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REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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REFERENCE AND ADMINISTRATIVE DETAILS

Action against Medical Accidents
(also known as "AvMA")

Company number
2239250

Country of incorporation
England

Charity number
299123

Country of registration
England

OSCR number
SCO39683

Registered and principal office address
Freedman House
Christopher Wren Yard
117 High Street
CROYDON
CR0 1QG

Patrons
Peter Ransley
Honorary President
James Titcombe OBE
Baroness Masham of Ilton
Umesh Prabhu
James Badenoch QC
Dame Professor Donna Kinnair

Honorary officers
Suzanne Shale
Chair
Caroline Browne
Vice-Chair (appointed December 2018)
Hilary Scott
Vice-Chair (resigned December 2018)
Angela Brown
Treasurer

Trustees
Moi Ali *(appointed June 2018)*
Michael Andersson
Angela Brown
Caroline Browne
Ceri Edwards *(resigned May 2018)*
Jonathan Hazan
Nigel Holland
Linda Kenward
Jane Reid *(appointed March 2019)*
Hilary Scott *(resigned December 2018)*
Suzanne Shale
Rachael Vasmer

Key management personnel
Peter Walsh
Chief Executive
Hugh Williams
Deputy Chief Executive

Bankers
Co-operative Bank plc
Delf House, Southway
SKELMERSDALE WN8 6NY

Gale and Phillipson Ltd
Gallowfields House, Fairfield Way
RICHMOND DL10 4TB

PB Financial Planning
Dashwood House
69 Old Broad Street
LONDON EC2M 1QS

Independent financial advisors
Castlefield Advisory Partners Ltd
4-6 Staple Inn
High Holborn
LONDON WC1V 7QH

Auditor
Sayer Vincent LLP
Chartered Accountants and
Statutory Auditors
Invicta House, 108-114 Golden Lane
LONDON EC1Y 0TL

Solicitors
Tees Law
Tees House, 95 London Road
Bishop's Stortford
HERTFORDSHIRE CM23 3GW

REPORT OF THE COUNCIL OF MANAGEMENT

The Council of Management presents its report and the audited financial statements for the year ended 31 March 2019.

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: SORP applicable to charities preparing their accounts in accordance with FRS 102, effective 1 January 2015.

OBJECTIVES AND ACTIVITIES

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 ordinary language trustees believe our purpose can best be described as “to support people affected by avoidable harm in healthcare; to help them achieve justice; and to promote better patient safety for all”.

OUR BENEFICIARIES

AvMA’s beneficiaries are people who have been affected by avoidable harm in healthcare and who are directly helped by our services; and others who benefit from the changes in policy and practice we bring about through our public education and influencing work. Below we describe how we help our beneficiaries through our main activities.

OUR KEY ACTIVITIES, INCLUDING ACHIEVEMENTS AND PERFORMANCE IN 2018-2019

The achievements of particular note during the year were:

- Maintaining our core services to people affected by avoidable harm in healthcare in difficult circumstances due to staff shortages during the year.
- Development and adoption of a new five year strategy and operational plan for 2019-20.
- Raising awareness of the dangers of the Government’s plans to introduce ‘fixed recoverable costs’ in clinical negligence and playing an active part in the Civil Justice Council working party on this subject.
- Taking the lead in arguing against plans to introduce a ‘safe space’ in local NHS patient safety investigations in England. The parliamentary committee looking at this described AvMA’s evidence as “compelling” and the committee’s report led to the Government dropping these proposals.
- Supporting plans to introduce a statutory duty of candour in Wales and Northern Ireland, and publishing our second report on the regulation of the duty of candour in England.

ADVICE, INFORMATION AND SUPPORT

The advice and support we provide to people affected by avoidable harm in healthcare is at the very heart of what AvMA does, and the experience of our clients informs everything we do. In 2018-19 we directly helped 2,804 people, with many others benefitting from our self-help guides and online information.

Our helpline provides specialist, sympathetic support to people when they are coping with the trauma of their experience. 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 60 trained volunteers who help us make this service available Monday-Friday 10am-3.30pm. In 2018-19 we handled 1,941 calls, often involving extremely serious and complex cases. AvMA is

the only charity providing a specialist medico-legal helpline in the UK and it can get very busy. In addition to this there were 10,195 downloads of self-help leaflets from our website.

AvMA's caseworkers, who are all experienced professionals and are either medically and/or legally qualified, often provide in-depth advice that would not be available from any other agency. Sometimes, the referral of a healthcare professional to their regulator may be recommended, or the case may have broader lessons for patient safety, or be connected with one of AvMA's campaign priorities. In 2018-19 we opened 781 new casework files.

IMPACT

Callers to our helpline and recipients of our written casework service feel understood and supported at a time of extreme stress and anxiety. They are enabled to make better informed decisions about what to do next through our specialist advice and are better equipped to make use of the procedures available to them. Often, this enables them to access a specialist solicitor and eventually obtain compensation; and/or, to have their complaints or concerns properly addressed and resolved; and/or to achieve measures to protect other patients/improve patient safety.

