

Company number: 2239250
Charity number: 299123
OSCR number: SCO39693

Action against Medical Accidents

Report and Financial Statements

31 March 2014

Action against Medical Accidents

Reference and administrative details

For the year ended 31 March 2014

Company number	2239250	
Charity number	299123	
OSCR number	SCO39683	
Registered office and operational address	Freedman House Christopher Wren Yard 117 High Street Croydon CR0 1QG	
President	Peter Ransley	
Honorary Officers	Rita Lewis Malcolm Alexander Barbara Ross	Chair Vice Chair Treasurer
Principal staff	Peter Walsh	Chief Executive
Bankers	Co-operative Bank plc P.O Box 250 Delf House, Southway Skelmersdale WN8 6WT	jonathanfry plc Gallowfields House Fairfield Way Richmond DL10 4TB
Independent Financial Adviser	Barchester Green Investment c/o Castlefield 2nd Floor 4-6 Staple Inn High Holborn LONDON WC1V 7QH	
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 8 Angel Gate City Road London EC1V 2SJ	

Action against Medical Accidents

Report of the Council of Management

For the year ended 31 March 2014

The council of management presents its report and the audited financial statements for the year ended 31 March 2014.

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 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.

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 2013-14.

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.

Office Move and Restructuring

In September 2013 AvMA finally realised its goal of moving to more suitable office accommodation. Thanks to an earlier legacy left to the charity by Judith Freedman, AvMA was able to purchase a 999 year lease on its own building, which it is proud to have named "Freedman House" in her honour. The four-storey building now accommodates AvMA on two floors and the charity plans to raise funds by letting out the other two floors. The move means that AvMA enjoys a much improved working environment; disabled access; and space to hold internal meetings and training. It also provides the charity with long term security.

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Report of the Council of Management

For the year ended 31 March 2014

During 2013 AvMA's previous Legal Director, Catherine Hopkins, retired. Following recruitment for her replacement, Lisa O'Dwyer was appointed to the renamed position of Medico-Legal Director. The appointment was followed by the office move, when the opportunity was taken to restructure so that the old "advice and information" and "lawyers' service" teams all come under one Medico-Legal Department. This will afford much more flexibility and maximum use of available skill sets.

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 2013-2014 we directly helped over 3000 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 2013-2014 we handled 2340 calls, often involving extremely serious and complex cases. Ours is the only specialist medico-legal helpline in the UK.

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 2013-2014 we opened 676 new casework files in addition to dealing with a further 381 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 instructing counsel to represent the family, which is made possible by the generous donation of pro bono time by barristers. A number of important conclusions have been arrived at and several Prevention of Future Deaths reports recommending safety improvements have been made by the Coroner.

Influencing Policy & Practice

Whilst the report of the Mid Staffordshire NHS Foundation Trust Public Inquiry was published in February 2013, there remained huge amounts of work for AvMA to do in 2013-2014 to maximise the opportunities that this provided for achieving vital improvements to patient safety. Knowing that the Inquiry's recommendations reflected the majority of what AVMA had been calling for was only a start. It then remained to convince the government that the recommendations most dear to AvMA should be accepted. Although AvMA continued with good effect to influence on a wide range of issues, none was more central to what AvMA stands for and so clearly identified with AvMA's influence than the proposed "Duty of Candour" (a statutory duty to be open and honest with patients or their families when harm has been caused).

AvMA had for years been calling for such a Duty of Candour (or "Robbie's Law" as it is also known as a result of the tireless campaigning of the family of Robbie Powell). AvMA used its position as a core participant in the Mid Staffordshire Public Inquiry to make the case for a duty of candour, which we feel must have influenced the chairman, Robert Francis QC, to make his recommendation in favour of it. However, there remained a huge amount of work to do to convince the Government of the merits of a statutory duty. This had been fiercely resisted by medical defence lawyers and successive Secretaries of State. After a huge amount of work, including meetings with the Secretary of

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Report of the Council of Management

For the year ended 31 March 2014

State for Health, it was eventually announced that the duty would apply to all incidents that cause significant harm and have the full statutory force accorded to other fundamental standards regulated by the Care Quality Commission in England. It is widely accepted that AvMA had done more than any other organisation to bring about a statutory duty of candour, which many people see as potentially the biggest advance in patients' rights and patient safety in the history of the NHS. The duty will also apply to private healthcare and social care.

