

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 2021

CONTENTS

Trustees' Report and Charity Information	Pages 1 - 11
Independent Examiner's Report	Pages 12
Statement of financial activities	Page 13
Balance sheet	Page 14
Cash flow statement	Page 15
Notes to the accounts	Pages 16

Action on Smoking and Health

Report of the Trustees

31st March 2021

The Trustees are pleased to present their report and the financial statements of the charity for the year ended 31st March 2021.

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

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 31st March 2021 and had served throughout the year, except where shown:

Dr Sanjay Agrawal	-	
Dr Somen Banerjee	-	
Professor John Britton	-	
Professor Paul Burstow	-	
Dr Noel Baxter	-	<i>Resigned 14th December 2020</i>
Alison Cox	-	Vice-Chair
Carolyn Davidge	-	<i>Resigned 26th March 2021</i>
Kate Harrison	-	Treasurer
Dr Nick Hopkinson	-	Chair
Jonathan McShane	-	
Dr Debbie Robson	-	
Dr Helen Walters	-	

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, Devonshire House, 60 Goswell Road, London, EC1M 7AD.

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.

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.

Action on Smoking and Health

Report of the Trustees

31st March 2021

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 which usually meets four times a year and is responsible for setting the strategic objectives.

So as 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. During the year the Trustees conducted a thorough review of its policies on recruiting new Advisory Council Members as well as Trustees. They also agreed a new process for electing Honorary Officers.

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.

In line with the recommendations of the NCVO Inquiry into Executive Remuneration published in April 2014, the Charity has decided to disclose the remuneration of the Chief Executive (see note 4 on page 20).

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 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,

Action on Smoking and Health

Report of the Trustees

31st March 2021

assessed and controls established throughout the year with a comprehensive review taking place at a minimum every 3 years, most recently in January to March 2020. The following risks have been assessed as being significant:

Risk: Disruption through fire, flood, theft, terrorism or a major public health issue. As with any small organisation based on a single site, any of these would cause severe disruption to our work. Unfortunately, we are now experiencing this due to COVID-19.

Mitigation: Adequate levels of insurance, reviewed annually by our broker and whenever major additions are made to assets. Maintenance of adequate office security and control of access to keys to only ASH staff, cleaning contractor and building supervisor. Storage, off-site, of a weekly back-up of key data held on computers. Website hosted off-site with contractors holding a back-up at a third site. Ability and willingness of key staff to do some work from home.

The Business Manager maintains a plan for what happens in the weeks after serious disruption, the information which needs to be stored off-site with staff for instant access and other arrangements.

ASH staff have been set up for working from home since March 2020. All staff take part in a video meeting on a daily basis and the Senior Management Team are holding remote meetings regularly. Workplans have been revised in the light of what is safe, practical and possible during lockdown and changes to this announced by the Government over time.

Risk: Failure by one of our key funders to agree annual funding, or agreeing to much lower funding, from March 2021 onwards.

Mitigation: The Charity's reserves policy, which is reviewed on an annual basis; maintaining our low level of overheads, employing a small core staff whilst using specialist consultants when appropriate.

The Chief Executive and other key staff will continue to devote considerable effort to maintaining good relations with key decision makers, with a particular focus on maintaining the high priority that our work has. We will continue to demonstrate, through ongoing evaluation of our work, monitoring, regular updates and contact, that ASH activities continue to be both dynamic and effective at delivering the support that our funders require.

Risk: Changes in Government policies, funding for policies or attitudes. The serious undermining of ASH's work or Government actions which impact on the work we need to do. Including: the possibility of radical shifts in Government policy after a General Election; funding cuts to Government work on tobacco control policies; and the ongoing and rapidly moving situation with regards to Government funding of its response to COVID-19.

Mitigation: ASH has worked well in the past with Conservative, Labour and Coalition administrations. Key ASH staff with work to maintain good and friendly relations with key political and civil service decision makers and with relevant individuals in all political parties. Networking to ensure Smokefree Action Coalition (SFAC) members continue to support tobacco control policies.

