

# **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 2023**

## **CONTENT**

Trustees' Report and Charity Information	Page 1 - 10
Independent Examiner's Report	Page 11
Statement of financial activities	Page 12
Balance sheet	Page 13
Cash flow statement	Page 14
Notes to the accounts	Page 15 - 23

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2023

The Trustees are pleased to present their report and the financial statements of the charity for the year ended 31<sup>st</sup> March 2023.

## 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

Unit 2.9, The Foundry, 17 Oval Way, London SE11 5RR.

### Website

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

### Directors & Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are referred to as the Trustees. The following Trustees (Honorary Officers as indicated) were in office at the 31<sup>st</sup> March 2023 and had served throughout the year, except where shown:

Dr Sanjay Agrawal	-	
Dr Somen Banerjee	-	
Professor Paul Burstow	-	<i>resigned 5<sup>th</sup> August 2022</i>
Alison Cox	-	<i>resigned 25<sup>th</sup> October 2022</i>
Linda Cuthbertson	-	
Nick Forbes	-	co-opted 13 <sup>th</sup> December 2022
Kate Harrison	-	Treasurer
Dr Anthony Laverty	-	
Professor Nick Hopkinson	-	Chair
Jonathan McShane	-	
Professor Rachael Murray	-	
Dr Debbie Robson	-	
Dr Helen Walters	-	Vice-Chair

### Senior Staff

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

### Independent examiner

Neil Finlayson, Moore Kingston Smith LLP, 6<sup>th</sup> Floor, 9 Appold Street, London, ECA 2AP

### Principal Bankers

Barclays Bank plc, Leicester, LE87 2BB.

## 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.

# **Action on Smoking and Health**

## **Report of the Trustees**

### **31<sup>st</sup> March 2023**

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. Not more than 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 reports to the Board of Management which usually meets 4 times a year and is responsible for setting the strategic objectives.

In order to maintain a pool of skilled potential Trustees, new Advisory Council Members are regularly 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.

## **Remuneration Policy**

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

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

## **Senior Executive Remuneration**

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

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

The remuneration of the Chief Executive is disclosed in Note 4 on page 19.

## **Related Parties and Partner Organisations**

None.

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2023

## 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 mitigate 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 with a comprehensive review taking place at a minimum every year, most recently during December 2022 to June 2023. The following risks have been assessed as being significant:

<b>Risk</b>	<b>Mitigation</b>
<p>Changes in Government policies, funding for policies or attitudes.</p> <p>The serious undermining of ASH's work or Government actions which impact on the work we need to do:</p> <ul style="list-style-type: none"> <li>- the possibility of radical shifts in Government policy after a General Election. In recent years, tobacco control policy has ceased to be an issue of serious contention between parties though it remains so for individual MPs and Peers.</li> <li>- funding cuts to Government work on tobacco control policies. The DHSC team has already been cut back over a period of years and other relevant areas of Government activity will face spending cuts during the period of this Parliament.</li> </ul>	<p>ASH has worked well in the past with Conservative, Labour and Coalition administrations. Key staff, including the Chief Executive and Deputy Chief Executive, continue with work to maintain good and friendly relations with key political and civil service decision makers and with relevant individuals in all political parties.</p> <p>The last DHSC grant to ASH came to an end in 2021-22 . However, ASH has secured a strong relationship with NHS England (NHSE) teams working on prevention and health inequalities, and secured NHSE funding to support tobacco dependence treatment implementation which has to some extent made up the gap. Furthermore, we continue to have regular meetings with staff the Office of Health Improvement and Disparities (OHID) working on tobacco to ensure we are up to date on public health priorities and can provide input as appropriate.</p> <p>Networking to ensure Smoke Free Action Coalition (SFAC) members continue to support tobacco control policies.</p>
<p>Failure by one of our key funders to agree annual funding, or agreeing to much lower funding, from March 2025 onwards.</p>	<p>The Charity's reserves policy, which is reviewed on an annual basis, maintaining our low level of overheads and employing a small core staff whilst using specialist consultants when appropriate.</p> <p>The Chief Executive and other key staff will continue to devote considerable effort to maintaining good relations with key decision makers. We will continue to demonstrate, through ongoing evaluation of our work, monitoring, regular updates and contact, that ASH activities are both dynamic and effective</p>