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. 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 Leeds 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.

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 the introduction of a statutory Duty of Candour in Scotland. The success in England significantly strengthened our case and Ministers now appear much more inclined to accept this. 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 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.

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Report of the Council of Management

For the year ended 31 March 2014

Financial Review

Overall, our Medico-Legal department made a contribution of £415,778 in the year, and Conferences and Training made a contribution of £76,151. Together with unrealised gains on investments, this covered the costs of our public-facing Advice and Information Service of £234,821 and also our support costs, with a small surplus of £10,018 remaining.

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 £1,098,194, as set out below.

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 2014 amounted to £303,220.

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. £400,000 has been designated at the year end, to facilitate projects such as targeted marketing and communications, development of client services, further investment activity 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 consumer 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.

The Council of Management 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 2014-2015 include:

- Seeing through and supporting the introduction of the Duty of Candour in England.
- Working with the governments in Scotland, Wales and Northern Ireland to seek the introduction of a Duty of Candour.
- Improving AvMA's Marketing & Communications by employing a specialist member of staff and launching a new website.
- Promoting the AvMA specialist panel of clinical negligence solicitors better to the public.
- Maintaining existing scale of service provision whilst seeking to reduce the operational deficit.

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Report of the Council of Management

For the year ended 31 March 2014

- Bedding down the new Medico-Legal Department and recruiting to bring up to budgeted staff complement.
- Reviewing the main areas of activity to inform the longer term strategic plan.

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 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.

Action against Medical Accidents

Report of the Council of Management

For the year ended 31 March 2014

Members of the Council of Management

Ann Alexander (resigned October 2013)
Malcolm Alexander
Michael Bishop
Angela Brown
Celia Davies
Philip Dolan MBE
Ray Greenwood
Mona Kermani (resigned October 2013)
Vincent Kika
Rita Lewis
Aideen O'Neill
James Petter (appointed April 2014)
Barbara Ross
Hilary Scott
Suzanne Shale (appointed January 2014)
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.

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 2014 was 14 (2013 -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 2 December 2014 and signed on its behalf by

Peter Walsh – Company Secretary

Independent auditors' report

To the members of

Action against Medical Accidents

We have audited the financial statements of Action against Medical Accidents for the year ended 31 March 2014 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 council of management' responsibilities 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.

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 2014 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

Independent auditors' report

To the members of

Action against Medical Accidents

- 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)

Date

for and on behalf of Sayer Vincent LLP, Statutory Auditors
8 Angel Gate, City Road, LONDON EC1V 2SJ

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 2014

	Note	Restricted £	Unrestricted £	2014 Total £	2013 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	104,688	104,688	104,102
Legacies		-	296	296	1,000
Investment income			31,008	31,008	41,620
Rent receivable			26,879	26,879	-
<i>Incoming resources from charitable activities</i>					
Medico-legal services	3	-	518,622	518,622	501,095
Conferences and training	4	-	452,189	452,189	497,490
Advice, information and support	5	-	3,333	3,333	51,687
Total incoming resources		-	1,137,015	1,137,015	1,196,994
Resources expended					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	73,439	73,439	75,050
<i>Charitable activities</i>					
Medico-legal services		-	178,109	178,109	182,016
Conferences and training		-	497,116	497,116	508,022
Advice, information and support		7,797	436,516	444,313	454,061
<i>Governance costs</i>		-	16,526	16,526	16,889
Total resources expended	6	7,797	1,201,706	1,209,503	1,236,038
Net incoming/(outgoing) resources before other recognised gains and losses	7	(7,797)	(64,691)	(72,488)	(39,044)
Unrealised gains on investment assets		-	82,506	82,506	15,276
Net movement in funds		(7,797)	17,815	10,018	(23,768)
Total funds at the start of the year		7,797	3,059,132	3,066,929	3,090,697
Total funds at the end of the year		-	3,076,947	3,076,947	3,066,929