The next comprehensive review of risk is due to take place during the third quarter of 2021-22.

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.

Action on Smoking and Health

Report of the Trustees

31st March 2021

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 & Impact Report

As an integral part of the strategic planning review for 2017-20, the Trustees agreed a series of success indicators for each of four strategic priorities, measuring our impact as an organisation. These relate to outcomes as well as outputs whilst recognising that ASH plays a role but is not solely responsible when it comes to successful outcomes. The four strategic priorities are:

1. Defend existing tobacco control measures and resources.
2. Advance the introduction of new tobacco control measures and resources.
3. Support specific measures aimed at reducing smoking rates among the poorest and most vulnerable groups in society.
4. Harm reduction: advocate for a regulatory regime for tobacco and nicotine replacement products based on the best evidence of harm they cause.

As a result of a review of our approach to strategic planning, and bearing in mind the emerging situation in relation to COVID-19, the Trustees decided at their meeting in March 2020 that the 2017-20 strategic plan would be extended to the end of March 2021.

Towards the end of the 2020-21 financial year a new, comprehensive strategic plan for 2021-24 was developed. The results of this this can be seen under the section “Plans for Future Periods”.

Throughout the course of 2020-21 there were two big threats to our ability to deliver on our strategy and work programme: COVID-19 and the Government’s decision to reorganise public health and dissolve Public Health England, with no clarity about what would happen to health improvement. Both of these risked undermining tobacco control and halting or limiting progress towards the Smokefree 2030 ambition. We took a two-pronged approach:

1. **Operations:** we constantly check and test our work programme as the pandemic evolves, to ensure we are maximising the impact of our delivery to key stakeholders, such as government, (national and local), the NHS and the third sector.
2. **Strategy:** we scanned the rapidly changing political, economic, social and technological environment for opportunities to mitigate risks to our ability to deliver on our strategic priorities.

Given the seriousness of the threat to tobacco control posed by the reorganisation of public health we made an early decision after the Government announcement in August that we had to engage in the process.

ASH networking and coalition building activity

ASH is a small organisation and enhance our effectiveness by networking and coalition building. In particular ASH has continued to coordinate and lead the Smokefree Action Coalition (SFAC), an active national coalition on tobacco control issues, intervening as and when necessary on tobacco control issues both to support existing policies and, as appropriate, advocate for new ones. Currently, the SFAC has around 350 members from a wide range of professional health bodies, academic collaborations, national and local charities, local authorities and NHS organisations.

1. Defend existing tobacco control measures and resources to ensure that public health is a priority area for government and decision makers, that smoking prevalence and smoking uptake by children and young people continue to fall.

Action on Smoking and Health

Report of the Trustees

31st March 2021

Tobacco tax policy

ASH continues to make submissions to HM Treasury on tobacco tax policy in collaboration with the SPECTRUM academic research consortium. Although the 2020 Autumn Budget was cancelled the Government uprated tobacco duties in line with the tobacco escalator of 2% above inflation, saying that this would “continue the drive to reduce smoking prevalence, and support the Government’s target for a smoke-free England by 2030.” Furthermore, in order to narrow the gap between hand-rolling tobacco (HRT) and cigarette duty rates and ensure the Minimum Excise Tax (MET) continues to be effective in the current market, the tax on HRT was increased by inflation plus 6% and the MET by inflation + 4%.

Impact of COVID-19 on provision of stop smoking services by the NHS and Local Authorities

Ensuring effective implementation of the tobacco dependence treatment provisions of the prevention strand of the NHS Long Term Plan has been an even greater challenge in the light of COVID-19, with face to face treatment in the community being halted and significant pressures on the NHS. Yet at the same time there is evidence that smokers appear more engaged in quitting at this time, with success rates among those who try highest recorded according to UCL Smoking Toolkit Study.

In April 2020 ASH launched a campaign to engage smokers in quitting, and use stop smoking services, just following the first lockdown. This campaign evolved significantly with additional funding from the Department for Health and Social Care (DHSC) to extend the reach with disadvantaged smokers.