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2023

	at delivering the support that our funders require.
<p>Excessive dependence on a limited number of sources of funding.</p> <p>ASH is fortunate in that it has a record going back to the 1990s of receiving what is, in effect, core funding from BHF and CRUK. Such funding is becoming increasingly rare. Our continuing reliance on 2 core funders remains a serious weakness.</p>	<p>ASH undertakes an ongoing search for new sources of project funding, be it grants or contract work.</p> <p>In the past 7 years, sources have included a wide range of local authorities, public bodies, academic institutions, Royal Colleges and charities.</p> <p>A reserves policy that permits 6-12 months cash reserves, (based on the budgeted expenditure for the current financial year) to be held (See: Reserves Policy). Our current reserves policy will help to mitigate a reduction in or removal of funding. This reduces the need to cut costs quickly and allowing for a gradual, properly managed re-structuring of the charity over a 12 month period.</p> <p>Should ASH lose both sources of core funding, the two most realistic options would be to seek to merge, or be taken over by, another charity active in our field, or winding-up.</p>

The next comprehensive review of risk is due to take place during the fourth quarter of 2023-24.

## 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.

## Activity and impact report

ASH seeks to bring about change through advocacy, networking coalition building and information provision. During 2020-21, the organisation developed a new comprehensive Strategic Plan for 2021-24. During this financial year, we have delivered against the plan, as set out in the Activity Report below.

Our strategic aims and objectives are focused on the creation and delivery of policies across government and the public sector that will deliver our vision of a world free from the harm caused by tobacco.

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2023

## Strategy

The Strategic Plan for 2021-24 was developed between December 2020 and March 2021, informed by a series of interviews with key stakeholders and ASH Trustees, an online questionnaire and a series of strategic planning meetings held in the first quarter of 2021.

ASH seeks to bring about change through policy advocacy, coalition building and information provision. Our strategic aims and objectives are focused on the creation and delivery of policies across government and the public sector that will deliver our vision of a world free from the harm caused by tobacco.

There are three primary strategic aims, each of which has a number of specific policy objectives. These aims are:

1. Secure resources for national, regional and local tobacco control to deliver Smokefree 2030 for all.
2. Advance UK position as a global leader in tobacco policy to deliver Smokefree 2030 for all.
3. Minimise smoking-related health inequalities to deliver Smokefree 2030 for all.
4. Secure organisational sustainability.

These aims, and their associated objectives, amount to a policy blueprint for government and the public health community. They describe the policies that ASH believes are essential to the delivery of a Smokefree 2030 for all, policies that ASH:

- will make the case for, using the best available evidence;
- will build support for, drawing on its extensive professional partnerships and networks; and
- will campaign for, with the help of its supporters in parliament and the wider public arena.

Each of these aims is explicitly linked to our goal of delivering Smokefree 2030 for all. The three aims are all equally important to achieving this goal. Appropriate resourcing is needed to deliver ambitious policy, and the achievement of the 2030 goal *for all* requires a clear focus on tackling inequalities. The aims are underpinned by a fourth aim that supports the delivery of, the other three: securing organisational sustainability for ASH.

There is no explicit prioritisation or sequencing as this will be a matter for more detailed discussion at an operational level and will change over time as the environment we work in changes. The following general points are, however, relevant:

- ASH does not make the political weather but we do our best to influence it.
- We take a long view and are proactive in building public support for policies as a foundation for achieving political support.
- We respond quickly, and opportunistically when necessary, to political timetables and events. The government commitment to publish a new Tobacco Control Plan is likely to dominate our immediate work programme.
- ASH has nurtured many successful partnerships and relationships and these will remain at the heart of the work of the organisation. Existing mechanisms and agents of change are always our first port of call.

The full ASH strategic plan for 2021-24 can be found on our website [www.ash.org.uk](http://www.ash.org.uk).

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2023

## Activity Report

Underpinning all of our activity is our valuable networks and communications activity. Through the year we provided over 90 updates to our 4 networks:

- Smokefree Action Coalition (over 600 members)
- Councillor Network (68 members)
- Smokefree pregnancy network (over 1000 members)
- Mental health and smoking network (over 500 members)

ASH Daily News goes out every weekday with a summary of relevant smoking, public health and political news to around 1500 subscribers. In 2022-23 ASH published 20 fact sheets (compared to 20 in 2021-22), reports and briefings and responded to 8 government consultations (compared to 12 in 2021-22).