93%

of helpline callers said they felt **"very well"** or **"quite well"** supported and understood *

88%

of helpline callers said **"yes"** they would be using our advice and information to pursue their concerns *

* Callers who responded to a feedback survey April 18 – March 19

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Report and financial statements for the year ended 31 March 2019
Action against Medical Accidents

An 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.

Whereas NHS bodies and individual health professionals are usually legally represented at inquests, bereaved families are often not. We try to address this uneven playing field through our inquest support service. Often this involves AvMA in intensive work instructing counsel to represent the family. This service is made possible by the generous donation of time by barristers, but also involves a huge investment of time and effort in our staff instructing the barrister, supporting the family, and attending the inquests.

We helped 9 families in this way over the year and started preparatory work for representing other families. A number of important conclusions were arrived at, which may not have been had we not been involved and families gained a better insight into the circumstances leading to their family member's death. In addition we gave advice to a further 73 families who were facing a forthcoming inquest, to help them prepare and/or to get legal representation at the inquest.

IMPACT

Families who have lost a family member as a result of avoidable harm in healthcare are legally represented and feel empowered to have the right issues and questions addressed at inquests. The coroner is sometimes helped to recognise issues that need to be addressed to protect future patients / improve patient safety and to issue a 'prevention of future deaths' letter.

“You provided excellent support and an excellent, very skilled barrister. After the social care organisation’s experience at the inquest they are providing staff with witness training. Let’s hope that’s not the only lesson they have learned.”

AvMA INQUEST CLIENT

“Without AvMA we would never have got this far. We recently attended a pre-inquest meeting where both the hospitals involved had legal representation. Without AvMA’s input, we would have been completely unprepared. Our heartfelt thanks for helping us get this far.”

AvMA INQUEST CLIENT

POLICY AND EXTERNAL RELATIONS (INFLUENCING POLICY & PRACTICE)

Whilst the direct support we provide to our beneficiaries – people whose lives have been affected by safety failures – is vitally important in its own right, it also informs our policy and campaigns work. It fuels our passion to bring about changes that will benefit many more people that we can ever reach ourselves. 2018-19 was another busy year for AvMA in terms of contributing to important policy initiatives and debates, which fell full-square in our area of concern and expertise. Increasingly AvMA is expected to take a lead on issues around patient safety and access to justice on behalf of patients.

Government proposals for fixed recoverable costs in clinical negligence continued to be a key area of concern. We devoted a massive amount of time and effort to taking part in the Civil Justice Council working party on fixed costs, led by our Medico-Legal Director Lisa O'Dwyer. We worked hard on trying to get the committee to consider the impact of the proposals on patient safety and access to justice. Unfortunately there was a

stubborn resistance to doing so, but the fact we have consistently made our arguments should hold us in good stead as we go on to seek to influence any proposals that emerge from the working party.

AvMA enjoyed notable success over the draft Health Service Safety Investigations Bill. Whilst much of the draft Bill was welcome, for example putting the Healthcare Safety Investigation Branch (HSIB) on a more independent statutory footing, it also introduced highly controversial proposals for a so-called 'safe space'. These include a prohibition on sharing any information obtained by HSIB (and more controversially by NHS trusts accredited by HSIB to conduct investigations under 'safe space'), including prohibiting sharing such information with the patients/families concerned. AvMA was certainly seen as taking the lead on arguing against these proposals and raising awareness of the dangers of them (not least the fact they would be odds with the duty of candour we fought so hard to get). The parliamentary committee scrutinising the Bill described

AvMA's evidence as "compelling" and recommended dropping these controversial elements of the Bill and the Government eventually accepted this.

One of our best known achievements is the adoption of a statutory duty of candour in England and in Scotland. However, we maintain committed to ensuring that the regulations are properly implemented and regulated. We published our second report on regulation of the duty of candour in England during the year. Although there was a marked improvement on how the Care Quality Commission (CQC) was regulating the duty since our first report, there were still significant gaps and weaknesses and we deemed the CQC as "requiring improvement". We met with management of the CQC who accepted our findings and undertook to address them. We worked intensively with the Department of Health in Northern Ireland around implementing the recommendation from the Hyponatraemia Inquiry for a statutory duty of candour there.

"Challenging the medical profession and the NHS when the going is tough anyway takes a lot of strength and resources. The system seems weighted against the patient. Expert advice and support from an independent body is so useful and appreciated."

AvMA CLIENT

"AvMA has shone a light on medical negligence over 35 years. It has been the patient voice in any discussion that we have on patient safety and it can help us to doggedly pursue the truth."

DAME DONNA KINNAIR,
ACTING CHIEF EXECUTIVE,
ROYAL COLLEGE OF NURSING

We continued to advise the Welsh Assembly Government around the duty of candour, something which they have since agreed to introduce on a statutory footing.

We continued to work with families and officials on the Learning from Deaths program. In particular we are seeking recognition from the national committee that changes to the system architecture are needed. One area in particular we have been

flagging up is the need to plug the gap in terms of patients'/families' access to specialist independent advice and advocacy when faced with a patient safety incident investigation.

