact of a minimum excise tax and also on a range of measures to strengthen its response to tobacco smuggling with a view to legislating in 2015.

Harm Reduction & Nicotine Regulation

An important part of our role is to build a UK consensus on tobacco harm reduction. ASH welcomed the publication of the NICE guidance on tobacco harm reduction published in May 2013 (Deborah Arnott served on the NICE harm reduction Product Development Group). While recognising that quitting smoking is always the best option for smokers, the NICE guidance supports the use of licensed nicotine containing products to help smokers not currently able to quit to cut down and as a substitute for smoking.

ASH participated in the MHRA press launch of its decision on e-cigarette regulation, presenting our data on electronic cigarette use in the British population. Deborah Arnott was a member of the MHRA expert advisory group on nicotine regulation.

ASH continues to act as an important source of evidence and advice on tobacco harm reduction. Our factsheets and briefings have been recognised as authoritative from all sides of the debate. One of the most contentious issues has been regulating the public use of electronic cigarettes and in October ASH and CIEH

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produced a briefing to help policy makers develop their policies on the use of electronic cigarettes in enclosed public places.

Public Attitudes to Tobacco Control

The 9th wave of the annual survey of public attitudes to tobacco control issues went into the field in March 2014. The data were collected by YouGov plc. Some key points of the survey are:

- Packaging: 64% of adults support plain packaging of tobacco products compared to just 11% who oppose it (64% and 12% last year).
- Tobacco industry: 6% of adults believe that the tobacco industry can be trusted to tell the truth and 67% believe they could not (This is unchanged from last year). Whilst 5% agreed that tobacco companies behave ethically, 62% disagreed (4% and 62% last year).
- Pensions: 63% of adults supported the proposition that public sector pension funds should not invest in tobacco companies and 7% opposed this (63% and 9% last year).
- Electronic cigarettes: the percentage of smokers using electronic cigarettes has risen from 3% in 2010 to 18% in 2014. ASH estimates that there are 2.1 million current users of electronic cigarettes in the UK.
- Shisha: our survey found that 12% of adults have smoked shisha at some time but only 2% reported using shisha once, twice or more a month (12% and 1% last year).

Tobacco Industry

Newcastle City Council has worked with other leading local authorities to establish a *Local Government Declaration on Tobacco Control*. The declaration commits councils to protect communities from tobacco harms and protect policies from the commercial and vested interests of the tobacco industry. Past examples of industry engagement with local authorities have included sponsoring smoking shelters on council property, selective funding of work on illicit tobacco and even sponsorship of a city academy school. In addition, representatives of BAT subsidiary, *Nicoventures*, have been seeking meetings with councils to discuss plans for tobacco harm reduction. To date 50 top tier local authorities, in addition to 14 District Councils, have signed up to the Declaration.

As in previous years; in April 2013 ASH co-ordinated a very successful demonstration of young people from around the country outside the BAT AGM. Over 75 young people turned up and then went to Westminster to meet MPs and peers and lobby them on standardised packs.

At the 2013 AGM ASH Chief Executive Deborah Arnott asked questions about BAT's funding of the campaign against standardised packs in the UK, Europe and New Zealand. Specifically she asked about funding of third parties such as the Institute of Economic Affairs as the IEA had refused to admit that it received tobacco money. Subsequently, ASH received a response revealing that the tobacco company had provided £11,056 in 2011 and £20,000 in 2012 to the IEA alone.

All Party Parliamentary Group on Smoking & Health (APPG)

ASH continues to act as Secretariat for the APPG. In October 2013 Rt. Hon. Paul Burstow MP, Liberal Democrat member for Sutton, was elected as the group's Chair, replacing Stephen Williams MP who became Parliamentary Under Secretary of State for Communities & Local Government. The group now has officers from across the major parties in both the Commons and the Lords and membership stands at 51.

On 16th April 2013, to mark the anniversary of the launch of the public consultation on standardised packaging the APPG on Smoking and Health, chaired by Stephen Williams MP, held a reception at the House of Commons. Guest of honour was Mike Daube (a previous Director of ASH and now public health professor and expert adviser to the Australian government) who talked about how standardised packaging had been successfully implemented in Australia.

For his campaigning work on tobacco, former Chair of the APPG on Smoking & Health, Stephen Williams MP was awarded the WHO World No Tobacco Day Medal. He was nominated by both ASH and Smokefree South West.