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 2014

	Note	The Group 2014 £	2013 £	The Charity 2014 £	2013 £
Fixed assets					
Tangible assets	10	1,263,466	52,260	1,263,466	52,260
Investments	11	1,098,194	312,444	1,098,293	312,543
		<u>2,361,660</u>	<u>364,704</u>	<u>2,361,759</u>	<u>364,803</u>
Current assets					
Debtors	12	138,649	94,629	138,649	94,834
Short term deposits		758,474	1,494,994	758,474	1,494,994
Cash at bank and in hand		203,262	1,541,452	203,262	1,541,148
		<u>1,100,385</u>	<u>3,131,075</u>	<u>1,100,385</u>	<u>3,130,976</u>
Liabilities					
Creditors: Amounts falling due within one year	13	(385,098)	(428,850)	(385,197)	(428,850)
		<u>715,287</u>	<u>2,702,225</u>	<u>715,188</u>	<u>2,702,126</u>
Net current assets					
		<u>715,287</u>	<u>2,702,225</u>	<u>715,188</u>	<u>2,702,126</u>
Net assets	17	<u>3,076,947</u>	<u>3,066,929</u>	<u>3,076,947</u>	<u>3,066,929</u>
Funds					
Designated funds	15	2,773,727	2,750,615	2,773,727	2,750,615
Unrestricted funds		303,220	308,517	303,220	308,517
Restricted funds		-	7,797	-	7,797
		<u>3,076,947</u>	<u>3,066,929</u>	<u>3,076,947</u>	<u>3,066,929</u>

Approved by the council of management on 2 December 2014 and signed on its behalf by

Rita Lewis - Chair

Action against Medical Accidents

Notes to the financial statements

For the year ended 31 March 2014

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:

	2014
Cost of generating voluntary income	6%
Advice and information services	48%
Medico-legal services	17%
Conferences & training	28%
Governance	1%

- 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 2014

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 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 2014

2. Voluntary Income

	Restricted £	Unrestricted £	2014 Total £	2013 Total £
General donations	-	2,224	2,224	9,567
Fundraising	-	51,931	51,931	46,250
Friends of AvMA	-	1,104	1,104	2,414
Experts' donations	-	43,666	43,666	44,436
Fees and sundry income	-	5,763	5,763	1,435
	-	104,688	104,688	104,102

3. Medico-legal services

	Restricted £	Unrestricted £	2014 Total £	2013 Total £
Subscription fees	-	397,967	397,967	397,496
Website subscriptions	-	68,536	68,536	66,274
Referral panel fees	-	23,842	23,842	19,341
Publications	-	28,277	28,277	17,984
	-	518,622	518,622	501,095

4. Conferences and training

	Restricted £	Unrestricted £	2014 Total £	2013 Total £
Conference fees	-	452,189	452,189	497,490
	-	452,189	452,189	497,490

5. Advice, information and support

	Restricted £	Unrestricted £	2014 Total £	2013 Total £
Big Give	-	-	-	31,648
Awards for all England	-	-	-	10,000
Awards for all Wales	-	-	-	5,000
National Institute for Health & Research				
- Bradford	-	3,333	3,333	3,316
University of York	-	-	-	1,723
	-	3,333	3,333	51,687

Action against Medical Accidents

Notes to the financial statements

For the year ended 31 March 2014

6.	Cost of generating voluntary income £	Medico-legal services £	Conferences and training £	Advice, information and support £	Governance £	Support costs £	2014 Total £	2013 Total £
Staff costs (note 8)	34,332	98,255	123,642	231,366	2,148	259,453	749,196	757,170
Office costs	2,569	334	24,142	1,843	53	43,084	72,025	79,836
Premises (see below)	-	-	-	8	-	71,520	71,528	42,909
Volunteers	-	-	-	482	-	562	1,044	659
Travel and subsistence	1,942	1,476	2,339	1,005	2,624	6,623	16,009	9,702
Training and development	-	380	1,365	180	100	2,920	4,945	3,505
Professional fees	165	520	-	481	8,250	14,345	23,761	50,659
Depreciation	-	-	-	-	-	25,978	25,978	13,644
Sundry	6,652	1,879	4,728	2,606	79	7,368	23,312	30,566
Cost of events	1,600	-	219,822	183	-	100	221,705	247,388
Total resources expended	47,260	102,844	376,038	238,154	13,254	431,953	1,209,503	1,236,038
Support Costs	26,179	75,265	121,078	206,159	3,272	(431,953)	-	-
Total resources expended	73,439	178,109	497,116	444,313	16,526	-	1,209,503	1,236,038

Premises costs include service charge, rates and insurance costs amounting to £9,734 for the second floor, which has been vacant since the property was purchased. Once the second floor is let, such charges will be borne by the tenant rather than AvMA.