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 eight responses to formal consultations or input into inquiries.

IMPACT

Our work on the duty of candour will mean that more people get to hear the truth about what happened and are told in a compassionate way.

Our work on 'fixed recoverable costs' will mean that more people retain the ability to access justice and ensure health providers recognise they have made a mistake.

"Your advice enabled me to think clearly about my next step at a very difficult time. It gave me the confidence to take that step as well."

AvMA CLIENT

"The communication was clear and concise, and the support provided throughout our enquiry was handled extremely efficiently and very helpful at such a stressful time for us."

AvMA CLIENT

CONFERENCES AND TRAINING (SPREADING AWARENESS AND GOOD PRACTICE)

AvMA rolled out an impressive portfolio of conferences, training and events during the year. The centrepiece was our annual Clinical Negligence and Medical Law conference which was held in Brighton and brought together 430 of the leading medical experts, lawyers and policy makers in the field. Overall, 1,156 delegates benefited from our 16 events during 2018-19. 100% of attendees who completed evaluation forms at our events rated the conferences as either "Excellent" or "Good", and 100% of attendees replied "Yes" when asked "Do you expect that you will use the learning from this conference in your work".

IMPACT

Enhancing the skills and knowledge of legal and health professionals results in our beneficiaries receiving more empathetic and professional services from them.

100%

of delegates said they rated our annual conference "good" or "very good" *

100%

of delegates said they would use learning from our conferences in their work *

"Very enjoyable and useful – lots of food for thought."

AvMA CONFERENCE DELEGATE

"I will take the knowledge from the conference and put it into my day-to-day practice."

AvMA CONFERENCE DELEGATE

"Provided a clear understanding/knowledge of the subject area."

AvMA CONFERENCE DELEGATE

"Very interesting and enjoyable day and very well organised."

AvMA CONFERENCE DELEGATE

* Delegates who completed a post-conference feedback survey

MEDICO-LEGAL SERVICES

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 and policy, and help with interpreting medical issues. The need for this service continues and also provides an income stream for the charity.

IMPACT

Our support services for solicitors practising in clinical negligence means that our beneficiaries are more likely to experience a good service and successful result.

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 people affected by clinical negligence. Our panel members also usually have supervisory responsibilities in their firms, thereby helping assure quality in the firms as a whole. 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. In spite of the difficult environment for clinical negligence solicitors, interest in being on AvMA's panel remained strong. We received 16 new applications to join the panel and eight new appointments were made by the end of 2018-19. We also re-accredited 18 members for the panel.

IMPACT

Our panel, and the quality mark denoting membership of it, makes it easier for our beneficiaries who need to take legal action to find a genuinely specialist solicitor with the appropriate qualities, knowledge and skills. This results in our beneficiaries receiving more empathetic and professional services from them and more likelihood of a successful outcome.

"The lawyers' support group was excellent: very interesting presentations and excellent speakers."

AvMA LAWYERS' SERVICE MEMBER

"I find the lawyers' service to be very helpful; the support groups in particular are great for keeping abreast of topical clinical negligence issues and a chance to network with fellow practitioners."

AvMA LAWYERS' SERVICE MEMBER

"I very much look forward to working more closely with AvMA over the coming years as a member of this important accreditation panel of which I am delighted now to be a member."

AvMA PANEL MEMBER

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. We continued to liaise with Scottish Government, NHS bodies and patient groups in Scotland and contribute to discussions pertaining to patient safety and justice.

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.

FUNDRAISING

AvMA is a member of the Fundraising Regulator Scheme and follows its code of conduct. Chief fundraising responsibility is currently held by the Marketing & Communications Manager, in conjunction with the Chief Executive. However, other departments also source sponsorship for events and may hold fundraising activities at events. AvMA's main fundraising comes from donations from supporters; fundraising events held by other organisations benefitting AvMA; our own fundraising events; corporate sponsorship; and occasional bequests. AvMA does not employ or commission external fundraising professionals or companies. AvMA does not make unsolicited approaches to individuals. No complaints have been received about AvMA's fundraising.

ASSURING THE QUALITY OF OUR WORK

The board established a Quality and Outcomes sub-committee in September 2017 to help take forward its work on quality and impact measurement. Part of its remit is to review any complaints made about AvMA's work and be sure that any learning points are acted upon.

No complaints were received during 2018-19.

We have developed a range of different ways in which people can give us feedback on our services and all comments, positive and negative, are reviewed regularly. Where possible, we contact people who leave negative feedback to see if we can resolve the problem they raise.

"You were brilliant and helped me a lot. It's nice to talk to somebody in relation to my partner's case and give me a bit of hope, to hopefully get somebody to help me and fight for change. Thank you."

AvMA HELPLINE CLIENT

"I just want to say thank you very much for taking the time out to really listen to me, to be thoughtful and considerate. You were definitely knowledgeable in giving me the information to follow up my case. I am really grateful to the opportunity to have spoken to you today and I feel much better about my day because of it. Thank you."

