

Company number: 2239250

Charity number: 299123

OSCR number: SCO39693

# Action against Medical Accidents

Report and financial statements  
For the year ended 31 March 2015

## Action against Medical Accidents

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#### For the year ended 31 March 2015

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## Action against Medical Accidents

### Reference and administrative details

For the year ended 31 March 2015

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<b>Company number</b>	2239250	
<b>Charity number</b>	299123	
<b>OSCR number</b>	SCO39693	
<b>Registered office and operational address</b>	Freedman House Christopher Wren Yard 117 High Street CROYDON CR0 1QG	
<b>Patrons</b>	Peter Ransley James Titcombe OBE Baroness Masham of Ilton Umesh Prabhu Professor Brian Toft OBE James Badenoch QC	Honorary President
<b>Honorary officers</b>	Rita Lewis Malcolm Alexander Barbara Ross	Chair Vice Chair Treasurer
<b>Principal staff</b>	Peter Walsh	Chief Executive
<b>Bankers</b>	Co-operative Bank plc P.O Box 250 Delf House, Southway SKELMERSDALE WN8 6WT	Gale and Phillipson Ltd Gallowfields House Fairfield Way RICHMOND DL10 4TB
<b>Independent financial advisors</b>	Barchester Green Investment c/o Castlefield 2nd Floor 4-6 Staple Inn High Holborn LONDON WC1V 7QH	
<b>Auditors</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL	

## **Action against Medical Accidents**

### **Report of the Council of Management**

#### **For the year ended 31 March 2015**

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The Council of Management presents its report and the audited financial statements for the year ended 31 March 2015.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (issued in March 2005).

#### **Structure, governance & management**

The organisation is a charitable company limited by guarantee, incorporated on 4 April 1988 and registered as a charity on 4 April 1988. The organisation changed its name to Action against Medical Accidents (AvMA) on 3 December 2003.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

The Council of Management met four times during the year. An ‘Executive Committee’ comprising the Chair, Vice Chair, Treasurer, Chief Executive and Deputy Chief Executive meets between council meetings to deal with urgent business and reports to the council. A ‘Finance and Investment Committee’ meets two weeks before each council meeting.

AvMA has a trading company, AvMA Services Ltd, which is used when there has been non-charitable trading beyond the amount permissible by the Charity Commission. AvMA Services Ltd has been inactive in 2014–15.

#### **Public Benefit**

The Council of Management has referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing the charity’s aims and objectives and in planning its future activities. In particular the council considers how planned activities will contribute to the aims and objectives that have been set.

#### **Objects / Mission**

The chief objects of the charity described in the memorandum of association are:

“The relief of sickness and conditions of need, hardship and distress arising as a result of medical accidents” and;

“To advance public education in the care of victims of medical accidents and in the law relating to such accidents”.

In lay terms, our mission can best be described as promoting patient safety and justice for people who have been affected by medical accidents.

## **Action against Medical Accidents**

### **Report of the Council of Management**

**For the year ended 31 March 2015**

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#### **Advice, Information and Support**

The advice and support we provide to people affected by medical accidents is at the very heart of what AvMA does, and the experience of our clients informs everything we do. In 2014–2015 we directly helped nearly 4,000 people.

Our Helpline provides specialist, sympathetic support to people when they are still coping with the trauma of a medical accident. It reassures them that an organisation exists which understands their plight and is here to help them. Our helpline staff and volunteers help explain people's rights, how different medico-legal processes and procedures work, and puts people in touch with other specialist support where needed. We are grateful to our team of 25 trained volunteers who help us make this service available Monday–Friday 10am–5pm. In 2014–15 we handled 2,668 calls (an increase of 14% on 2013–14), often involving extremely serious and complex cases. Ours is the only specialist medico-legal helpline in the UK. Many people also make use of the online self-help information on our website.

Our own caseworkers are able to give more in-depth advice on some cases where we are the only or most suitable agency to help. Examples of other cases our caseworkers help with are cases which may require the referral of a healthcare professional to their regulator, or cases which clearly have broader lessons for patient safety, or are connected with one of AvMA's campaign priorities. In 2014–2015 we opened 659 new casework files in addition to dealing with a further 516 on-going cases.

An increasingly important part of our casework is the support we provide to families involved in healthcare related inquests. This helps ensure that families are empowered in the process, and maximises the opportunity for the right questions to be asked and learning to come from the inquest. Often this involves AvMA intensive work instructing counsel to represent the family. This service is made possible by the generous donation of pro bono time by barristers. We helped 25 families in this way over the year. A number of important verdicts were arrived at which may not have been had we not been involved and one prevention of future deaths report was issued by a coroner recommending safety improvements. In addition we gave advice to a further 56 families who were facing a forthcoming inquest to help them prepare and/or to get legal representation at the inquest.