The campaign had two prongs:

- QuitForCovid: A communications campaign that engaged local and national partners in communications activity, using social and “earned” media to extend its impact.
- Today Is the Day: A DHSC funded 4 week marketing campaign on local radio and digital media in July 2020. This targeted 14 local authorities with the highest rates of smoking in order to engage disadvantaged smokers.

The Today Is the Day campaign was delivered by ASH, with support from Breathe 2025, Fresh, the Greater Manchester Health and Social Care Partnership and Public Health England (PHE) Marketing. The campaign demonstrated value for money both directly and indirectly. Directly, by overdelivering on the KPIs for the paid for advertising which was the heart of the campaign. Indirectly through the successful promotion of the campaign through the media and widespread engagement of local authorities. There was extensive media coverage of the campaign, which was associated with a significant spike in numbers accessing the NHS smokefree website at the time of the launch.

In light of COVID-19, ASH conducted a rapid survey of local authorities in late April to understand how they have adapted their stop smoking service offers to the constraints of lockdown. Responses were received from 112 local authorities and illustrated that they have rapidly adapted to the circumstances, with 96% delivering a stop smoking service with trained advisors to some or all local smokers. 88% of local authorities reported providing Nicotine Replacement Therapy, medications or e-cigarettes to smokers during the lockdown. The survey responses were used to identify innovative best practice in response to COVID-19. The case studies were published in a joint document with PHE, and via the ASH webinar series.

The 2020 ASH survey of local tobacco control leads focused on the impacts of COVID-19 on practice and local authority responses to the impact of the closure of PHE through questions on risks and opportunities. The survey went into the field at the beginning of August and despite the

Action on Smoking and Health

Report of the Trustees

31st March 2021

pressures of COVID-19 achieved a 74% response rate. In summary the survey report paints an impressive picture of a sector which has met the challenge of the pandemic and sought to make the best of a difficult time by forging new partnerships and ways to deliver. ASH will seek to build on the findings with partners in the coming year.

2. Advance the introduction of new tobacco control measures and resources that are both progressive, to continue to reduce smoking by people who have not been persuaded to quit by previous measures, and synergistic, so that policies combine together to produce the greatest impact on smoking rates.

Tobacco Control Plan to deliver a Smokefree 2030

Securing a government commitment to develop a new Tobacco Control Plan to deliver the Smokefree ambition was a key campaign objective for ASH. A commitment to publish a new Plan in 2021 was secured in December 2020 in a response by the Public Health Minister to a parliamentary question by Bob Blackman MP, Chairman of the APPG on Smoking and Health. When she spoke at the launch of the ASH report on smoking in pregnancy on 10th February 2021, the Public Health Minister reiterated this commitment.

ASH has continued to monitor and report through its annual opinion surveys which demonstrate majority and growing support for government action to tackle smoking.

YouGov survey results show the policy measures proposed in ASH's response to the Prevention Green Paper consultation, endorsed by other health organisations in the Roadmap to a Smokefree 2030, have majority public support.

The proportion of respondents who think the government could do more to limit smoking has grown substantially over time from 29% in 2009, when the question was first asked, to 39% in 2017 and at the time of our most recent survey in 2021 had risen to 45%. The proportion of respondents who think that the government is doing too much has fallen from 20% in 2009 to 11% in 2017 and 5% in 2021. Specifically, in 2021 there is support for the following policy measures among adults in England:

- The Government has set a target to end smoking by 2030. This will mean fewer than 5% of people smoking: supported by 76% with only 7% opposing.
- Requiring businesses to have a valid licence to sell tobacco which can be removed if they are caught more than once selling to underage smokers: supported by 84% with only 4% opposing.
- All smokers staying in hospital should be offered support and medication to help them not to smoke: supported by 78%, with only 6% opposing.
- Requiring tobacco manufacturers to pay a levy to Government for measures to help smokers quit and prevent young people from taking up smoking: supported by 77% with only 6% opposing.
- All Government health policy should be protected from the influence of the tobacco industry and its representatives: supported by 73% with only 3% opposing.
- Require cigarette packs to include inserts with Government information about quitting: supported by 71% with only 7% opposing.
- Smoking should be banned in all cars: supported by 67% with only 15% opposing.
- Raise the age of sale from 18 to 21 for tobacco: supported by 63% with only 15% opposing.