ASH was interviewed for television 24 times and 35 times on the radio (compared to 14 and 24 in 2021-22). ASH quotes or data appeared 3,577 times in print or online (compared to 2,971 in 2021-22). Over the year there were 169,346 user sessions on the ASH website (compared to 144,117 in 2021-22) and 62,697 to the Smokefree Action Coalition website (compared to 41,931 in 2021-22).

### Publication of the Khan review (strategic aims: 1,2,3)

The first part of the year was dominated by the development and publication of the Khan review on 9<sup>th</sup> June 2022. This was a Government commissioned independent review of tobacco control policy. ASH fed into the development of the review meeting with Dr Javed Khan and the review team and supporting input from other stakeholders including Mental Health and Smoking Partnership and the Smoking in Pregnancy Challenge Group.

ASH amplified the communications strategy for the launch focusing on the importance of sustainable funding for tobacco control, one of Khan's 'must do' recommendations. This was reinforced through an ASH co-ordinated open letter to Prime Minister, Chancellor and Secretary of State for Health signed by health leaders and led by ASH Chair published in the BMJ and a letter in Financial Times from peers on the levy.

### Campaigning for a new Tobacco Control Plan including sustainable funding (strategic aims: 1,2,3)

The political context has been volatile with three Prime Ministers, four Secretaries of State for Health and three Public Health Ministers. ASH has adapted its campaigning activity to reflect the changing circumstances and to maximise the opportunities to make the case for further action on tobacco.

There was significant parliamentary activity through the year in support of new tobacco control measures, a comprehensive tobacco control plan and a sustainable funding mechanism. There were two backbench debates (April and November) and the first reading of Bob Blackman MP's Sale of Tobacco (Licensing) Ten Minute Rule Bill. In November, the All-Party Parliamentary Group on Smoking and Health also held an event to launch a report on ASH survey of tobacco retailers 'Regulation is not a dirty word'. ASH also met with Minister O'Brien the Public Health Minister to discuss smokefree 2030 ambition, and our recommendations for the Tobacco Control Plan.

On 9<sup>th</sup> March 2023 Minister O'Brien committed to parliament that the "coming weeks" would see publication of a set of "bold, innovative and ambitious proposals" to realise the smokefree 2030 ambition and respond to the Khan recommendations. Subsequent announcements were made in



# **Action on Smoking and Health**

## **Report of the Trustees**

### **31<sup>st</sup> March 2023**

April which fell short of a new Tobacco Control Plan, did not include key measures such as raising the age of sale and include no commitment to sustainable funding.

ASH has also sought to influence the agenda of the incoming chair of the Health and Social Care Select Committee, Steve Brine, meeting with him early in his tenure. The Health and Social Care Committee have since committed to a series of prevention focused inquiries including a specific one on alcohol, drugs, gambling and smoking.

Political parties are starting to generate ideas for their manifestos ahead of the next election. The Labour Party opened their policy commission process for external input and ASH co-ordinated input into a number of areas and supported submissions from the Smoking in Pregnancy Challenge Group and the Mental Health and Smoking Partnership. This work has been supported with a series of meetings with key figures in Labour to communicate the importance of addressing smoking to support the wider Labour objectives.

We utilised the 15<sup>th</sup> anniversary of smokefree legislation to publish a short report on public support for tobacco control and highlight public appetite for Government to go further.

### **Making the economic case for action (strategic aims: 1,2)**

The ASH submission to the Treasury ahead of the Budget highlighted our new Cost Benefit and Public Finance model. ASH met with Treasury officials and the Public Health Minister to discuss the model. Recommendations made in the ASH budget submission included rebasing tobacco tax from Retail Prices Index (RPI) to average earnings increases, a polluter pays levy and a new tax on disposable vapes. To date these have not been taken forward.

### **Expanding the role of the NHS (strategic aim: 3)**

ASH has been involved in a number of projects throughout the year to support the roll out of new tobacco dependence treatment services in the NHS, identify other activity where the NHS has a role to play and advocate for the strategic importance of addressing smoking among newly created Integrated Care Boards (ICBs).