A new feature of our work was introduced during the year thanks to a contract with the Care Quality Commission (CQC), which regulates health and social care providers in England. From July 2014 we started offering Helpline callers and other clients the opportunity to have their concerns about particular health providers passed on to the CQC to inform their inspection and regulation work. By the end of the financial year we had provided CQC with 405 individual reports of concern. We will be monitoring what happens with these concerns when they are passed to CQC.

#### **Influencing Policy & Practice**

Whilst the support we provide to our clients – all people whose lives have been affected by lapses in patient safety – is vitally important in its own right, it also informs our policy priorities and fuels our passion to bring about change. There is no better example of this being put into practice than

## Action against Medical Accidents

### Report of the Council of Management

For the year ended 31 March 2015

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the work we have done to gain acceptance of a statutory “Duty of Candour” – a duty on health providers to be open and honest when things go wrong. Our experience tells us that the lack of openness and honesty when things go wrong causes grievous harm and suffering in its own right, and leads many people to take things further through disciplinary procedures or legal action who otherwise wouldn’t have. It also prevents learning for the improvement of patient safety. For decades, successive governments had resisted calls for a statutory Duty of Candour, preferring to simply “frown upon” cover-ups whilst in effect, tolerating them. Our campaigning and policy work, coupled with the recommendation from the Mid Staffordshire public inquiry which we helped secure, finally succeeded in persuading the Government in England. In November 2014 a statutory Duty of Candour was brought into being for NHS bodies. This marked one of the biggest ever achievements in AvMA’s history. However, we quickly learnt that there is never any time for complacency even when the main argument has been won. When the second tranche of regulations due to be brought in April 2015 came to light, against our advice they created a two-tier Duty of Candour, with lesser requirements for NHS primary care or private healthcare providers. Enormous effort had to be put in to trying to persuade the Department of Health not to create this awful inconsistency, and when this failed AvMA sought legal advice about challenging this decision by way of a threatened judicial review. (Later in 2015 following AvMA’s letter before action threatening a judicial review, the Department of Health agreed to think again). We were also disappointed that very little awareness raising or training accompanied the introduction of the Duty of Candour. Addressing this, and seeking adoption of a Duty of Candour in all countries of the United Kingdom, remains a top priority for AvMA.

Sometimes our policy work has to be reactive, and our work program simply needs to be flexible enough to adjust to unforeseen priorities. A good example of this is the work we had to do around the Medical Innovation Bill. Although seemingly well intentioned, AvMA’s view was that this Bill was based on a false premise (that the threat of clinical negligence legal action is stopping patients getting treatment which could help them) and dangerous. It would have made it easier for ‘rogue’ doctors to persuade vulnerable patients to undergo untested and unsafe treatment without the normal safeguards, and prevented some patients from being able to obtain compensation if they were harmed through negligent treatment. AvMA had to provide a well-informed, patient perspective to wider debates about the Bill, and brief politicians. In the end, the Bill ran out of time before the general election and it was a joint letter from AvMA and fellow patients’ charities the Patients Association and National Voices that was cited by the minister concerned as one of the main reasons for not giving the Bill special privileges in order to beat the timetable.

Other notable pieces of policy work during the year included: recommending improvements to the CQC inspection and regulation system; contributing to the Freedom to Speak Up review regarding whistleblowing; responding to the Law Commission report on health professional regulation and calling for much needed improvements in this area; contributing to the GMC and NMC guidance on their professional Duty of Candour; calling for better regulation of private healthcare; and giving evidence to the Health Select Committee on complaints and to the Public Administration Select Committee on investigating clinical incidents.

## **Action against Medical Accidents**

### **Report of the Council of Management**

**For the year ended 31 March 2015**

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As well as work that grabs the headlines, AvMA continued to bring an expert patient perspective on issues pertaining to patient safety and justice through ongoing relationships with public bodies, policy makers and fellow patients' groups and participation in a raft of meetings and working groups. This included numerous responses to formal consultations.

#### **Spreading Awareness and Good Practice**

AvMA rolled out an impressive portfolio of conferences, training and events during the year. The centre piece was our annual Clinical Negligence and Medical Law conference which was held in Brighton and brought together over 400 of the leading medical experts, lawyers and policy makers in this field. A range of one day events were also held, reaching out not only to lawyers but to health service professionals and managers on subjects such as complaints handling and Serious Untoward Incident investigations.