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Divesting pension funds from tobacco

The issue of local authority pension investments is legally challenging as local authorities have to be careful to conform to their fiduciary duties. Therefore, the Local Government Declaration on Tobacco Control does not require authorities to ensure that their pension funds do not invest in tobacco companies. The guidance note states, "*The Declaration does not contain specific commitments in relation to Councils' pension fund investments in the tobacco industry. Councils may wish to review these investments and may conclude that the tobacco industry is not an appropriate investment. Decisions of this kind must be made by trustees on advice and in accordance with their legal duties.*"

Protection from Secondhand Smoke

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

ASH welcomed the long-overdue announcement that UK prisons will be required to be totally tobacco and smokefree. Currently smoking is forbidden in all communal areas but prisoners are allowed to smoke in their cells, resulting in significant secondhand smoke exposure among inmates and staff. Juvenile offender institutions are already smokefree as is the prison on the Isle of Man. Evidence from other countries such as New Zealand, the USA and Canada suggests that a comprehensive smokefree policy in prisons is achievable and will result in significant health benefits.

WHO Framework Convention on Tobacco Control (FCTC)

ASH works closely with the Framework Convention Alliance (FCA) on FCTC matters. Work is currently underway to prepare for the sixth Conference of the Parties (COP) in Moscow from 13-18 October 2014.

ASH Chief Executive, Deborah Arnett, attended the Article 9 and 10 guideline working group meeting in Geneva in January 2014 as an observer for civil society on behalf of the FCA. Our work will now focus on ensuring that civil society has an agreed position in advance of the COP.

Regulation of electronic cigarettes under the FCTC was discussed at the last COP and with our help a decision was taken to keep monitoring this area.

With regards to Article 5.3 of the FCTC at local level, we are planning to develop a template policy for local authorities to adapt, outlining how they will comply with their obligations under Article 5.3. We will trial the policy with a selection of councils who have endorsed the Local Government Declaration on Tobacco Control.

European Union (EU) Tobacco Product Directive (TPD)

In December 2012 the EU Commission published a draft proposal for a revised TPD. Measures included a mandatory requirement for larger pictorial health warnings to cover the front and back surfaces of packs; granting Member States the right to introduce standardised packaging; a requirement for tobacco manufacturers to put in place measures to allow the tracking and tracing of all tobacco products at pack level; and prohibiting the inclusion of certain flavourings in tobacco products such as menthol.

ASH worked closely with the Smokefree Partnership to ensure that the TPD was passed before the European Parliament was dissolved prior to the elections. The revised TPD was voted on and passed by the European Parliament on Wednesday 26th February 2014. The Directive enters into force 20 days after it is published in the Official Journal of the European Union, following which there is a two year transposition period. There is an extra year for electronic cigarette products already on the market at the date of transposition and an extra four years for menthol.

In summary, the TPD includes:

- Graphic warnings to take up 65% of the front and back of cigarette, Roll Your Own, and shisha tobacco packs by 2016 (compared to currently 30% of the front and 40% of the back plus a 3-4mm black border which in the new Directive is included within the 65%).
- Removal of misleading tar, nicotine and carbon monoxide yields on the side of cigarette packs.
- Member States can go further and bring in plain, standardised packaging – by regulating the remaining 35% of the pack.

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- A ban on flavoured cigarettes and RYO tobacco – with an extension for menthol until 2020.
- A prohibition on slim lipstick and perfume packs (although slim cigarettes will still be allowed).
- Cigarette packs will have to be at least 5cm wide and 2cm deep, and contain at least 20 cigarettes; roll your own (RYO) packs will have to contain at least 30g tobacco. This will increase the average price per pack, which is crucial as increasing the price is the most important incentive to smokers to quit.
- Regulators will be able to ban next-generation "novel" tobacco products.
- A track-and-trace system to tackle illicit trade.
- In line with the wishes of the Parliament electronic cigarettes will be regulated as consumer products, allowing them to be widely available to smokers, while cross border advertising will be prohibited to reduce the risk of promotion to children. Refillable cartridges will be allowed and the level of nicotine allowed per electronic cigarette has been increased from the original proposal of 4mg/ml to 20mg/ml. Member States are allowed to introduce extra safeguards (e.g. on age-limits and flavourings in e-cigarettes). Manufacturers can also apply to licensing authorities to have their products licensed as stop smoking aids.