In April ASH published tailored briefings for every ICB in the country on the relationship between smoking and the NHS England Core20PLUS5 inequalities framework. A new ready reckoner tool for ICBs was published at the same time. Later in the year we were successful in persuading NHSE to update their Core20PLUS5 framework to include the link between smoking and the priority populations identified.

During October 2022 NHSE awarded ASH a grant of £95,000 for 2022-24 to support the roll out of tobacco dependency services with a new senior member of staff. Our new NHS tobacco dependence treatment resource hub was also published on our website.

Through the year we supported Humber and North Yorkshire ICB to develop their plans for a new comprehensive tobacco control programme across the system which launched in February.

### **Improving support for smokers with mental health conditions (strategic aim: 3)**

Collaboration with the mental health sector has deepened during this year in our shared goal to improve the lives of people with mental health conditions. In May, we published a joint report on Public Mental Health and Smoking with the Royal College of Psychiatrists (RCPsych). This was launched at the RCPsych annual congress alongside a summary of the evidence on smoking as a

# **Action on Smoking and Health**

## **Report of the Trustees**

### **31<sup>st</sup> March 2023**

causal risk factor in the development of mental health conditions bought together by Bristol University.

The Mental Health and Smoking Partnership welcomed Mark Rowland, Chief Executive of the Mental Health Foundation, as its new Co Chair in July 2022. The Partnership agreed a new strategic plan and worked closely with members to get their input into development of Government consultations, Khan Review and a joint letter to the Secretary of State for Health. We welcomed three new members to the Partnership: Turning Point, Mental Health UK and the Anna Freud National Centre for Children and Families.

The National Collaborating Centre for Mental Health asked ASH to be a funded partner in their bid to deliver a QI programme in support of the tobacco dependency treatment programme in mental health.

### **Improving support for pregnant smokers (strategic aim: 3)**

ASH continues to co-ordinate the Smoking in Pregnancy Challenge Group and the 1k plus Smokefree Pregnancy Network. The Challenge Group has met quarterly through the year and inputted into consultations, the Khan Review and the Labour Policy Commission. A new strategic plan was agreed by the Challenge Group in October for the next few years.

A number of events were held to support the network including one on Neonatal Units and emerging evidence about how parental smoking can be addressed in this setting. This was chaired by CE of Challenge Group member Bliss and attended by over 200 professionals.

### **Developing UK approach to vaping (strategic aim: 2)**

In July 2022, ASH published data on the youth vaping uptick prompting roundtables with officials and public health organisations. Roundtables examined how best to sustain the current strategy on vaping (maximising adult use to quit while minimising youth uptake) by looking at what could be done with the existing regulatory and non-regulatory tools and what further action might be needed.

Policy recommendations on vaping were published highlighting need for government action. We held a webinar for enforcement professionals on the vaping which was attended by over 600 professionals.

### **Supporting local government (strategic aims 2,3)**

ASH continues to support local government colleagues with regular updates and events. Particularly successful was our series of insights webinars. With DHSC funding we conducted insights research with groups of disadvantaged smokers. These insights fed into the Khan review but in addition we held a series of themed sessions for local government colleagues sharing the insights and the implications for practice. In February 2023, we published the 9<sup>th</sup> in our series of reports surveying delivery in local government it highlighted the changing way services were being delivered following the impact of the pandemic.

### **Engaging social housing (strategic aim 3)**

ASH published a joint report with Housing LIN on the case and opportunities for improving the support available on smoking to social housing residents. The report was disseminated through ASH and Housing LIN's networks and featured in the King's Fund's Health Management Policy alert in addition to their Twitter. Sarah Davis, Senior Policy and Practice Officer, leading on health

# **Action on Smoking and Health**

## **Report of the Trustees**

### **31<sup>st</sup> March 2023**

and care at the Chartered Institute for Housing, also wrote a supportive blog featured on Housing LIN's website.

Following the report publication, a number of housing and local government colleagues got in touch to discuss taking forward recommendations. One of these organisations, social housing provider Clarion, is now taking forward a project to support smokers through debt advice with support from NCSCT and Oxford University facilitated by ASH.

### **Secure organisational sustainability**

At all times, ASH endeavours to maximise efficiency and minimise organisational costs. This year, following on from completing a move into smaller offices, better suited to our emerging needs post-pandemic, we completed the process of shifting to hybrid and home working.