These data are taken from our annual survey of public opinion which has been carried out since 2007 by YouGov plc. Total sample size was 10,211 adults. Fieldwork was undertaken

Action on Smoking and Health

Report of the Trustees

31st March 2021

between 18th February - 18th March 2021. The survey was carried out online. The figures have been weighted and are representative of all English adults (aged 18+).

ASH has prevented the tobacco industry from influencing tobacco policy by exposing their lobbying and misinformation.

ASH has worked hard to support the UK in living up to its obligations as a party to the WHO Framework Convention on Tobacco Control, and in particular Article 5.3 to protect its public health policy from the commercial and vested interests of the tobacco industry. In the Global Tobacco Industry Interference Index published in November 2020, the UK slipped from first to fourth in the 2019 world league table measuring government success in preventing tobacco companies from interfering in policy. ASH supported Tobacco Tactics and the STOP project at Bath University who were responsible for developing the UK section of the Tobacco Industry Interference Index, as we did last year's index. We also worked with them to put together a policy brief with recommendations for how the UK can improve its compliance with Article 5.3 going forward which was submitted to DHSC.

The ASH website continues to be used by the tobacco control community, media and decision-makers, including commissioners, as the leading site for information on tobacco control (measured by regular surveys of users).

In the 2021 independent evaluation of ASH's work, 94.2% of respondents rated the ASH website as excellent or good (91.5% in 2017).

ASH continues to be widely reported on tobacco-related media stories

ASH is contacted by the broadcast, print and digital media on a daily basis for information and quotes. Over the last year ASH issued 23 national press releases and 15 regional press releases on stories covering such issues as the Quit for COVID campaign, smoking cessation and mental health, the ban on menthol flavoured cigarettes, World No Tobacco Day and No Smoking Day.

At the end of March 2021, the daily summary of tobacco related news coverage, ASH Daily News, had 1,351 subscribers (2020: 1,140).

3. Support specific measures aimed at reducing smoking rates among the poorest and most vulnerable groups in society.

ASH's work continues to prioritise reducing smoking-related health inequalities.

Targeting smokers where they can be most effectively reached is core to this strand of our work. Smoking is independently linked to every indicator of socio-economic status, including occupation, educational attainment, housing tenure, single parenthood and unemployment. It is also strongly linked to mental health and wellbeing.

Smoking in Pregnancy

The Smoking in Pregnancy Challenge Group continues to work constructively and effectively and is valued by both NHS England and (PHE), which both provide funding for elements of this workstream. Pregnant smokers are heavily concentrated in poorer more disadvantaged communities, so this work is core to tackling inequalities.

ASH distributed a range of resources and information updates about smoking in pregnancy and COVID-19 through the Smokefree Pregnancy Information Network. This helped secure large sign-up for a webinar on smoking in pregnancy and COVID-19.

In mid-2020 we published five postcard resources providing brief information on the harms of secondhand smoke exposure to pregnant women and young children. These were well reviewed

Action on Smoking and Health

Report of the Trustees

31st March 2021

by pregnancy services, especially regarding the capacity for services to add their own local contact information.

Much of the activity of the early part of 2021 went into producing a new report setting out action needed to reduce Smoking at Time of Delivery (SATOD). The final report was published at a joint event with the All-Party Parliamentary Group on Baby Loss in February.

Mental Health

ASH has continued to share updates through the Mental Health and Smoking Information Network including distribution of the latest research from the SCIMITAR consortium at the University of York demonstrating the cost effectiveness of delivering smoking cessation support through mental health services.