AvMA HELPLINE CLIENT

PLANS FOR THE FUTURE

Our new five year strategic plan sets out our plans and strategic objectives for the next five years from 2019.

AvMA's plans for 2019-20 include:

- Intensive policy and influencing work around the Government's proposals for 'fixed recoverable costs' in clinical negligence which we believe would be injurious to access to justice and patient safety.
- Continuing to support good practice in implementing the duty of candour in England and Wales with appropriate awareness raising and training.
- Continuing to work with the governments in Wales and Northern Ireland to seek the introduction of a duty of candour.
- Introducing a new 'junior solicitor' certification scheme to acknowledge and develop solicitors hopefully to become full panel members in the future.
- Seeking to diversify income streams and generate new income to address the forecast operational deficit, and enable maintenance of services and meeting charitable objectives long term.
- Building relationships with beneficiaries and other potential supporters.
- Seeking accreditation of our advice services.
- Installing a wheelchair lift and other alterations at our building Freedman House to make it more accessible.

"We were pointed in the right direction and confirmed that our concerns were valid. The information we received was professional and very reassuring."

AvMA CLIENT

"It made a huge difference at all stages of the process. I don't know how I would have coped with such an unfamiliar and stressful process otherwise."

AvMA CLIENT

"AvMA helped by giving me strength when I was in need."

AvMA CLIENT

STRUCTURE, GOVERNANCE & MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 4 April 1988 and registered as a charity on 17 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.

Trustees collectively form the Council of Management.

COUNCIL OF MANAGEMENT AND APPOINTMENT OF COUNCIL MEMBERS

Individual trustees (members of the Council) are appointed by the Council of Management. Not less than six 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, which takes place at the annual general meeting.

Recruitment of new trustees takes place as and when the Council believes this is necessary to add to or complement the experience, knowledge and skills available to the Council. Usually "vacancies" for new trustees are advertised. Potential new trustees are interviewed by at least two trustees usually including the Chair, and the Chief Executive. Based on objective criteria, the

recommendations to appoint a new trustee are put to the full Council together with the candidate's background details for a decision. During 2018-19 two trustees retired (Ceri Edwards and Hilary Scott) and we successfully recruited two new trustees (Moi Ali and Jane Reid) bringing the total number of trustees to ten.

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 2019 was 10 (2018: 10). Members of the Council of Management have no beneficial interest in the charitable company.

The Council of Management met four times during the year. AvMA adopted a five year strategic plan for 2019-20 onwards. This is accompanied by annual operational plan. Progress on meeting strategic objectives is reviewed regularly. 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 and Quality and Outcomes Committee also meet between Council meetings.

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 2018-19.

HONORARY OFFICERS

The charity has adopted the practice of electing a Chair, Vice-Chair and Treasurer for a one-year term at the charity's AGM. December 2018 saw the re-election of Suzanne Shale as Chair, Angela Brown was re-elected as Treasurer and Caroline Browne was elected as Vice-Chair.

DELEGATION OF DAY-TO-DAY RUNNING OF THE CHARITY

Trustees delegate the day-to-day running of the charity to the Chief Executive, Peter Walsh, and in his absence the Deputy Chief Executive, Hugh Williams.

PATRONS

The role of patron does not involve any legal or governance responsibilities. Patrons act as ambassadors for the charity and help by providing advice, taking part in events, making introductions and generally spreading the word about AvMA and its work.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Council of Management has a remuneration policy covering all employees. All personnel are paid within a defined salary band with annual increments until the top of the band is reached. Salary bands are set and reviewed through trustees' review of pay scales available in comparable organisations (for example by reviewing job advertisements and/or speaking to recruitment agencies) and by reference to the NJC and NHS pay scales. Annual cost of living increments are awarded at the discretion of the Council of Management, based on the Consumer Price Index for the previous calendar year and bearing in mind the charity's finances and the financial climate generally. AvMA's full remuneration policy is published on the charity's website.

FINANCIAL REVIEW

Our Medico-Legal department made a contribution (calculated by income less direct costs from [note 6](#)) of £348,254 in the year, Conferences and Training made a contribution of £77,797 and Fundraising generated a £74,367 contribution. This covered the net cost of our public-facing Advice and Information Service of £234,801, our Policy & External Relations costs of £39,567 and most of our support costs, giving an overall net expenditure of £45,595 for the year. In addition, gains on investments (both realised and unrealised) were £99,638.

AvMA receives no ongoing funding from NHS or government agencies and is therefore very reliant on its own income generation activities and the generosity of the people we have helped, other supporters and sponsors. For this we are extremely grateful.

The receipt of the Judith Freedman legacy in 2011 means that the charity is has been able to invest for its future. The single most significant use of the legacy was the purchase

of "Freedman House" on a 999 year lease. This was revalued at £1,900,000 as at 31 March 2019, an increase of £693,341 since purchase (see [note 13](#)). We also currently hold £1,119,507 in an investment portfolio (see [note 14](#)).