Consultation Responses

ASH responded to the following consultations during the year:

- House of Commons Home Affairs Select Committee inquiry into the illicit trade in tobacco;
- NICE smoking cessation in pregnancy public health guidance review;
- NICE consultation on risk of dying prematurely;
- Public Health England (PHE) consultation on knowledge strategy;
- Office for National Statistics (ONS) consultation on the future of lifestyle surveys;
- consultation on smoking in cars with children present (to accompany Jim Hume MSP's Private Member's (Scotland) Bill);
- London Health Commission call for evidence consultation on the health of Londoners;
- Broadcast Committee on Advertising Practice (BCAP) consultation on medicines advertising;
- BCAP & Committee on Advertising Practice (CAP) consultation on advertising of e-cigarettes.

Website

The ASH website - www.ash.org.uk – is widely acknowledged as one of the best tobacco information sites in the world. It has a huge searchable content on every aspect of tobacco control and is easily accessible with hundreds of downloadable documents. The site has become a key factor in our ability to provide information, campaign successfully and to network cost-effectively both nationally and internationally. Over the course of the financial year the ASH website had 451,868 unique visitors, an average of 1,238 visitors a day, a 3% increase on the previous twelve months.

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

Information & Publications

Of our regular publications, 'ASH Daily News' has 2,263 subscribers, up 15% on last year. The twice monthly 'News & Events Bulletin' has 1,851 subscribers, up 16% on last year.

ASH Fact Sheets are our basic information products and there are two types. There are now a total of 5 "Facts at a Glance", short fact sheets covering key facts and statistics and 33 detailed Fact Sheets, each covering a different aspect of tobacco and health in some depth and fully referenced. In addition, we have 5 more detailed research reports and a number of policy briefings. All of these publications continue to undergo a rolling programme of review, up-date and addition where necessary. They are available, free of charge, from the ASH website.

ASH received *Information Standard* accreditation in early 2011 and completed a third successful annual audit in early 2014.

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Media work

Over the past twelve months ASH issued 26 national press releases as well as 8 national press releases on behalf of the Smokefree Action Coalition. 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.

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 15.7 million people per week, an increase of 2 million per week on the previous year. This increase largely resulted from huge media interest in two stories: the campaign for standardised tobacco packaging in the UK; and the rapid development of the electronic cigarettes market.

Achievements & Performance

As an integral part of the strategic review for the three years ending 31st March 2014, 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 support the transition of public health from the NHS to local government through the Local Government Toolkit; the CLear standard; disseminating NICE guidance; and the Local Government Declaration.
2. Three tobacco policy inquiries by the All Party Parliamentary Group (APPG) on Smoking & Health.
3. Primary legislation for standardised tobacco packaging.
4. Primary legislation for smoking in cars with children.
5. European Union Tobacco Products Directive (EU TPD) passed.
6. WHO Framework Convention on Tobacco Control (FCTC) illicit trade protocol adopted.
7. Introduction of EU standard for reduced ignition propensity (fire safer) cigarettes.

2. Information & Research

1. ASH received *Information Standard* accreditation in early 2011 and completed a third successful annual audit in early 2014.
2. Over the course of the twelve months to February 2014, the ASH website had 451,868 unique visitors, or an average of 1,238 visitors a day. This represents a 117% increase on the same twelve months period immediately prior to the 2011-14 strategic review.

3. Communicating, Engagement & Networking

1. Continuing development of the Smokefree Action Coalition (SFAC) which has grown to over 250 organisations (up from 160 in 2011). The SFAC has lobbied effectively on key policy issues and engaged parliamentarians of all parties and in both houses.
2. ASH continues to play a key role as an active member of the Framework Convention Alliance (FCA) working for the effective implementation of the WHO FCTC in the UK and worldwide.
3. ASH established the ASH Four Nations Group which continues to contribute to the harmonisation of the work conducted by ASH partners across the UK and Ireland.

4. Resources & Sustainability

1. Work on a new strategic plan, to cover the period from April 2014 to March 2017 was completed on schedule.
2. All statutory reporting was completed on time.
3. Good relations with funders are being maintained via regular reporting and contact with key decision makers within each organisation. Funding from our three key funders has been sustained.
4. Staff turnover remained under 25% per annum.

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Finance

Investments Policy

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

Principal Funding Sources

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

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

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 £51,619 decrease in funds. Total income of £708,144 was 5.93% lower than the previous year.

The charity is very grateful to the late Mr A. K. Jones from whom we received a legacy of £45,000 during the year.

Charitable expenditure, at £759,763, increased by 13.21% on the previous year. ASH finished the year with cash balances of £636,722 (down from £661,824 last year) and net assets of £655,401.