AvMA continued to assess and accredit clinical negligence solicitors for its specialist clinical negligence panel. AvMA's quality mark is the best indicator available that the solicitors have the necessary expertise, experience and integrity to do a good job for victims of clinical negligence. We see the importance of being able to recognise a genuine specialist as all the more important as a result of current upheaval of the legal system.

Although the majority of people AvMA helps do not take legal action, some of the most vulnerable people AvMA serves rely on the services of solicitors. In addition to awarding our quality mark where appropriate, AvMA continued to run a Lawyers Service which helps law firms provide the best possible services in this specialist area. We recommend medical experts from our comprehensive database, keep lawyers up to date on case law, policy, and help with interpreting medical issues. The need for this service continues and also provides an income stream for the charity.

We were pleased that, in spite of legal reforms creating a very difficult environment for clinical negligence solicitors, membership of our Lawyers Service and applications to our specialist panel both held up very well in 2014–2015.

#### **AvMA's work in Scotland**

As a charity registered in Scotland as well as England and Wales, AvMA needs to specifically report on its activities there. The Helpline and Casework Service continued to be made available to people in Scotland. AvMA continued to press for a statutory Duty of Candour in Scotland. The successful campaign for a Duty of Candour in England significantly strengthened our case and the Scottish Government has now adopted the policy of introducing a statutory Duty of Candour – something previous administrations had consistently refused to do. We continued to liaise with Scottish Government, NHS bodies and patient groups in Scotland and contribute to discussions pertaining to patient safety and justice.

#### **Risk Management**

Major risks faced by the charity are assessed by managers and by trustees in the council of management, and as part of the annual and longer term strategy planning process. A 'Risk

## **Action against Medical Accidents**

### **Report of the Council of Management**

#### **For the year ended 31 March 2015**

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Register' is monitored and updated by the Chief Executive and reviewed at each Council meeting. The Council of Management confirm that the major risks to which the charity is exposed have been reviewed and systems established to mitigate those risks.

#### **Financial Review**

Our Medico-Legal department made a contribution of £358,373 in the year, and Conferences and Training made a contribution of £114,214. This covered the net cost of our public-facing Advice and Information Service of £170,292 and also our support costs, with a small surplus of £24,613 remaining. In addition, unrealised gains on investments were £138,249.

The receipt of the Judith Freedman legacy in 2011 means that the charity is in a healthy financial position, and has been able to invest for its future. The single most significant use of the legacy has been the purchase of "Freedman House" on a 999 year lease. As well as no longer paying rent, we are letting out some of the office space to provide us with regular income. We currently have long-term investments of £1,333,609 as set out below.

During the year significant progress was made in improving financial reporting arrangements and financial policies helped by the newly established Finance & Investment Sub-Committee. This has helped integrate financial planning with our rolling three year strategic plan.

#### **Reserves and Investment Policy**

AvMA has a policy of keeping 3 months' running costs in free reserves which can be accessed in case of emergency or shortfall in operational income over expenditure. This amounts to approximately £300,000. Free reserves at 31 March 2015 amounted to £305,145.

It is AvMA's policy to maintain a designated strategic reserve to finance projects and initiatives that will come to fruition over the short to medium term in line with its Strategic Plan. £329,690 has been designated at the year end, to facilitate projects such as targeted marketing and communications, development of client services and planned building maintenance. This cash is invested as a number of short term deposits through a Dynamic Cash Management service, in order to preserve the capital value with a minimum level of risk, whilst generating as much return as is achievable.

Investment income is an important aspect of AvMA's income and business model. The trustees have established a Finance and Investment Sub-Committee to oversee investment matters. The trustees are committed to maintaining and increasing the capital value of investments in the medium to long term. The investment assets are held as designated reserves, and the income will be used to support elements of AvMA's work that would otherwise be undeliverable. The target investment return is 3% over inflation as measured by the retail price index.

AvMA has chosen to adopt an ethical investment policy to ensure that its investments do not conflict with its aims and strategic objectives, and protect the charity from reputational risk. The charity has appointed Barchester Green Investment, specialists in ethical investment, as its Independent Financial Adviser, to advise on where to invest to achieve its overall objectives.

## Action against Medical Accidents

### Report of the Council of Management

#### For the year ended 31 March 2015

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The Council of Management and Finance & Investment Sub-Committee will keep the reserves and investment policies under regular review to ensure they remain appropriate for the charity.