As well as no longer paying rent, we are letting out some of the office space to provide us with additional income. We have also been able to operate a deliberate deficit budget in order to provide maximum impact to our beneficiaries from our services and operations, and invest in new ideas for business development.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risk facing the charity continues to be the uncertainty facing the future of clinical negligence litigation. Most of the charity's income is generated through the provision of services to clinical negligence lawyers, both through the Lawyers' Service and the provision

of conferences and training. Recent legal reforms including the removal of legal aid for the vast majority of clinical negligence cases have already created difficulties for law firms wishing to practice in clinical negligence, which is beginning to see mergers or firms dropping out of clinical negligence work. This is resulting in a decline in income from Lawyers' Service subscriptions and conference delegate places. Government proposals for the introduction of a 'fixed recoverable costs' regime could have a much larger impact (as well as threatening access to justice for AvMA's beneficiaries and the likelihood of the NHS learning from errors). The charity is addressing this risk by attempting to diversify and develop new sources of income and also planning for managing an anticipated fall in income by reducing expenditure in a carefully planned and staged way. The situation is kept under constant review.

Another principal risk is the uncertainty in financial markets which may affect the charity's investments. In the light of this, the trustees have reviewed the charity's investment strategy, and our portfolio has been reviewed and de-risked as far as practicable.

AvMA relies on part of its income coming from rent and service charges received for two floors of Freedman House. The economic situation means that that office space has become harder to let. There is therefore a significant risk income from this source will drop. One floor is has been leased for ten years but the other floor is still being marketed.

Trustees consider known significant risks and strategies for mitigating them through a risk register which is reviewed regularly by the Finance and Investment Committee, Quality and Outcomes Committee and the Executive Committee, which report to the Council of Management. The risk register is also reviewed annually by the full Council at the charity's AGM.

RESERVES AND INVESTMENT POLICY

BACKGROUND AND FINANCIAL STRATEGY

As set out above, we are in a period when income from our traditional revenue sources is declining significantly, against a background of the current deliberate deficit budget. Current trends and uncertainties lead us to expect this fall to continue in the coming few years.

The trustees have worked hard to develop a long-range financial strategy to address the situation on a timely and considered basis. Our financial strategy is to move to a sustainable balanced budget over a period of 10 years to 2026/27, against the background of anticipated contraction of our traditional revenue streams, through developing new sources of income and making cost efficiencies in a carefully planned manner.

We plan to utilise our current reserves to fund the (reducing) shortfall each year, to continue to provide maximum impact to our beneficiaries, and also to continue to invest carefully in new

development activities as appropriate. This is expected to reduce reserves to the target level by the end of the 10-year strategy period. These reserves are held as a separate designated fund, and 1/10 is released each year to general funds, as per [note 20](#).

RESERVES POLICY

We own our office building, Freedman House, outright. This provides cover for catastrophic events, and also for an orderly wind down should this ever be necessary, as well as generating an income and savings on what would be spent on rent.

The trustees have a policy to retain sufficient free reserves to cover working capital requirements and realistic contingencies. This is calculated as:

- Working capital: 3 months' running costs including salaries, and 75% of conference venue costs

- Contingency reserve £200,000: to cover the risk of a short-term fall in income over committed expenditure, together with operational risks and exceptional costs

At current activity levels this amounts to target reserves of £570,479.

LEVEL OF RESERVES

We have free reserves of £423,651 at the year end (calculated as £796,518 general funds of which £372,867 is tied up in notice deposits ([see note 19a](#))). This is a shortfall of £146,828 against the above year-end target. However, liquidity is carefully managed and the balance is in line with our 10-year financial strategy as explained above.

INVESTMENT POLICY

The trustees have agreed to invest the reserves in an ethical investment portfolio, to achieve returns that enable the funding of AvMA's requirements both in the short- and the long-term. Short-term requirements (up to 3 years) are placed on deposit using a specialist cash management service to optimise returns whilst ensuring appropriate liquidity. The remaining reserves are within a long-term investment portfolio managed by Castlefield. The total investment portfolio including the cash is conservatively structured with an emphasis on capital preservation, but also likely to achieve an overall return in the region of 2.5%.

Management and trustees monitor the financial plan, reserves levels and investment policy closely in the light of changing circumstances.

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 adequate 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.

AUDITOR

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

Approved by the Council of Management on 12 December 2019 and signed on its behalf by

Peter Walsh
Company Secretary

THANK YOU

Our work is only made possible by our very generous supporters.

As a very specialist charity AvMA finds it harder than many good causes to raise funds. We currently receive no state funding and rely on volunteers, pro-bono support and donations to enable us to help patients and bring about change.

Patients and families are at the heart of everything we do and we are extremely grateful for the very generous support we receive from individual fundraisers and volunteers.

Our vital work is also supported by our Partners for Patient Safety, corporate sponsorship, charitable trusts and the generous sharing of time and expertise from our corporate volunteers on our helpline and through pro-bono work.

We are particularly grateful to the following organisations for their support this year.

Partners for Patient Safety
BD

Platinum Sponsors
Partners in Costs

Corporate Sponsors
Medical Accident Group

Charitable Trusts
City Bridge Trust

“BD is a global leader in patient safety, a medical technology company that is Advancing the World of Health by improving medical discovery, diagnostics and the delivery of safer patient care. BD UK & Ireland is delighted to be supporting AVMA as it strives to contribute to increased patient safety through awareness raising of how health systems, health services and healthcare professionals can optimise safe practice.”