## **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**

Core funding for the entire program of work of the Charity was provided by:

- Cancer Research UK;
- British Heart Foundation.

### **Financial Review**

The year saw a £25,289 increase in funds. Total income of £791,111 was 22% lower than the previous year. The lower total income and decreased charitable expenditure were a result of the end of a project funding grant from the Department of Health and Social Care.

Charitable expenditure, at £765,822 decreased by 8% on the previous year. ASH finished the year with cash balances of £1,032,259 up by £295,961 from last year and net assets of £1,011,322.

Having made transfers of £15,723 to the general funds, the balance of general funds at the end of the year increased by £33,606 to £1,002,193.

### **Reserves Policy**

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

The reserves measure is on a 'managed cash' basis. 'Managed cash' includes all amounts available to finance the general activities of the Charity, and normally include the cash held in the Charity's bank accounts. The targeted level of reserves is a minimum of six months (£505,000) and a maximum of 12 months (£1,011,000), annualised forecast cash outflow. Six months is considered a reasonable time period considering the Charities two major funding sources are received quarterly in arrears.

If the Charity were to suffer a loss of a funding source, the reserves would allow only a short-term maintenance of current activity levels. Steps would still need to be taken to either replace the

# Action on Smoking and Health

## Report of the Trustees

### 31<sup>st</sup> March 2023

funding source or to change activities in the longer-term. The current level of managed cash (£1,032,259) is slightly above the targeted level of reserves.

## Thanks

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

## Trustees' Responsibilities

The Trustees (who are also the Directors of Action on Smoking & 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:

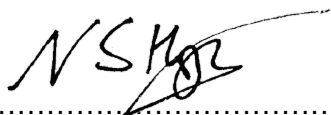
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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.

## Small Company Exemption

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

On behalf of the Trustees



.....  
**Professor Nick Hopkinson**

Chair

19 September 2023

Date: .....

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

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2023.

## Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under the Charities Act 2011 ('the 2011 Act') under section 145. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

## Independent Examiner's Statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

*Moore Kingston Smith LLP*

**Neil Finlayson**

(FCA, ICAEW)

**For and on behalf of Moore Kingston Smith LLP**

Chartered Accountants

6th Floor  
9 Appold Street  
London EC2A 2AP

Date: 20 September 2023

**ACTION ON SMOKING AND HEALTH  
STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted Funds		Restricted Funds	Total 2023	Unrestricted Funds		Restricted Funds	Total 2022
		General	Designated	Funds		General	Designated	Funds	
		£	£	£	£	£	£	£	£
<b>Income and Endowments From:</b>									
Unrestricted activities									
Grants received	2a	614,802	-	-	614,802	631,004	-	-	631,004
Donations and legacies received	2b	3,695	-	-	3,695	92,873	-	-	92,873
Interest		1,905	-	-	1,905	328	-	-	328
<b>Charitable activities</b>									
Grants received	2a	-	-	120,481	120,481	-	-	216,644	216,644
Contract income		50,228	-	-	50,228	69,767	-	-	69,767
Other income		-	-	-	-	1,000	-	-	1,000
<b>Total Income</b>		<b>670,630</b>	<b>-</b>	<b>120,481</b>	<b>791,111</b>	<b>794,972</b>	<b>-</b>	<b>216,644</b>	<b>1,011,616</b>
<b>Expenditure On:</b>									
Charitable activities									
Policy Research and Information	3	621,301	3,892	140,629	765,822	510,592	3,691	322,399	836,682
<b>Total Expenditure</b>		<b>621,301</b>	<b>3,892</b>	<b>140,629</b>	<b>765,822</b>	<b>510,592</b>	<b>3,691</b>	<b>322,399</b>	<b>836,682</b>
<b>Net income/(expenditure) for the year before transfers</b>		<b>49,329</b>	<b>(3,892)</b>	<b>(20,148)</b>	<b>25,289</b>	<b>284,380</b>	<b>(3,691)</b>	<b>(105,755)</b>	<b>174,934</b>
Transfers	8, 9, 10	(15,723)	5,575	10,148	-	(107,614)	1,859	105,755	-
<b>Net Movement in Funds</b>		<b>33,606</b>	<b>1,683</b>	<b>(10,000)</b>	<b>25,289</b>	<b>176,766</b>	<b>(1,832)</b>	<b>-</b>	<b>174,934</b>
Funds brought forward		968,587	7,446	10,000	986,033	791,821	9,278	10,000	811,099
<b>Funds carried forward</b>		<b>1,002,193</b>	<b>9,129</b>	<b>-</b>	<b>1,011,322</b>	<b>968,587</b>	<b>7,446</b>	<b>10,000</b>	<b>986,033</b>