#### Plans for the future

AvMA's plans for 2015-16 include:

- Continuing to see through and supporting the introduction of the Duty of Candour in England with appropriate awareness raising and training.
- Continuing to work with the governments in Scotland, Wales and Northern Ireland to seek the introduction of a Duty of Candour.
- Improving AvMA's Marketing & Communications with the help of the newly created post of Marketing & Communications Officer and launching a new website.
- Promoting the AvMA specialist panel of clinical negligence solicitors better to the public.
- Maintaining existing scale of service provision and reviewing current approaches to meeting demand for the Helpline, and building upon quality assurance systems.
- Seeking to diversify income streams and generate new income to address the forecast operational deficit, and enable maintenance of current activity levels long term.

AvMA has adopted a rolling three year strategic plan which is continually reviewed and updated.

#### Statement of responsibilities of the Council of Management

The Council of Management (whose members are also directors of Action against Medical Accidents for the purposes of company law) is responsible for preparing the report of the Council of Management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council of Management 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Council of Management 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 the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Council of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). It is also responsible for safeguarding the assets of the charitable company

## **Action against Medical Accidents**

### **Report of the Council of Management**

#### **For the year ended 31 March 2015**

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and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Council of Management is aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The council of management's members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Council of Management is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Members of the Council of Management**

Malcolm Alexander

Michael Bishop (resigned September 2015)

Angela Brown

Celia Davies (resigned February 2015)

Philip Dolan MBE

Ray Greenwood

Vincent Kika

Rita Lewis

Aideen O'Neill

James Petter (appointed April 2014)

Barbara Ross

Hilary Scott

Suzanne Shale

Rachael Vasmer

#### **Appointment of council members**

Members of the council are elected individually at the Annual General Meeting by the members. Not less than 6 nor more than 20 council members may be appointed. The council may co-opt persons to fill casual vacancies provided the maximum of 20 is not exceeded. Approximately one third of the council must retire each year, those being the longest serving since their previous election. Retiring members are eligible for re-election.

All new trustees receive an induction into the work of the charity and their roles and responsibilities as trustees. Trustees are asked to declare any conflicts of interest or matters which may disqualify them as a trustee. Trustees are also encouraged to attend further training where appropriate.

## **Action against Medical Accidents**

### **Report of the Council of Management**

**For the year ended 31 March 2015**

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Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 March 2015 was 14 (2014 -14). Members of the Council of Management have no beneficial interest in the charitable company.

#### **Auditors**

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Council of Management on 1 December 2015 and signed on its behalf by

Peter Walsh  
Company Secretary

## **Independent auditors' report**

**To the members of**

### **Action against Medical Accidents**

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We have audited the financial statements of Action against Medical Accidents for the year ended 31 March 2015 which comprise the group and parent charitable company Statement of Financial Activities, the group and parent charitable company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). This report is made solely to the charitable company's members and Council of Management, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable parent company's members and Council of Management those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and Council of Management as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the Council of Management and auditors**

As explained more fully in the statement of responsibilities of the Council of Management set out in the report of the Council of Management, the Council of Management (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the council of management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the Council of Management to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Independent auditors' report

To the members of

### Action against Medical Accidents

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#### Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the Council of Management, for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- The parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company's financial statements are not in agreement with the accounting records or returns; or
- Certain disclosures of council of management' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Council of Management were not entitled to take advantage of the small companies' exemption in preparing the report of the Council of Management and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Judith Miller (Senior statutory auditor)

2 December 2015

for and on behalf of Sayer Vincent LLP, Statutory Auditors  
Invicta House, 108-114 Golden Lane, LONDON EC1Y 0TL

Sayer Vincent LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## Action against Medical Accidents

### Consolidated statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2015

	Note	Restricted £	Unrestricted £	2015 Total £	2014 Total £
<b>Incoming resources</b>					
<i>Incoming resources from generated</i>					
Voluntary income	2	–	95,481	<b>95,481</b>	100,305
Legacies		–	22,587	<b>22,587</b>	296
Investment income			20,849	<b>20,849</b>	31,008
Rent receivable			38,466	<b>38,466</b>	26,879
<i>Incoming resources from charitable activities</i>					
Medico-legal services	3	–	520,194	<b>520,194</b>	523,005
Conferences and training	4	–	498,553	<b>498,553</b>	452,189
Advice, information and support	5	–	22,925	<b>22,925</b>	–
Policy and external relations		–	2,305	<b>2,305</b>	3,333
<b>Total incoming resources</b>		–	<b>1,221,360</b>	<b>1,221,360</b>	<b>1,137,015</b>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		–	55,342	<b>55,342</b>	66,999
Investment management costs		–	9,754	<b>9,754</b>	7,622
<i>Charitable activities</i>					
Medico-legal services		–	240,154	<b>240,154</b>	243,409
Conferences and training		–	459,496	<b>459,496</b>	468,350
Advice, information and support			309,658	<b>309,658</b>	311,411
Policy and external relations			73,501	<b>73,501</b>	71,330
<i>Governance costs</i>		–	48,842	<b>48,842</b>	40,382
<b>Total resources expended</b>	6	–	<b>1,196,747</b>	<b>1,196,747</b>	<b>1,209,503</b>
<b>Net incoming/(outgoing) resources before other recognised gains and</b>	7	–	<b>24,613</b>	<b>24,613</b>	<b>(72,488)</b>
Unrealised gains on investment assets		–	138,249	<b>138,249</b>	82,506
<b>Net movement in funds</b>		–	<b>162,862</b>	<b>162,862</b>	10,018
Total funds at the start of the year		–	3,076,947	<b>3,076,947</b>	3,066,929
<b>Total funds at the end of the year</b>		–	<b>3,239,809</b>	<b>3,239,809</b>	<b>3,076,947</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movement in funds are disclosed in note 15 to the financial statements.