Having made transfers of £428,237 from general funds to meet deficiencies on the various projects for which restricted funds were available, the balance of general funds at the end of the year decreased by £56,858 to £578,936 (of which branches held £8,144).

Reserves Policy

Given the continuing difficult economic circumstances, the Trustees reviewed the reserves policy during the year and agreed a new policy whereby the unrestricted funds not committed or invested in tangible fixed assets (the 'free reserves') held by the charity should be between a minimum of 6 months and a maximum of 12 months of the resources expended annually, which presently equates to £379,882 to £759,763 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 (£570,792) is within the desired range.

Plans for Future Periods

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

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

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

Success Indicators:

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

Action on Smoking and Health

Report of the Trustees

31st March 2014

2. Information & Research

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

Objectives:

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

Success Indicators:

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

3. Communicating, Engagement & Networking

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

Objectives:

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

Success Indicators:

1. Other groups involved in tobacco control continue to expect ASH to take a 'leadership' role in tobacco control. This will be assessed on an ongoing basis directly by ASH backed up by three yearly independent evaluations. This survey will also be used to determine whether partners are getting what they expect and need from meetings and networks. The aim is to maintain the high level of success and satisfaction found in previous surveys.

Action on Smoking and Health

Report of the Trustees

31st March 2014

2. The involvement of ASH continues to be sought for national and international tobacco control policy development.
3. ASH is recognised for a conspicuous, positive and effective contribution to WHO FCTC.
4. Tobacco control partners across England are positive about our role in supporting their work.
5. Sustained high media reach and positive coverage of tobacco control issues.
6. Positive media coverage of tobacco control issues linked to ASH is sustained and ASH remains the first port of call for the media on tobacco-related stories.
7. Continued high level of awareness of ASH as measured by opinion polls.

4. Resources & Sustainability

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

Objectives:

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

Success Indicators:

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

Thanks

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

Trustees' responsibilities

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

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

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

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.

Action on Smoking and Health
Report of the Trustees
31st March 2014

Audit information

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

Small Company Exemption

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

On behalf of the Trustees

.....
Professor John Moxham
Chair

Date:

ACTION ON SMOKING AND HEALTH

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ACTION ON SMOKING AND HEALTH

We have audited the financial statements of Action on Smoking and Health for the year ended 31 March 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 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 matters 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.

ACTION ON SMOKING AND HEALTH INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTION ON SMOKING AND HEALTH

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:

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

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

Devonshire House
60 Goswell Road
London EC1M 7AD
Date:

**ACTION ON SMOKING AND HEALTH
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2014**

| | Note | Unrestricted Funds | | Restricted Funds | Total 2014 | Total 2013 |
|--|------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | | General £ | Designated £ | £ | £ | £ |
| Incoming Resources | | | | | | |
| <i>Incoming resources from generated funds</i> | | | | | | |
| Voluntary income | | | | | | |
| Grants received | 2 | 399,740 | | - | 399,740 | 378,704 |
| Donations and legacies received | | 49,223 | | | 49,223 | 131,234 |
| Interest received | | 362 | | - | 362 | 351 |
| <i>Incoming resources from charitable activities</i> | | | | | | |
| Grants received | 2 | - | - | 215,002 | 215,002 | 218,370 |
| Contract income | | 42,350 | | - | 42,350 | 22,800 |
| Subscriptions | | 1,247 | | - | 1,247 | 1,085 |
| Sales of literature and services | | - | | - | - | - |
| Other income | | 220 | | - | 220 | 202 |
| Total Incoming Resources | | <u>493,142</u> | <u>-</u> | <u>215,002</u> | <u>708,144</u> | <u>752,746</u> |
| Resources Expended | | | | | | |
| Charitable activities | | | | | | |
| Policy Research and Informa | 3 | 106,008 | 3,719 | 634,281 | 744,008 | 658,301 |
| Governance | 4 | 15,755 | - | - | 15,755 | 12,808 |
| Total Resources Expended | | <u>121,763</u> | <u>3,719</u> | <u>634,281</u> | <u>759,763</u> | <u>671,109</u> |
| Net Income for the year before transfers | | 371,379 | (3,719) | (419,279) | (51,619) | 81,637 |
| Transfers | 11 | (428,237) | 8,958 | 419,279 | - | - |
| Net Movement in Funds | | (56,858) | 5,239 | - | (51,619) | 81,637 |
| Funds brought forward | | <u>635,794</u> | <u>61,226</u> | <u>10,000</u> | <u>707,020</u> | <u>625,383</u> |
| Funds carried forward | | <u><u>578,936</u></u> | <u><u>66,465</u></u> | <u><u>10,000</u></u> | <u><u>655,401</u></u> | <u><u>707,020</u></u> |
| | | Note 11 | Note 10 | Note 9 | | |

All results are from continuing activities.