Note 10

Note 9

Note 8

Note 10

Note 9

Note 8

All results are from continuing activities.

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

The notes on pages 15 to 23 form a part of these financial statements.

**ACTION ON SMOKING AND HEALTH**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**  
**BALANCE SHEET AT 31 MARCH 2023**

	Note	2023 £	2023 £	2022 £	2022 £
<b>Fixed Assets</b>					
Tangible assets	5		9,129		7,446
Investments	1		<u>24</u>		<u>24</u>
			9,153		7,470
<b>Current Assets</b>					
Debtors	6	100,304		306,157	
Cash at bank and in hand		<u>1,032,259</u>		<u>736,298</u>	
		1,132,563		1,042,455	
<b>Creditors: Amounts falling due within one year</b>					
	7	<u>(130,394)</u>		<u>(63,892)</u>	
<b>Net Current Assets</b>			<u>1,002,169</u>		<u>978,563</u>
<b>Net Assets</b>	11		<u><u>1,011,322</u></u>		<u><u>986,033</u></u>
<b>Funds</b>					
Restricted	8		-		10,000
Unrestricted					
Designated funds	9		9,129		7,446
General Funds	10		<u>1,002,193</u>		<u>968,587</u>
			<u><u>1,011,322</u></u>		<u><u>986,033</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 102 (effective January 2015).

The notes on pages 15 to 23 form a part of these financial statements.

These accounts were approved, and authorised for distribution, by the Board of Directors on 19 September 2023

.....and signed on its behalf by:

  
.....  
Professor Nick Hopkinson  
Chair of the Board of Trustees

  
.....  
Kate Harrison  
Treasurer

**Company number: 00998971**  
**Charity number: 262067**

**ACTION ON SMOKING AND HEALTH  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net income for the year	25,289	174,934
Adjustments for:		
Depreciation of tangible fixed assets	3,892	3,691
Decrease/(increase) in debtors	205,853	(168,220)
Increase in creditors	66,502	2,000
Interest received	(1,905)	(328)
<b>Net cash generated by operating activities</b>	<u>299,631</u>	<u>12,077</u>
<b>Cash flows from investing activities</b>		
Interest received	1,905	328
Purchase of tangible fixed assets	<u>(5,575)</u>	<u>(1,859)</u>
<b>Net cash from investing activities</b>	<u>(3,670)</u>	<u>(1,531)</u>
<b>Change in cash and cash equivalents in the year</b>	295,961	10,546
Cash and cash equivalents at beginning of year	736,298	725,752
<b>Cash and cash equivalents at end of year</b>	<u><u>1,032,259</u></u>	<u><u>736,298</u></u>
 <b>Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	1,032,259	736,298
	<u><u>1,032,259</u></u>	<u><u>736,298</u></u>



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

## 1 Accounting Policies

### Basis of preparation

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

The financial statements have been prepared under the historical cost convention. They are prepared in sterling, which is the functional currency of the charity. Amounts presented are rounded to the nearest pound.

### Going concern

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

### Company status

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

### Income

All income including government grant income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Where income is received in advance of meeting any performance-related conditions, there is not unconditional entitlement to the income. The recognition of this income therefore is deferred and included in creditors as deferred income until the performance-related conditions are met. 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.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

### **Resources expended**

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

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

### **Pension contributions**

The charitable 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.

### **Operating leases**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

### **Tangible fixed assets and depreciation**

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

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

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

### **Investments**

Investments are held in tobacco related companies to give ASH the right to attend annual general meetings and receive relevant documents. 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.