## Action against Medical Accidents

### Balance sheets

Company no. 2239250

As at 31 March 2015

	Note	The Group 2015 £	2014 £	The Charity 2015 £	2014 £
<b>Fixed assets</b>					
Tangible assets	10	1,247,231	1,263,466	1,247,231	1,263,466
Investments	11	<u>1,333,609</u>	<u>1,098,194</u>	<u>1,333,708</u>	<u>1,098,293</u>
		<u>2,580,840</u>	<u>2,361,660</u>	<u>2,580,939</u>	<u>2,361,759</u>
<b>Current assets</b>					
Debtors	12	182,781	138,649	182,781	138,649
Short term deposits		628,879	758,474	628,879	758,474
Cash at bank and in		<u>216,097</u>	<u>203,262</u>	<u>216,097</u>	<u>203,262</u>
		1,027,757	1,100,385	1,027,757	1,100,385
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	13	<u>(368,788)</u>	<u>(385,098)</u>	<u>(368,887)</u>	<u>(385,197)</u>
<b>Net current assets</b>		<u>658,969</u>	<u>715,287</u>	<u>658,870</u>	<u>715,188</u>
<b>Net assets</b>	17	<u>3,239,809</u>	<u>3,076,947</u>	<u>3,239,809</u>	<u>3,076,947</u>
<b>Funds</b>					
Designated funds	15	2,934,664	2,773,727	2,934,664	2,773,727
Unrestricted funds		<u>305,145</u>	<u>303,220</u>	<u>305,145</u>	<u>303,220</u>
<b>Total funds</b>		<u>3,239,809</u>	<u>3,076,947</u>	<u>3,239,809</u>	<u>3,076,947</u>

Approved by the council of management on 1 December 2015 and signed on its behalf by

Rita Lewis  
Chair

## Action against Medical Accidents

### Notes to the financial statements

#### For the year ended 31 March 2015

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##### 1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (revised in March 2005).

Consolidated financial statements ("group accounts") have been prepared in respect of the charitable company ("charity") and its wholly owned subsidiary, AVMA Services Limited. The results of AVMA Services Limited have been consolidated into the statement of financial activities on a line by line basis. In accordance with Section 408 of the Companies Act 2006, a separate statement of financial activities for Action against Medical Accidents has not been presented.

- b) Income is recognised in the period in which the group is entitled to receipt and the amount can be measured with reasonable certainty. Deferred income represents annual subscriptions paid in advance and prepayments for conferences and other events. Income is included net of VAT where applicable. Gifts in kind are valued at an estimate of their gross value to the charity.
- c) Grants from government and other agencies have been included as income for activities to further the charity's objects where these amount to a contract for services, but as voluntary income where they are for general use or to cover core costs. Grants are recognised in full in the year that they are receivable.
- d) Income from legacies is accounted for on a receivable basis so long as entitlement, certainty of receipt and measurability conditions have been satisfied.
- e) All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Costs are directly attributed to particular activity headings where appropriate. Support costs have been allocated across activities on the basis of full-time equivalent headcount as follows:

	<b>2015</b>
Costs of generating voluntary income	5%
Medico-legal services	25%
Conferences and training	24%
Advice, information and support	37%
Policy and external relations	5%
Governance	3%

For comparability, the 2014 figures have been restated to reflect the allocation of work to the charitable activity Policy and external relations, and to show investment managers fees separately.

- f) Unrestricted funds are donations and other incoming resources received or generated for the objects of the charity.
- g) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of governance and support costs.