Action against Medical Accidents

Notes to the financial statements

For the year ended 31 March 2014

7. Net outgoing resources for the year

This is stated after charging:

	2014	2013
	£	£
Operating lease rentals:		
▪ Property	-	20,466
Depreciation	25,979	13,644
Council of management remuneration	-	-
Council of management expenses	2,543	2,428
Auditors' remuneration:		
▪ Audit - current year	7,000	7,250
▪ Audit - previous year	1,250	-
▪ Other services	-	250
	<u>7,000</u>	<u>7,250</u>

The council expenses related to the travel, subsistence and hotel costs of 6 members of the council of management (2013: 5).

8. Staff costs and numbers

Staff costs were as follows:

	2014	2013
	£	£
Salaries and wages	647,566	666,415
Social security costs	65,283	65,450
Pension contributions	25,913	25,305
Other costs	10,434	-
	<u>749,196</u>	<u>757,170</u>

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

	2014	2013
	No.	No.
Costs of generating voluntary income	0.8	0.9
Advice, information and support	6.3	6.0
Medico-legal services	2.3	3.8
Conferences and training	3.7	4.0
Governance	0.1	0.2
Support	5.7	4.2
	<u>18.9</u>	<u>19.1</u>

One employee's emoluments were over £60,000 in the year (2013: one). Employer pension contributions totalled £1,388 for this employee (2013: £1,302).

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Notes to the financial statements

For the year ended 31 March 2014

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 (2013 Tax Liability: £Nil).

10. Tangible fixed assets

	Leasehold Premises £	Computer, furniture and office equipment £	Total Tangible Fixed Assets £
COST			
At 1 April 2013	26,116	116,468	142,584
Additions in year	<u>1,180,543</u>	<u>56,642</u>	<u>1,237,185</u>
At 31 March 2014	<u>1,206,659</u>	<u>173,110</u>	<u>1,379,769</u>
DEPRECIATION			
At 1 April 2013	-	90,324	90,324
Charge for the year	<u>-</u>	<u>25,979</u>	<u>25,979</u>
At 31 March 2014	<u>-</u>	<u>116,303</u>	<u>116,303</u>
NET BOOK VALUE			
At 31 March 2014	<u>1,206,659</u>	<u>56,807</u>	<u>1,263,466</u>
At 31 March 2013	<u>26,116</u>	<u>26,144</u>	<u>52,260</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	
	2014	2013
	£	£
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. 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 2014

11a) Investments (continued)

	2014 £	2013 £
Turnover	-	-
Administration expenses	<u>141</u>	<u>(66)</u>
Operating (loss)/profit	141	(66)
Gift aid to parent	<u>-</u>	<u>-</u>
Profit on ordinary activities	<u>141</u>	<u>(66)</u>
The aggregate of the assets, liabilities and funds was:		
Assets	99	304
Liabilities	<u>-</u>	<u>(346)</u>
Funds	<u>99</u>	<u>(42)</u>

11b) Other Investments

	2014 £	2013 £		
Market value at the start of the year	309,276	-		
Additions at historic cost	701,015	294,000		
Disposal proceeds	-	-		
Net gain on investments	<u>82,506</u>	<u>15,276</u>		
Market value of investments at the end of the year	1,092,797	309,276		
Cash held as part of investment portfolio	<u>5,397</u>	<u>3,168</u>		
Total market value at the end of the year	<u>1,098,194</u>	<u>312,444</u>		
Historic cost of investments at the end of the year	<u>991,998</u>	<u>294,000</u>		
Investments comprise:				
	UK	Non UK	2014 £	2013 £
Pooled funds	<u>982,959</u>	<u>109,838</u>	<u>1,092,797</u>	<u>309,276</u>
Total (excluding cash)	982,959	109,838	1,092,797	309,276
Cash held as part of investment portfolio	<u>5,397</u>	<u>-</u>	<u>5,397</u>	<u>3,168</u>
Total (including cash)	<u>988,356</u>	<u>109,838</u>	<u>1,098,194</u>	<u>312,444</u>