An article on Mental Health, Smoking and Poverty written by ASH staff, was published in the British Journal of Psychiatry, and widely distributed through the Mental Health and Smoking Information Network and on social media.

ASH published comprehensive report on training needs of mental health nurses and psychiatrists on 16th December 2020. The report foreword was co-authored by the Chair of the Academy of Medical Royal Colleges, President of the Royal College of Psychiatry and the President of the Royal College of Nursing. The report was launched at a joint event with Equally Well. Work now continues to consider how to implement the findings. A key ask is for a future Tobacco Control Plan to have a new national strategy to address gaps in training for this workforce.

A meeting of the Mental Health and Smoking Partnership was held at the end of February 2021 to pull together the evidence for further action to tackle smoking among people with a mental health condition in the next Tobacco Control Plan. The event was attended by officials from DHSC and PHE and a follow up report on the event was provided to them.

Cochrane

The Cochrane group funded ASH to support communication of their new review of behavioural support for smoking cessation published in early 2021. We ran a webinar, producing some short briefs and put together a video to engage smokers in behavioural support model. We also supported Cochrane's communication of their latest e-cigarette report including press work, briefing of local and national partners and social media activity.

4. Harm reduction: advocate for a regulatory regime for tobacco and nicotine replacement products based on the best evidence of harm they cause and helps to maximise public health benefits and minimise risks.

ASH opinion surveys have provided crucial evidence to policy makers on attitudes and behaviour on e-cigarettes among adults and young people in Great Britain.

Data from ASH's YouGov opinion polling shows that use of electronic cigarettes has continued to increase among adults in Great Britain, rising to 3.6 million in 2021. Almost two thirds (64.6%) of current vapers are ex-smokers, this proportion has grown year on year, while the proportion of vapers who also smoke (known as dual users) has declined to 30.5% in 2021.

Misunderstandings about the relative risks of vaping compared to tobacco smoking have increased. In 2018, at least half the population agreed that e-cigarettes were less or a lot less harmful than smoking (50%). However, this improvement has not been sustained, and in 2021 only 42% agreed this was the case. The proportion of smokers who don't know how harmful e-cigarettes are compared to smoking remains high and is very similar to that of all adults (25% of smokers compared to 24% for all adults in 2021).

Action on Smoking and Health

Report of the Trustees

31st March 2021

In 2021 use of e-cigarettes among young people (aged 11-18) remains largely experimental with just 1.5% using e-cigarettes more than once a week (compared to 1.8% in 2020). Vaping is much less common among young people who have never smoked. In 2021, of young people aged 11-18 who have never smoked 0.7% are current vapers, only 0.2% vape more than once a week, and only a single never smoker reported vaping daily.

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

Project funding for the Charity during the year was:

- Department of Health and Social Care – Project 1: Delivering the Tobacco Plan for England.
- Cancer Research UK - Project 3: Local Authority Tobacco Control Report.

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

- Cancer Research UK;
- British Heart Foundation.

Financial Review

The year saw a £73,681 increase in funds. Total income of £929,488 was 3% higher than the previous year.

Charitable expenditure, at £855,767 increased by 8% on the previous year. ASH finished the year with cash balances of £725,752 (up £151,457 from last year) and net assets of £811,099.

Having made transfers of £89,828 from general funds to meet deficiencies on the various projects for which restricted funds were available, the balance of general funds at the end of the year increased by £73,308 to £791,821.

Reserves Policy

Reserves are maintained at a level that enables the Charity to manage financial risk, such as the loss of funding source, 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 (£401,000) and a maximum of 12 months (£802,000), 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 funding source or to change activities in the longer-term. The current level of managed cash (£725,752) is within the desired range.

Action on Smoking and Health

Report of the Trustees

31st March 2021

Plans for Future Periods

A new 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.

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 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 in 2021 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).

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.