## Action against Medical Accidents

### Notes to the financial statements

For the year ended 31 March 2015

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#### 1. Accounting policies (continued)

h) Tangible fixed assets costing more than £200 are capitalised in the balance sheet at purchase cost plus the cost of bringing the asset into working condition for its intended use. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost of each asset over its estimated useful life on a straight line basis as follows:

Computer equipment	3 years
Office equipment & furniture	5 years
Database	10 years

No depreciation is charged on the leasehold property on the grounds of immateriality, due to a long expected useful life and a high residual value.

Assets are reviewed for impairment if circumstances indicate that their carrying amount may not be recoverable. Impaired assets are written down to their recoverable value being the higher of their net realisable value and value in use.

i) Printing costs of publications are charged in full to the statement of financial activities in the year of printing with the effect that the value of publications in stock at the end of the year is not included in the balance sheet. This is considered appropriate:

- to reflect the primarily educational and promotional, rather than commercial, nature of the group's activity;
- to match the costs to grant funding provided for this purpose if appropriate.

j) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the life of the lease.

k) The cost of generating voluntary income represents costs incurred in seeking voluntary contributions.

l) Support costs comprise costs incurred in support of expenditure on the objects of the charity.

m) Governance costs of the charity relate to the costs of running the charity such as the costs of trustee meetings, audit and statutory compliance.

n) The charitable company offers all staff the option of a stakeholder pension scheme. The charitable company pays an agreed contribution to employees who have a stakeholder pension under the stakeholder scheme offered. The assets of the pension funds are independent from the company and the pension cost charge represents contributions payable. The charitable company has no additional liability other than for the payment of those contributions.

## Action against Medical Accidents

### Notes to the financial statements

For the year ended 31 March 2015

#### 2. Voluntary Income

	Restricted £	Unrestricted £	2015 Total £	2014 Total £
General donations	–	17,223	17,223	3,328
Fundraising	–	33,688	33,688	51,931
Experts' donations	–	42,128	42,128	43,666
Other income	–	2,442	2,442	1,380
	–	95,481	95,481	100,305

#### 3. Medico-legal services

	Restricted £	Unrestricted £	2015 Total £	2014 Total £
Subscription fees	–	410,156	410,156	402,350
Website subscriptions	–	74,522	74,522	68,536
Referral panel fees	–	14,400	14,400	23,842
Publications	–	21,116	21,116	28,277
	–	520,194	520,194	523,005

The 2014 comparative amounts in notes 2 and 3 have been re-analysed to better reflect experts' fees of £4,383 as subscription fees instead of other voluntary income.

#### 4. Conferences and training

	Restricted £	Unrestricted £	2015 Total £	2014 Total £
Delegate, sponsor and webinar income	–	498,553	498,553	452,189
	–	498,553	498,553	452,189

#### 5. Advice, information and support

	Restricted £	Unrestricted £	2015 Total £	2014 Total £
Care Quality Commission	–	22,500	22,500	–
Other	–	425	425	–
	–	22,925	22,925	–

Action against Medical Accidents

Notes to the financial statements

For the year ended 31 March 2015

6.

	Cost of generating voluntary income £	Investment management £	Medico-legal services £	Conferences and training £	Advice, information and support £	Policy and external relations £	Governance £	Support costs £	2015 Total £	2014 Total £
Staff costs (note 8)	35,471	-	154,049	128,749	188,135	53,107	27,730	187,886	775,127	749,196
Office costs	561	-	1,347	22,385	1,538	9	306	36,855	63,001	72,025
Premises (see below)	-	-	-	-	-	-	-	41,549	41,549	71,528
Travel and subsistence	907	-	1,274	1,971	883	3,428	5,561	673	14,697	17,053
Training and development	8	-	279	-	4	20	36	1,247	1,594	4,945
Professional fees	-	9,754	551	-	-	-	6,600	9,476	26,381	23,761
Depreciation	-	-	-	-	-	-	-	27,673	27,673	25,978
Sundry	238	-	3,264	3,431	2,657	-	141	6,914	16,645	23,312
Direct cost of events	1,220	-	1,057	227,803	-	-	-	-	230,080	221,705
<b>Total resources expended</b>	<b>38,405</b>	<b>9,754</b>	<b>161,821</b>	<b>384,339</b>	<b>193,217</b>	<b>56,564</b>	<b>40,374</b>	<b>312,273</b>	<b>1,196,747</b>	<b>1,209,503</b>
Support Costs	16,937	-	78,333	75,157	116,441	16,937	8,468	(312,273)	-	-
<b>Total resources expended</b>	<b>55,342</b>	<b>9,754</b>	<b>240,154</b>	<b>459,496</b>	<b>309,658</b>	<b>73,501</b>	<b>48,842</b>	<b>-</b>	<b>1,196,747</b>	<b>1,209,503</b>

Premises costs include service charge, rates and insurance costs amounting to £13,409 (2014: £9,734) for the second floor, which was vacant until 12 December 2014. These charges are now borne by the tenant rather than AvMA.