### **Fund Accounting**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

### Gifts in kind

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

### Critical accounting estimates and areas of judgement

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

### Other financial instruments

#### i. Cash and cash equivalents

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

#### ii. Debtors and creditors

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

<b>2a Grants</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b><i>Unrestricted grants received</i></b>		
Supporting charities	614,802	631,004
	<u>614,802</u>	<u>631,004</u>
<b><i>Restricted grants arising from charitable activities</i></b>		
Department of Health and Social Care	-	192,000
Supporting charities	65,481	24,644
NHS England	55,000	-
	<u>120,481</u>	<u>216,644</u>
<b>2b Donations and legacies (All unrestricted)</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Donations	3,695	5,809
Legacies	-	87,064
	<u>3,695</u>	<u>92,873</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

### 3 Charitable activities

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

	<b>Direct project costs</b>	<b>Direct staff costs (see Note 4)</b>	<b>Support costs (see below)</b>	<b>2023</b>
	£	£	£	£
Policy research and Information	233,445	379,320	153,057	765,822
	£	£	£	£
Policy research and Information	360,996	342,401	133,285	836,682

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

	<b>Total 2023</b>	<b>Total 2022</b>
	£	£
Staff costs (See Note 4)	62,907	59,004
Depreciation	3,892	3,691
Legal & Consultancy	12,181	8,718
Office running costs	52,619	41,526
Telephone and postage	1,484	1,885
Printing, stationery and design	1,478	621
Board expenses	3,201	-
Audit fee	9,000	11,740
Accountancy and payroll	3,892	2,913
Other costs	2,403	3,187
	153,057	133,285

The basis of allocation of total overhead costs between direct and support costs is staff time.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

4 Staff Costs	2023 £	2022 £
Gross pay	380,195	347,108
Social security	42,715	37,018
Pension contributions	17,032	16,632
	439,942	400,758
Other staff costs	2,285	647
	442,227	401,405

The remuneration of 1 member of staff (2022: 1 member of staff) fell into the range £90,000 - £100,000 (2022: £90,000 - £100,000). This figure includes salary but excludes social security costs and employer pension contributions.

One trustee was reimbursed for expenses totalling £889 (2022: none) for two subscriptions. No trustees were reimbursed for expenses incurred (2022: none) for travel to board meetings. No trustee received any remuneration in the year (2022: none).

Key management personnel comprise the trustees, Chief Executive, Business Manager, and the Deputy Chief Executive. Total employee benefits for these individuals in 2022-23 were £238,745 (2022: £231,081). This figure includes salaries, employer pension contributions and social security costs. There are no other pecuniary benefits for senior or other staff at the Charity.

Total employee benefits for the Chief Executive in 2022-23 were £105,161 (2022: £105,979), comprising salary £92,974 (2022: £92,974), employer pension contributions £nil (2022: £1,395) and social security costs £12,187 (2022: £11,610).

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

	2023 Number	2022 Number
Central charitable activities	10	9
	10	9

### 5 Tangible Fixed Assets

Cost	Fixtures, fittings and equipment £
At 1 April 2022	76,706
Additions	5,575
Disposals	-
At 31 March 2023	82,281
<b>Depreciation</b>	
At 1 April 2022	69,260
Charge for the year	3,892
Eliminated on disposal	-
At 31 March 2023	73,152
<b>Net Book Value</b>	
At 31 March 2023	9,129
At 31 March 2022	7,446

All fixed assets are held for use by the charitable company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

<b>6 Debtors</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other debtors	86,373	293,228
Prepayments	13,931	12,929
	<u>100,304</u>	<u>306,157</u>

All debtors are financial instruments measured at present value.

<b>7 Creditors: Amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	107,578	10,941
VAT liability	5,601	6,571
Accruals	17,215	18,172
Other creditors	-	28,208
	<u>130,394</u>	<u>63,892</u>

Included within the figure for accruals is £1,977 (2022: £1,667) owing to the NEST pension scheme.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