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

The notes on pages 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 2014

| | Note | 2014 £ | 2014 £ | 2013 £ | 2013 £ |
|--|------|-----------------|-----------------------|-----------------|-----------------------|
| Fixed Assets | | | | | |
| Tangible assets | 6 | | 9,648 | | 4,409 |
| Investments | | | 24 | | 24 |
| | | | <u>9,672</u> | | <u>4,433</u> |
| Current Assets | | | | | |
| Debtors | 7 | 35,693 | | 91,643 | |
| Cash at bank and in hand | | <u>636,722</u> | | <u>661,824</u> | |
| | | 672,415 | | 753,467 | |
| Creditors: Amounts falling due within one | 8 | <u>(26,686)</u> | | <u>(50,880)</u> | |
| Net Current Assets | | | <u>645,729</u> | | <u>702,587</u> |
| Net Assets | 12 | | <u><u>655,401</u></u> | | <u><u>707,020</u></u> |
| Funds | | | | | |
| Restricted | | | | | |
| Central funds | 9 | | 10,000 | | 10,000 |
| Unrestricted | | | | | |
| Designated funds | 10 | | 66,465 | | 61,226 |
| General Funds | | | | | |
| Central funds | 11 | 570,792 | | 627,201 | |
| Branch funds | 11 | <u>8,144</u> | | <u>8,593</u> | |
| | | | <u>578,936</u> | | <u>635,794</u> |
| | | | <u><u>655,401</u></u> | | <u><u>707,020</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
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 2014

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

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

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

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 2014 (CONTINUED)

Investments

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

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

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised for particular purposes. The aim and use of each restricted and designated fund is given in the notes.

| 2 Grants | 2014 £ | 2013 £ |
|---|----------------|----------------|
| Voluntary income | | |
| Supporting charities | <u>399,740</u> | <u>378,704</u> |
| Arising from charitable activities | | |
| Department of Health | 175,000 | 150,000 |
| Supporting charities | <u>40,002</u> | <u>68,370</u> |
| | <u>215,002</u> | <u>218,370</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 2014 £ | Total 2013 £ |
|---------------------------|--------------------|--------------------|
| Direct project costs | 220,885 | 205,468 |
| Direct staff costs | 368,023 | 304,628 |
| Support costs (see below) | <u>155,100</u> | <u>148,205</u> |
| | <u>744,008</u> | <u>658,301</u> |

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

| | | |
|--|----------------|----------------|
| Staff costs | 47,859 | 46,666 |
| Depreciation | 3,719 | 2,902 |
| Travel and meeting costs | 49 | 145 |
| Conferences, consultancy & seminar costs | 21,360 | 60 |
| Office running costs | 59,853 | 60,838 |
| Office Moving Costs | - | 21,057 |
| Telephone and postage | 17,440 | 12,729 |
| Printing, stationery and design | 5,966 | 6,262 |
| Other costs | <u>(1,146)</u> | <u>(2,454)</u> |
| | <u>155,100</u> | <u>148,205</u> |

**ACTION ON SMOKING AND HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

| 4 Governance costs | Total 2014 £ | Total 2013 £ |
|--|-----------------------------|-----------------------------|
| Board expenses | 6,020 | 3,054 |
| Audit fees - current year | 8,000 | 7,750 |
| Audit fees - prior year over-provision | (98) | 189 |
| Other fees paid to auditors | <u>1,833</u> | <u>1,815</u> |
| | <u><u>15,755</u></u> | <u><u>12,808</u></u> |

No trustees (2013: none) were reimbursed for expenses incurred in attending meetings (2013: £nil). No trustee received any remuneration in the year (2013: none).

| 5 Staff Costs | 2014 £ | 2013 £ |
|-----------------------|-----------------------|-----------------------|
| Gross pay | 362,911 | 298,518 |
| Social security | 40,086 | 33,279 |
| Pension contributions | <u>7,763</u> | <u>7,605</u> |
| | 410,760 | 339,402 |
| Other staff costs | <u>5,121</u> | <u>11,892</u> |
| | <u><u>415,881</u></u> | <u><u>351,294</u></u> |

The emoluments of 1 member of staff (2013: 1 members of staff) fell into the range £80,000 - £90,000 (2013: £80,000 - £90,000). The pension cost of this individual was £4,307 (2013: £4,307).