## Action against Medical Accidents

### Notes to the financial statements

#### For the year ended 31 March 2015

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#### 7. Net incoming/(outgoing) resources for the year

This is stated after charging:

	2015	2014
	£	£
Depreciation	27,673	25,979
Council of management remuneration	-	-
Council of management expenses	5,445	2,543
Auditors' remuneration:		
● Audit – current year	6,500	7,000
● Audit – previous year	100	1,250
● Other services	3,200	-
	<u>3,200</u>	<u>-</u>

The council expenses related to the travel, subsistence and hotel costs of 8 members of the council of management (2014: 6). Expenditure has increased due to the new finance and investment committee, and the strategic away day in October 2014.

#### 8. Staff costs and numbers

Staff costs were as follows:

	2015	2014
	£	£
Salaries and wages	686,302	647,566
Social security costs	70,488	65,283
Pension contributions	18,337	25,913
Other costs	-	10,434
	<u>775,127</u>	<u>749,196</u>

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2015	2014
	No.	No.
Costs of generating voluntary income	0.8	0.8
Medico-legal services	3.7	2.3
Conferences and training	3.6	3.7
Advice, information and support	5.5	6.3
Policy and external relations	0.8	0.8
Governance	0.4	0.1
Support	4.1	4.9
	<u>18.9</u>	<u>18.9</u>

One employee earned between £60,001-£70,000 in the year (2014: one). Employer pension contributions totalled £1,292 for this employee (2014: £1,388).

## Action against Medical Accidents

### Notes to the financial statements

#### For the year ended 31 March 2015

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#### 9. Taxation

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from corporation tax. The charity's trading subsidiary has no corporation tax liability as there was no profit in the year (2014 Tax Liability: £Nil).

#### 10. Tangible fixed assets

	Leasehold Premises £	Computer equipment £	Office Equipment and furniture £	EMIS Database £	Total Tangible Fixed Assets £
<b>COST</b>					
At 1 April 2014	1,206,659	72,780	80,330	20,000	1,379,769
Additions in year	-	7,969	3,469	-	11,438
At 31 March 2015	<u>1,206,659</u>	<u>80,749</u>	<u>83,799</u>	<u>20,000</u>	<u>1,391,207</u>
<b>DEPRECIATION</b>					
At 1 April 2014	-	57,607	40,696	18,000	116,303
Charge for the year	-	14,972	10,701	2,000	27,673
At 31 March 2015	-	<u>72,579</u>	<u>51,397</u>	<u>20,000</u>	<u>143,976</u>
<b>NET BOOK VALUE</b>					
At 31 March 2015	<u>1,206,659</u>	<u>8,170</u>	<u>32,402</u>	<u>-</u>	<u>1,247,231</u>
At 31 March 2014	<u>1,206,659</u>	<u>15,173</u>	<u>39,634</u>	<u>2,000</u>	<u>1,263,466</u>

All tangible fixed assets are used to fulfil the charity's objects.

No depreciation is charged on the leasehold property on the grounds of immateriality, due to a long expected useful life and a high residual value.

#### 11a) Investments in subsidiary

	The charity 2015 £	2014 £
Investment in Subsidiary Undertaking	<u>99</u>	<u>99</u>

AVMA Services Limited, a wholly owned subsidiary of Action against Medical Accidents, is a company limited by share capital registered in the UK. The subsidiary was set up to carry out risk assessment work as it is non-primary purpose trading for AvMA. It was dormant for the year. Relevant financial information regarding AVMA Services Limited is as follows:

## Action against Medical Accidents

### Notes to the financial statements

For the year ended 31 March 2015

#### 11a) Investments (continued)

	2015 £	2014 £
<b>Turnover</b>	-	-
Administration expenses	-	141
<b>Operating (loss)/profit</b>	-	141
Gift aid to parent	-	-
<b>Profit on ordinary activities</b>	-	141
The aggregate of the assets, liabilities and funds was:		
Assets	99	99
Liabilities	-	-
Funds	99	99

#### 11b) Other Investments

	2015 £	2014 £
Market value at the start of the year	1,092,797	309,276
Additions at historic cost	100,000	701,015
Net gain on investments	138,249	82,506
Market value of investments at the end of the year	1,331,046	1,092,797
Cash held as part of investment portfolio	2,563	5,397
Total market value at the end of the year	1,333,609	1,098,194
Historic cost of investments at the end of the year	1,094,561	991,998