<b>8 Restricted Funds</b>		<b>Funds brought forward April 2022</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers from General funds</b>	<b>Funds carried forward March 2023</b>
		£	£	£	£	£
Secondhand Smoking	(a)	10,000	-	(10,000)	-	-
NHS England Supporting NHS Long-Term Plan Tobacco Priorities	(c)	-	55,000	(55,000)	-	-
Cross Risk Factors Collaboration	(d)	-	35,481	(40,484)	5,003	-
Local Authority Tobacco Control	(e)	-	30,000	(35,145)	5,145	-
		<b>10,000</b>	<b>120,481</b>	<b>(140,629)</b>	<b>10,148</b>	<b>-</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
		<b>Funds brought forward April 2021</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers from General funds</b>	<b>Funds carried forward March 2022</b>
Secondhand Smoking	(a)	10,000	-	-	-	10,000
Towards a Smokefree Generation: a project to support deliver of the Tobacco Control Plan for England 2018-21	(b)	-	192,000	(293,861)	101,861	-
Local Authority Tobacco Control	(e)	-	24,644	(28,538)	3,894	-
		<b>10,000</b>	<b>216,644</b>	<b>(322,399)</b>	<b>105,755</b>	<b>10,000</b>

- (a) This amount represents the legacy of Jean Matthews. The money was specified for use in campaigns against involuntary smoking. Expended during the year on work to reduce exposure to passive smoking during pregnancy
- (b) This project funds work in support of the Tobacco Control Plan for 2018-21 and consists of a grant of £nil (2022: £192,000) from the Department of Health and Social Care Grant Funding Scheme.
- (c) This funding from NHS England is for activities to promote the NHS Long-Term Plan Tobacco Priorities.
- (d) This project is for research into Cross Risk Factors (smoking, alcohol and obesity) and is funded by Cancer Research UK.
- (e) This project provides an annual tobacco control report tracking Local Authority activity in tobacco control and consists of a grant from Cancer Research UK.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

<b>9 Designated Funds</b>	<b>Funds brought forward April 2022</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers from General funds</b>	<b>Funds carried forward March 2023</b>
	£	£	£	£	£
Capital equipment	7,446	-	(3,892)	5,575	9,129
	<u>7,446</u>	<u>-</u>	<u>(3,892)</u>	<u>5,575</u>	<u>9,129</u>
	<b>Funds brought forward April 2021</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers from General funds</b>	<b>Funds carried forward March 2022</b>
	£	£	£	£	£
Capital equipment	9,278	-	(3,691)	1,859	7,446
	<u>9,278</u>	<u>-</u>	<u>(3,691)</u>	<u>1,859</u>	<u>7,446</u>

The capital equipment fund equates to the value of tangible fixed assets. These are not liquid assets or easily realisable.

<b>10 General Funds</b>	<b>Funds brought forward April 2022</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers to other funds</b>	<b>Funds carried forward March 2023</b>
	£	£	£	£	£
Central funds	968,587	670,630	(621,301)	(15,723)	1,002,193
	<u>968,587</u>	<u>670,630</u>	<u>(621,301)</u>	<u>(15,723)</u>	<u>1,002,193</u>
	<b>Funds brought forward April 2021</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers to other funds</b>	<b>Funds carried forward March 2022</b>
	£	£	£	£	£
Central funds	791,821	794,972	(510,592)	(107,614)	968,587
	<u>791,821</u>	<u>794,972</u>	<u>(510,592)</u>	<u>(107,614)</u>	<u>968,587</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

<b>11 Analysis of Net Assets between Funds</b>	<b>Fixed assets £</b>	<b>Net current assets £</b>	<b>Total 2023 £</b>
Restricted funds:	-	-	-
Unrestricted funds:			
Designated funds	9,129	-	9,129
General funds	24	1,002,169	1,002,193
	<u><b>9,153</b></u>	<u><b>1,002,169</b></u>	<u><b>1,011,322</b></u>

	<b>Fixed assets £</b>	<b>Net current assets £</b>	<b>Total 2022 £</b>
Restricted funds:	-	10,000	10,000
Unrestricted funds:			
Designated funds	7,466	-	7,466
General funds	24	968,543	968,567
	<u><b>7,490</b></u>	<u><b>978,543</b></u>	<u><b>986,033</b></u>

**12 Operating Lease Commitments**

The company had annual commitments under operating leases as follows:

	<b>2023 Land and Buildings £</b>	<b>2022 Land and Buildings £</b>
Expiring:		
- within 1 year	27,297	24,478
- in between two and five years	<u>49,498</u>	<u>65,274</u>

During the year £30,600 (2022: £28,029) has been recognised as an expense in the SOFA (part of office running costs) .

**13 Related Party Transactions**

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