Action against Medical Accidents

Notes to the financial statements

For the year ended 31 March 2014

12. Debtors

	The Group		The Charity	
	2014	2013	2014	2013
	£	£	£	£
Amount due from subsidiary		-	-	205
Other debtors	81,733	77,215	81,733	77,215
Prepayments and accrued income	56,916	17,414	56,916	17,414
	138,649	94,629	138,649	94,834

13. Creditors : Amounts falling due within one year

	The Group		The Charity	
	2014	2013	2014	2013
	£	£	£	£
Amount owed to subsidiary	-	-	99	-
Social security and other taxes	64,558	72,377	64,558	72,377
Deferred income	284,892	302,867	284,892	302,867
Accruals	19,663	44,453	19,663	44,453
Other creditors	15,985	9,153	15,985	9,153
	385,098	428,850	385,197	428,850

14. Movements in deferred income

	As at 1 April 2013	Released	Received and deferred	As at 31 March 2014
	£	£	£	£
Subscriptions received in advance	187,898	(187,898)	98,014	98,014
Conference fees received in advance	114,969	(114,969)	176,080	176,080
Other income received in advance	-	-	10,798	10,798
	302,867	(302,867)	284,892	284,892

Action against Medical Accidents

Notes to the financial statements

For the year ended 31 March 2014

15. Movements in funds

	At the start of the year £	Incoming resources and gains £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Awards for all England	2,971	-	(2,971)	-	-
Awards for all Wales	1,189	-	(1,189)	-	-
Big Give	3,637	-	(3,637)	-	-
Total restricted funds	7,797	-	(7,797)	-	-
Unrestricted funds:					
<i>Designated funds:</i>					
Property cost	1,350,000	-	-	(143,341)	1,206,659
Other fixed assets	-	-	-	56,807	56,807
Investments	706,000	-	-	392,194	1,098,194
Property maintenance	-	-	-	12,067	12,067
Interest	33,495	-	-	(33,495)	-
Fundraising	17,872	-	(17,872)	-	-
Strategic reserve	643,248	-	-	(243,248)	400,000
<i>Total designated funds</i>	<i>2,750,615</i>	<i>-</i>	<i>(17,872)</i>	<i>40,984</i>	<i>2,773,727</i>
General funds	308,517	1,219,521	(1,183,834)	(40,984)	303,220
Total unrestricted funds	3,059,132	1,219,521	(1,201,706)	-	3,076,947
Total funds	3,066,929	1,219,521	(1,209,503)	-	3,076,947

Purposes of restricted funds

Awards for all England provided funds to recruit and train new volunteers to staff the patient helpline.

Awards for all Wales provided funds to create a series of Welsh language pages for the AvMA website.

AvMA raised funds in conjunction with an anonymous donor through Big Give for the Inquest Service.

Action against Medical Accidents

Notes to the financial statements

For the year ended 31 March 2014

Purposes of designated funds

Property cost

The charity purchased a new office building on 2 May 2013 for £1.2 million. This fund has been updated to reflect this cost.

Other fixed assets

The trustees have set up a fixed asset designated fund to reflect 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.

Property Maintenance

The charity has set up a property maintenance designated fund. Each year it will transfer an amount expected to be required to cover ongoing works to maintain the value of the property

Fundraising

The trustees agreed to set aside £80,000 to recruit and employ a fundraiser. The opening balance of £17,872 has been fully utilised in the year.

Strategic reserve

£400,000 has been designated as a strategic reserve. This will facilitate projects to be undertaken as set out in our Strategic Plan, including targeted marketing and communications, development of client services, further investment activity and planned building maintenance.

16. Operating lease commitments

The group has the following annual commitments in respect of operating leases expiring as follows:

	Equipment 2014 £	2013 £
Within 1 year	<u>-</u>	<u>-</u>

17. 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	-	56,807	-	56,807
Investments	-	1,098,194	-	1,098,194
Short term deposits	-	412,067	346,407	758,474
Other current assets	-	-	341,911	341,911
Current liabilities	-	-	(385,098)	(385,098)
Net assets at 31 March 2014	<u>-</u>	<u>2,773,727</u>	<u>303,220</u>	<u>3,076,947</u>

Action against Medical Accidents

Notes to the financial statements

For the year ended 31 March 2014

18. Post balance sheet events

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