Investments comprise:

	UK	Non UK	2015 £	2014 £
Pooled funds	1,208,094	122,952	1,331,046	1,092,797
Total (excluding cash)	1,208,094	122,952	1,331,046	1,092,797
Cash held as part of investment portfolio	2,563	-	2,563	5,397
Total (including cash)	1,210,657	122,952	1,333,609	1,098,194

## Action against Medical Accidents

### Notes to the financial statements

For the year ended 31 March 2015

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#### 12. Debtors

	The Group		The Charity	
	2015	2014	2015	2014
	£	£	£	£
Other debtors	99,772	81,733	99,772	81,733
Prepayments and accrued income	83,009	56,916	83,009	56,916
	<u>182,781</u>	<u>138,649</u>	<u>182,781</u>	<u>138,649</u>

#### 13. Creditors : Amounts falling due within one year

	The Group		The Charity	
	2015	2014	2015	2014
	£	£	£	£
Amount owed to subsidiary	-	-	99	99
Social security and other taxes	62,146	64,558	62,146	64,558
Deferred income	285,075	284,892	285,075	284,892
Accruals	18,068	19,663	18,068	19,663
Other creditors	3,499	15,985	3,499	15,985
	<u>368,788</u>	<u>385,098</u>	<u>368,887</u>	<u>385,197</u>

#### 14. Movements in deferred income

	As at 1 April 2014	Released	Received and deferred	As at 31 March 2015
	£	£	£	£
Subscriptions received in advance	98,014	(98,014)	105,542	105,542
Conference fees received in advance	176,080	(176,080)	179,053	179,053
Other income received in advance	10,798	(10,798)	480	480
	<u>284,892</u>	<u>(284,892)</u>	<u>285,075</u>	<u>285,075</u>

## Action against Medical Accidents

### Notes to the financial statements

For the year ended 31 March 2015

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#### 15. Movements in funds

	At the start of the year £	Incoming resources and gains £	Outgoing resources £	Transfers £	At the end of the year £
<b>Unrestricted funds:</b>					
<i>Designated funds:</i>					
Property cost	1,206,659	-	-	-	1,206,659
Other fixed assets	56,807	-	(27,673)	11,438	40,572
Investment capital	1,098,194	138,249	-	97,166	1,333,609
Major repairs and maintenance	12,067	-	-	12,067	24,134
Strategic reserve	400,000	-	(20,310)	(50,000)	329,690
<i>Total designated funds</i>	2,773,727	138,249	(47,983)	70,671	2,934,664
General funds	303,220	1,221,360	(1,148,764)	(70,671)	305,145
<b>Total unrestricted</b>	<b>3,076,947</b>	<b>1,359,609</b>	<b>(1,196,747)</b>	<b>-</b>	<b>3,239,809</b>
<b>Total funds</b>	<b>3,076,947</b>	<b>1,359,609</b>	<b>(1,196,747)</b>	<b>-</b>	<b>3,239,809</b>

#### Purposes of designated funds

##### Property cost

The charity purchased an office building on 2 May 2013 for £1.2 million.

##### Other fixed assets

This fixed asset designated fund reflects the reducing net book value of the computer, furniture and office equipment.

##### Investment capital

The trustees are committed to maintaining the capital value of investments in the medium to long term. The income will be used to support elements of AvMA's work that would otherwise be undeliverable.

##### Major repairs and maintenance

The charity has set up a major repairs and maintenance designated fund. Each year it transfers an amount expected to be required to cover major works to maintain the value of the property.

## Action against Medical Accidents

### Notes to the financial statements

For the year ended 31 March 2015

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#### 15. Purposes of designated funds (Continued)

##### Strategic reserve

The strategic reserve facilitates projects to be undertaken as set out in our Strategic Plan, including targeted marketing and communications, development of client services, ICT expenditure, further investment activity and building maintenance contingency. In the year £100,000 has been invested, £20,310 has been utilised towards the costs of a new marketing and communications officer, and a further £50,000 has been designated. This will be kept under review.

#### 16. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Leasehold property	-	1,206,659	-	1,206,659
Other tangible fixed assets	-	40,572	-	40,572
Investments	-	1,333,609	-	1,333,609
Short term deposits	-	353,824	275,055	628,879
Other current assets	-	-	398,878	398,878
Current liabilities	-	-	(368,788)	(368,788)
<b>Net assets at 31 March 2015</b>	<b>-</b>	<b>2,934,664</b>	<b>305,145</b>	<b>3,239,809</b>

#### 17. Post balance sheet events

There were no material adjusting events after the balance sheet date.