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

| | 2014 Number | 2013 Number |
|-------------------------------|------------------------|------------------------|
| Central charitable activities | <u>9</u> | <u>8</u> |
| | <u><u>9</u></u> | <u><u>8</u></u> |

**ACTION ON SMOKING AND HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

| 6 Fixed Assets | Office fixtures, fittings and £ |
|---------------------------|--|
| Cost | |
| At 1 April 2013 | 57,053 |
| Additions | 8,958 |
| Disposals | <u>(22,524)</u> |
| At 31 March 2014 | <u>43,487</u> |
| Depreciation | |
| At 1 April 2013 | 52,644 |
| Charge for the year | 3,719 |
| Eliminated on Disposals | <u>(22,524)</u> |
| At 31 March 2014 | <u>33,839</u> |
| Net Book Value | |
| At 31 March 2014 | <u>9,648</u> |
| At 31 March 2013 | <u>4,409</u> |

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

| 7 Debtors | 2014 £ | 2013 £ |
|------------------|-------------------|-------------------|
| Trade debtors | - | 49,338 |
| Other debtors | 23,809 | 25,110 |
| Prepayments | <u>11,884</u> | <u>17,195</u> |
| | <u>35,693</u> | <u>91,643</u> |

| 8 Creditors: Amounts falling due within one year | 2014 £ | 2013 £ |
|---|-------------------|-------------------|
| Trade creditors | - | 33,135 |
| Taxation and social security | 4,566 | 2,280 |
| Other creditors | - | 1,375 |
| Accruals | <u>22,119</u> | <u>14,090</u> |
| | <u>26,686</u> | <u>50,880</u> |

**ACTION ON SMOKING AND HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

| 9 Restricted Funds | | Funds brought forward £ | Incoming resources £ | Resources expended £ | Transfers 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) | - | 175,000 | (386,253) | 211,253 | - |
| Tobacco strategy and policy | (c) | - | 40,002 | (248,028) | 208,026 | - |
| | | <u>10,000</u> | <u>215,002</u> | <u>(634,281)</u> | <u>419,279</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 £175,000 to this project.
- (c) This Cancer Research UK funded project supports research, development and promotion of new policies designed to reduce the disease and premature death caused by tobacco

| 10 Designated Funds | | Funds brought forward £ | Incoming resources £ | Resources expended £ | Transfers from General funds £ | Funds carried forward £ |
|--------------------------------|--|----------------------------------|----------------------------|----------------------------|---|----------------------------------|
| Capital equipment | | 4,409 | - | (3,719) | 8,958 | 9,648 |
| Tobacco Control Alliance (TCA) | | <u>56,817</u> | - | - | - | <u>56,817</u> |
| | | <u>61,226</u> | <u>-</u> | <u>(3,719)</u> | <u>8,958</u> | <u>66,465</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 2014 (CONTINUED)**

| 11 General Funds | Funds brought forward £ | Incoming resources £ | Resources expended £ | Transfers £ | Funds carried forward £ |
|------------------|----------------------------------|----------------------------|----------------------------|------------------|----------------------------------|
| Central funds | 627,201 | 493,142 | (121,313) | (428,237) | 570,792 |
| Branch funds | 8,593 | 1 | (450) | - | 8,144 |
| | <u>635,794</u> | <u>493,143</u> | <u>(121,763)</u> | <u>(428,237)</u> | <u>578,936</u> |

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

The transfer to the capital fund represents the net amount expended on capital additions during the year.

| 12 Analysis of Net Assets between Funds | Fixed assets £ | Net current assets £ | Total net assets £ |
|---|----------------------|----------------------------|--------------------------|
| Restricted funds: | | | |
| Central funds | - | 10,000 | 10,000 |
| Unrestricted funds: | | | |
| Designated funds | 9,648 | 56,817 | 66,465 |
| General funds: | | | |
| Central funds | - | 570,792 | 570,792 |
| Branch funds | - | 8,144 | 8,144 |
| | <u>9,648</u> | <u>645,752</u> | <u>655,401</u> |

13 Operating Lease Commitments

The company had annual commitments under operating leases as follows:

| | 2014 Land and Buildings £ | 2013 Land and Buildings £ |
|---------------------------------|------------------------------------|------------------------------------|
| Expiring: | | |
| - in between two and five years | <u>22,000</u> | <u>22,000</u> |