Greg Quinn, Director of Public Policy and Advocacy, BD



Congratulations to Leonie and Michelle from Forbes Solicitors and to our other runners in the Big Half Marathon, who raised a fantastic amount for AvMA.

Total raised
£6,949

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Action against Medical Accidents.

OPINION

We have audited the financial statements of Action against Medical Accidents (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's

responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial

statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

USE OF OUR REPORT

This report is made solely to the charitable company's members 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 company's members those matters we are required to state to them in an auditor's 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller

(Senior statutory auditor)

12 December 2019

for and on behalf of Sayer Vincent
LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane,
LONDON, EC1Y 0TL

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

**STATEMENT
OF FINANCIAL
ACTIVITIES**(Incorporating an income and
expenditure account)

For the year ended 31 March 2019

		Restricted	Unrestricted	2019 Total	Restricted	Unrestricted	Restated 2018 Total
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	2	-	108,623	108,623	4,000	127,281	131,281
Charitable activities							
Conferences and training	3	-	368,899	368,899	-	416,880	416,880
Medico-legal services	3	-	525,332	525,332	-	508,775	508,775
Advice, information and support	3	-	5,367	5,367	-	3,825	3,825
Policy and external relations	3	-	14,278	14,278	-	12,194	12,194
Other trading activities	4	-	12,479	12,479	-	22,055	22,055
Investments	5	-	118,795	118,795	-	76,595	76,595
Other			202	202		468	468
Total income		-	1,153,974	1,153,974	4,000	1,168,073	1,172,073
Expenditure on:							
Raising funds	6	-	47,807	47,807	92	64,831	64,923
Charitable activities							
Conferences and training	6	-	386,931	386,931	423	433,617	434,039
Medico-legal services	6	-	310,655	310,655	607	328,964	329,571
Advice, information and support	6	-	380,799	380,799	643	352,660	353,303
Policy and external relations	6	-	73,377	73,377	2,074	60,295	62,369
Total expenditure		-	1,199,568	1,199,568	3,838	1,240,367	1,244,205
Net income / (expenditure) before net gains on investments		-	(45,595)	(45,595)	162	(72,294)	(72,132)
Net gains on investments	14	-	99,638	99,638	-	40,911	40,911
Net losses on investment property	13b	-	(75,000)	(75,000)	-	-	-
Impairment loss on leasehold property	13a	-	(75,000)	(75,000)	-	-	-
Net income / (expenditure) for the year	7	-	(95,956)	(95,956)	162	(31,383)	(31,221)
Reconciliation of funds:							
Total funds brought forward	20	162	4,043,197	4,043,359	-	3,231,239	3,231,239
Prior year adjustment	22	-	-	-	-	843,341	843,341
Total funds carried forward	20	162	3,947,241	3,947,403	162	4,043,197	4,043,359

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in [Note 20](#) to the financial statements.

BALANCE SHEET

As at 31 March 2019

Company number 2239250

	Note	£	2019 £	Restated 2018 £
Fixed assets:				
Tangible assets: other	12		19,713	8,521
Tangible assets: leasehold property	13a		950,000	1,025,000
Investment property	13b		950,000	1,025,000
Investments	14		1,119,606	1,603,911
			3,039,319	3,662,432
Current assets:				
Debtors	15	128,012		203,560
Investments: short term deposits		484,370		-
Cash at bank and in hand		710,147		568,182
		1,322,529		771,742
Liabilities:				
Creditors: amounts falling due within one year	16	414,445		390,815
Net current assets			908,084	380,927
Total assets less current liabilities			3,947,403	4,043,359
Total net assets			3,947,403	4,043,359
The funds of the charity:				
Restricted income funds	20a		162	162
Unrestricted income funds:				
Designated funds		2,843,835		3,107,971
Fair value reserve		306,888		421,437
General funds		796,518		513,789
Total unrestricted funds			3,947,241	4,043,197
Total charity funds			3,947,403	4,043,359

Approved by the trustees on 12 December 2019 and signed on their behalf by

Dr Suzanne Shale
ChairDr Angela Brown
Treasurer

**STATEMENT OF
CASH FLOWS**

For the year ended 31 March 2019

	Note	2019	2018	
		£	£	
Cash flows from operating activities				
Net cash used in operating activities	21	(51,174)	(158,116)	
Cash flows from investing activities:				
Dividends, interest and rents from investments		118,795	76,595	
Purchase of fixed assets		(25,328)	(3,213)	
Proceeds from sale of investments		612,421	329,900	
Purchase of fixed asset investments and cash invested into portfolio		(28,379)	(3,511)	
Purchase of current asset investments		(484,370)	-	
Net cash from investing activities		193,139	399,771	
Change in cash and cash equivalents in the year		141,965	241,655	
Cash and cash equivalents at the beginning of the year		568,182	326,527	
Cash and cash equivalents at the end of the year		710,147	568,182	
Analysis of cash and cash equivalents and of net debt		At 1 April	Cash flows	At 31 March
		2018	2019	2019
		£	£	£
Cash at bank and in hand		290,823	32,911	323,734
Notice deposits (less than three months)		277,359	109,054	386,413
Total cash and cash equivalents		568,182	141,965	710,147
Loans and finance lease obligations		-	-	-
Total		568,182	141,965	710,147