Action on Smoking and Health

Report of the Trustees

31st March 2021

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:

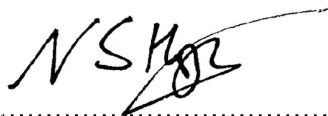
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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



.....
Dr Nick Hopkinson
Chair

Date: 20 September 2021

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 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you 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 your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). 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 Company'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 accounting requirements of section 396 of the 2006 Act 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

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 20 September 2021

**ACTION ON SMOKING AND HEALTH
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted Funds General £	Designated £	Restricted Funds £	Total 2021 £	Unrestricted Funds General £	Designated £	Restricted Funds £	Total 2020 £
Income and Endowments From:									
Donations and legacies									
Grants received	2a	602,598	-	-	602,598	588,317	-	-	588,317
Donations and legacies received	2b	3,896	-	-	3,896	7,191	-	-	7,191
Interest		490	-	-	490	1,631	-	-	1,631
Charitable activities									
Grants received	2a	-	-	237,317	237,317	-	-	186,177	186,177
Contract income		71,300	-	-	71,300	115,470	-	-	115,470
Other income		13,847	-	-	13,847	1,497	-	-	1,497
Total Income		692,131	-	237,317	929,448	714,106	-	186,177	900,283
Expenditure On:									
Charitable activities									
Policy Research and Information	3	528,995	4,373	322,399	855,767	515,747	4,130	273,816	793,693
Total Expenditure		528,995	4,373	322,399	855,767	515,747	4,130	273,816	793,693
Net income/(expenditure) for the year before transfers		163,136	(4,373)	(85,082)	73,681	198,359	(4,130)	(87,639)	106,590
Transfers	8, 9, 10	(89,828)	4,746	85,082	-	(91,605)	4,284	87,321	-
Net Movement in Funds		73,308	373	-	73,681	106,754	154	(318)	106,590
Funds brought forward		718,513	8,905	10,000	737,418	611,759	8,751	10,318	630,828
Funds carried forward		791,821	9,278	10,000	811,099	718,513	8,905	10,000	737,418
		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 16 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 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed Assets					
Tangible assets	5		9,278		8,905
Investments	1		<u>24</u>		<u>24</u>
			9,302		8,929
Current Assets					
Debtors	6	137,937		198,255	
Cash at bank and in hand		<u>725,752</u>		<u>574,295</u>	
		863,689		772,550	
Creditors: Amounts falling due within one year	7	<u>(61,892)</u>		<u>(44,061)</u>	
Net Current Assets			<u>801,797</u>		<u>728,489</u>
Net Assets	11		<u>811,099</u>		<u>737,418</u>
Funds					
Restricted	8		10,000		10,000
Unrestricted					
Designated funds	9		9,278		8,905
General Funds	10		<u>791,821</u>		<u>718,513</u>
			<u>811,099</u>		<u>737,418</u>


For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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 16 to 24 form a part of these financial statements.

These accounts were approved, and authorised for distribution, by the Board of Directors onand signed on its behalf by:


.....
Dr Nick Hopkinson
Chair of the Board of Trustees
Date: 20 September 2021
Company number: 00998971
Charity number: 262067


.....
Kate Harrison
Treasurer
Date: 20 September 2021

ACTION ON SMOKING AND HEALTH
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income for the year	73,681	106,590
Adjustments for:		
Depreciation of tangible fixed assets	4,373	4,130
Decrease in debtors	60,318	20,339
Increase / (decrease) in creditors	17,831	(138,464)
Interest received	(490)	(1,631)
Net cash generated by / (used in) operating activities	<u>155,713</u>	<u>(9,036)</u>
Cash flows from investing activities		
Interest received	490	1,631
Purchase of tangible fixed assets	<u>(4,746)</u>	<u>(4,284)</u>
Net cash from investing activities	<u>(4,256)</u>	<u>(2,653)</u>
Change in cash and cash equivalents in the year	151,457	(11,689)
Cash and cash equivalents at beginning of year	574,295	585,984
Cash and cash equivalents at end of year	<u>725,752</u>	<u>574,295</u>
 Analysis of cash and cash equivalents		
Cash at bank and in hand	725,752	574,295
	<u>725,752</u>	<u>574,295</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

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 the impact of COVID-19 on the operations of ASH, 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.