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1 Accounting policies

a) Statutory information

Action against Medical Accidents is a charitable company limited by guarantee and is incorporated in England. The registered office address and principal place of business is Freedman House, Christopher Wren Yard, 117 High Street, Croydon CR0 1QG.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 March 2018) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Single entity financial statements have been prepared for the year ended 31 March 2019, as the subsidiary AVMA Services Limited was dormant in this and the prior financial years. The differences between the group and parent charitable company balance sheet are not material.

c) The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1 Accounting policies (continued)

h) Fund accounting

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. Restricted funds are set out in [note 20](#) below.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services, events and other educational activities undertaken to further the purposes of the charity and their associated support

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

- | | |
|-----------------------------------|-----|
| • Conferences and training | 24% |
| • Medico-legal services | 31% |
| • Advice, information and support | 36% |
| • Policy and external relations | 5% |
| • Raising funds | 4% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £200. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet. Property revaluation is included within the property designated fund.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|--|----------|
| • Computer equipment and website development | 3 years |
| • Office equipment and furniture | 5 years |
| • Database | 10 years |

The leasehold property is valued under the revaluation model. No depreciation is charged on the leasehold property on the grounds of immateriality due to a long expected life and high residual value.

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/ (losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in subsidiaries are at cost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1 Accounting policies (continued)

Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charitable company offers all staff a stakeholder pension scheme in accordance with auto enrolment requirements. The charitable company pays an agreed contribution to this scheme on their behalf. The assets of the pension fund 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.

2 Income from donations and legacies

	2019	2018
	Total	Total
	£	£
Experts' donations	28,036	34,840
Firms' events	19,117	18,686
Unclaimed clients' money	6,162	21,360
Legacies	8,308	500
Other donations	20,098	8,751
Corporate sponsorship	5,000	25,000
Sponsored leaflets	13,090	-
Other fundraising	8,812	20,144
Grants	-	2,000
	<u>108,623</u>	<u>131,281</u>

All funds for 2019 were unrestricted (2018: £4,000 restricted).

**NOTES TO THE
FINANCIAL
STATEMENTS**

For the year ended 31 March 2019

3	Income from charitable activities	2019	2018
		Total	Total
		£	£
	Delegate, sponsor and webinar income	<u>368,899</u>	<u>416,880</u>
	Total: conferences and training	<u>368,899</u>	<u>416,880</u>
	Subscription fees	<u>405,643</u>	<u>402,292</u>
	Website subscriptions	<u>89,953</u>	<u>81,527</u>
	Referral panel fees	<u>17,550</u>	<u>8,550</u>
	Publications	<u>12,186</u>	<u>16,406</u>
	Total: medico-legal services	<u>525,332</u>	<u>508,775</u>
	Other	<u>5,367</u>	<u>3,825</u>
	Total: advice, information and support	<u>5,367</u>	<u>3,825</u>
	Fees earned and expenses reimbursed	<u>14,278</u>	<u>12,194</u>
	Total: policy and external relations	<u>14,278</u>	<u>12,194</u>
	Total income from charitable activities	<u>913,876</u>	<u>941,674</u>

All funds for 2019 and 2018 were unrestricted

4	Income from other trading activities	2019	2018
		Total	Total
		£	£
	AvMA events	-	11,617
	Lawyers' service directory	<u>12,479</u>	<u>10,438</u>
		<u>12,479</u>	<u>22,055</u>

All funds for 2019 and 2018 were unrestricted

5	Income from investments	2019	2018
		Total	Total
		£	£
	Dividends and interest	<u>19,735</u>	<u>13,235</u>
	Rent and lease surrender premiums	<u>99,060</u>	<u>63,360</u>
		<u>118,795</u>	<u>76,595</u>