ACTION ON SMOKING AND HEALTH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 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 three members of staff.

Operating leases

Rentals applicable to operating leases are charged to the SOFA (Statement of Financial Activities) over the period in which the cost is incurred.

Tangible fixed assets and depreciation

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:

Office & IT 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.

ACTION ON SMOKING AND HEALTH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

Gifts in kind

Donated assets are capitalised at a value estimated to be their market value at the time of donation. 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 and creditors receivable or 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.

2a Grants	2021 £	2020 £
<i>Unrestricted grants received</i>		
Supporting charities	602,598	588,317
<i>Restricted grants arising from charitable activities</i>		
Department of Health	210,000	140,000
Supporting charities	27,317	46,177
	<u>237,317</u>	<u>186,177</u>
 2b Donations and legacies (All unrestricted)	 2021 £	 2020 £
Donations	3,896	7,191
Legacies	-	-
	<u>3,896</u>	<u>7,191</u>

ACTION ON SMOKING AND HEALTH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021 (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.

	Direct project costs £	Direct staff costs (see Note 4) £	Support costs (see below) £	2021 £
Policy research and Information	<u>280,272</u>	<u>347,949</u>	<u>227,546</u>	<u>855,767</u>

	Direct project costs £	Direct staff costs (see Note 4) £	Support costs (see below) £	2020 £
Policy research and Information	<u>241,925</u>	<u>344,313</u>	<u>207,455</u>	<u>793,693</u>

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

	Total 2021 £	Total 2020 £
Staff costs (See Note 4)	60,427	62,871
Depreciation	4,373	4,130
Legal & Consultancy	9,744	10,522
Office running costs	124,343	94,881
Telephone and postage	6,815	14,517
Printing, stationery and design	863	2,009
Board expenses	5,674	4,309
Independent Examination fee	7,974	7,940
Accountancy and payroll	4,612	2,007
Other costs	<u>2,721</u>	<u>4,269</u>
	<u>227,546</u>	<u>207,455</u>

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

ACTION ON SMOKING AND HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

4 Staff Costs	2021	2020
	£	£
Gross pay	347,744	343,524
Social security	37,408	37,866
Pension contributions	20,910	22,677
	<u>406,062</u>	<u>404,067</u>
Other staff costs	2,314	3,117
	<u>408,376</u>	<u>407,184</u>

The remuneration of 1 member of staff (2020: 1 member of staff) fell into the range £90,000 - £100,000 (2020: £90,000-£100,000). This figure includes salary but excludes social security costs and employer pension contributions.

No trustees (2020: none) were reimbursed for expenses incurred (2020: none) for travel to board meetings. No trustee received any remuneration in the year (2020: none).

Key management personnel comprise the trustees, Chief Executive, Business Manager, and the Policy Director. Total employee benefits for these individuals in 2020-21 were £231,067 (2020: £194,813). 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 2020-21 were £110,171, comprising salary (£92,974), employer pension contributions (£5,578) and social security costs (£11,618).

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

	2021	2020
	Number	Number
Central charitable activities	<u>9</u>	<u>11</u>
	<u>9</u>	<u>11</u>

5 Tangible Fixed Assets

Cost	Office & IT equipment
	£
At 1 April 2020	70,101
Additions	4,746
Disposals	-
At 31 March 2021	<u>74,847</u>
Depreciation	
At 1 April 2020	61,196
Charge for the year	4,373
Eliminated on disposal	-
At 31 March 2021	<u>65,569</u>
Net Book Value	
At 31 March 2021	<u>9,278</u>
At 31 March 2020	<u>8,905</u>

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

ACTION ON SMOKING AND HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

6 Debtors	2021	2020
	£	£
Other debtors	131,592	184,706
Prepayments	6,345	13,549
	<u>137,937</u>	<u>198,255</u>

All debtors are financial instruments measured at present value.

7 Creditors: Amounts falling due within one year	2021	2020
	£	£
Trade creditors	28,014	24,245
VAT Liability	8,630	5,509
Accruals	25,248	14,307
	<u>61,892</u>	<u>44,061</u>

Included within the figure for accruals is an amount of £2,206 (2020: £2,256) owing to the pension scheme.

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

ACTION ON SMOKING AND HEALTH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

8 Restricted Funds

		Funds brought forward April 2020	Incoming resources	Resources expended	Transfers from General funds	Funds carried forward March 2021
		£	£	£	£	£
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)	-	210,000	(293,861)	83,861	-
Local Authority Tobacco Control	(c)	-	27,317	(28,538)	1,221	-
Tobacco Strategy & Policy	(d)	-	-	-	-	-
		10,000	237,317	(322,399)	85,082	10,000
		Funds brought forward April 2019	Incoming resources	Resources expended	Transfers from General funds	Funds carried forward March 2020
		£	£	£	£	£
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)	-	140,000	(226,268)	86,268	-
Local Authority Tobacco Control	(c)	318	21,177	(22,548)	1,053	-
Tobacco Strategy & Policy	(d)	-	25,000	(25,000)	-	-
		10,318	186,177	(273,816)	87,321	10,000

- (a) This amount represents the legacy of Jean Matthews. The money was specified for use in campaigns against involuntary smoking.
- (b) This project funds work in support of the Tobacco Control Plan for 2018-21 and consists of a grant of £210,000 (2020: £140,000) from the Department of Health and Social Care Grant Funding Scheme.
- (c) This project provides an annual tobacco control report tracking Local Authority activity in tobacco control and consists of a grant from Cancer Research UK.
- (d) This project provides support for progression of tobacco control legislation and policies and consists of a grant of £25,000 in 2019-20.

ACTION ON SMOKING AND HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

9 Designated Funds	Funds brought forward April 2020	Incoming resources	Resources expended	Transfers from/(to) General funds	Funds carried forward March 2021
	£	£	£	£	£
Capital equipment	8,905	-	(4,373)	4,746	9,278
	8,905	-	(4,373)	4,746	9,278

	Funds brought forward April 2019	Incoming resources	Resources expended	Transfers from/(to) General funds	Funds carried forward March 2020
	£	£	£	£	£
Capital equipment	8,751	-	(4,130)	4,284	8,905
	8,751	-	(4,130)	4,284	8,905

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

10 General Funds	Funds brought forward April 2020	Incoming resources	Resources expended	Transfers to other funds	Funds carried forward March 2021
	£	£	£	£	£
Central funds	718,513	692,131	(528,995)	(89,828)	791,821
	718,513	692,131	(528,995)	(89,828)	791,821

	Funds brought forward April 2019	Incoming resources	Resources expended	Transfers to other funds	Funds carried forward March 2020
	£	£	£	£	£
Central funds	611,759	714,106	(515,747)	(91,605)	718,513
	611,759	714,106	(515,747)	(91,605)	718,513

ACTION ON SMOKING AND HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

11 Analysis of Net Assets between Funds	Fixed assets £	Net current assets £	Total 2021 £
Restricted funds:	-	10,000	10,000
Unrestricted funds:			
Designated funds	9,278	-	9,278
General funds	24	791,797	791,821
	9,302	801,797	811,099
	Fixed assets £	Net current assets £	Total 2020 £
Restricted funds:	-	10,000	10,000
Unrestricted funds:			
Designated funds	8,905	-	8,905
General funds	24	718,489	718,513
	8,929	728,489	737,418

12 Operating Lease Commitments

The company had annual commitments under operating leases as follows:

	2021 Land and Buildings £	2020 Land and Buildings £
Expiring:		
- within 1 year	24,478	29,992
- in between two and five years	89,752	-

During the year £44,234 (2020: £41,000) has been recognised as an expense in the SOFA.

13 Related Party Transactions

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