All funds for 2019 and 2018 were unrestricted

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

6 Analysis of expenditure (current year)

	Cost of raising funds	Conferences and training	Charitable activities				Governance costs	Support costs	2019 Total	2018 Total
			Medico-legal services	Advice, information and support	Policy and external relations					
	£	£	£	£	£	£	£	£	£	
Staff costs (Note 8)	29,915	124,279	184,543	228,283	50,656	30,413	184,440	832,529	852,684	
Direct cost of events	-	166,070	676	-	-	-	-	166,745	226,598	
Travel, subsistence and accommodation	7	2,433	1,083	3,986	3,189	3,909	902	15,508	18,197	
Call handling	-	-	-	3,556	-	-	-	3,556	3,237	
Investment management fees	-	-	-	-	-	-	8,076	8,076	7,228	
Other professional fees	-	-	-	-	-	11,150	11,587	22,737	13,638	
Office costs	1,092	-	2,939	4,273	-	1,277	65,635	75,217	53,819	
Premises costs	-	-	-	-	-	-	55,531	55,531	44,623	
Depreciation	-	-	-	-	-	-	14,136	14,136	17,277	
Training and development	468	396	230	-	-	8	693	1,795	4,392	
Sundry	699	-	85	70	-	42	2,843	3,739	2,512	
Direct expenditure	32,181	293,177	189,556	240,168	53,845	46,799	343,841	1,199,568	1,244,205	
Support costs	13,754	82,522	106,591	123,783	17,192	-	(343,841)	-	-	
Governance costs	1,872	11,232	14,508	16,848	2,340	(46,799)	-	-	-	
Total expenditure 2019	47,807	386,931	310,655	380,799	73,377	-	-	1,199,568	1,244,205	
Total expenditure 2018	64,923	434,039	329,571	353,303	62,369	-	-	1,244,205		

Of the total expenditure, all was unrestricted (2018: £1,240,367) and none was restricted (2018: £3,838).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

6 Analysis of expenditure (prior year)

	Charitable activities							2018 Total £	2017 Total £
	Cost of raising funds £	Conferences and training £	Medico-legal services £	Advice, information and support £	Policy and external relations £	Governance costs £	Support costs £		
Staff costs (Note 8)	45,093	121,109	205,866	215,338	40,909	22,423	201,946	852,684	891,229
Direct cost of events	-	225,954	644	-	-	-	-	226,598	204,681
Travel, subsistence and accommodation	645	2,906	1,255	4,185	4,329	4,136	741	18,197	14,257
Call handling	-	-	-	3,237	-	-	-	3,237	3,391
Investment management fees	-	-	-	-	-	-	7,228	7,228	11,445
Other professional fees	-	-	-	-	2,400	7,000	4,238	13,638	15,295
Office costs	606	-	2,460	3,910	174	864	45,805	53,819	52,919
Premises costs	-	-	-	-	-	-	44,623	44,623	53,006
Depreciation	-	-	-	-	-	-	17,277	17,277	19,321
Training and development	530	47	219	157	73	75	3,291	4,392	3,687
Sundry	-	999	5	135	45	101	1,227	2,512	7,069
Direct expenditure	46,874	351,015	210,449	226,962	47,930	34,599	326,376	1,244,205	1,276,300
Support costs	16,319	75,066	107,704	114,232	13,055	-	(326,376)	-	-
Governance costs	1,730	7,958	11,418	12,109	1,384	(34,599)	-	-	-
Total expenditure 2018	64,923	434,039	329,571	353,303	62,369	-	-	1,244,205	1,276,300
Total expenditure 2017	58,620	442,725	301,654	395,648	77,653	-	-	1,276,300	

Of the total expenditure, £1,240,367 was unrestricted (2017: £1,276,300) and £3,838 was restricted (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

7 Net incoming resources for the year

This is stated after charging / (crediting):

	2019	2018
	£	£
Depreciation	14,136	17,277
Auditors' remuneration (excluding VAT):		
Audit - current year	7,000	6,850
Audit - previous year	-	150
Foreign exchange losses/(gains)	79	33
	<u>14,215</u>	<u>18,310</u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2019	2018
	£	£
Salaries and wages	746,511	758,510
Social security costs	68,939	71,053
Employer's contribution to defined contribution pension schemes	17,079	19,454
Redundancy and termination costs	-	3,667
	<u>832,529</u>	<u>852,684</u>

The following number of employees received employee benefits (excluding employer pension costs and national insurance) during the year between:

	2019	2018
	No.	No.
£70,000 - £79,999	<u>1</u>	<u>1</u>

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £123,026 (2018: £145,100).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel, subsistence and accommodation costs totalling £3,773 (2018: £3,935) incurred by 6 (2018: 7) members relating to attendance at trustee meetings and events.

9 Staff numbers

The average number of employees (head count based on total number of staff employed) during the year was as follows:

	2019	2018
	£	£
Raising funds	0.6	0.9
Conferences and training	4.0	4.0
Medico-legal services	5.1	5.6
Advice, information and support	6.0	5.7
Policy and external relations	0.8	0.7
Support	6.0	6.1
Governance	0.5	0.4
	<u>23.0</u>	<u>23.4</u>

The average number of employees (based on equivalent number of full-time staff employed) during the year was as follows:

	2019	2018
	£	£
Raising funds	0.6	0.8
Conferences and training	3.1	3.1
Medico-legal services	4.2	4.8
Advice, information and support	5.7	5.5
Policy and external relations	0.8	0.7
Support	4.1	4.4
Governance	0.5	0.4
	<u>19.0</u>	<u>19.6</u>

10 Related party transactions

There are no related party transactions to disclose for 2019 (2018: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2018: none).

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

12 Tangible fixed assets

	Computer equipment and website £	Office equipment and furniture £	EMIS database £	Total £
Cost or valuation				
At the start of the year	60,002	59,831	20,000	139,833
Additions in year	25,328	-	-	25,328
Disposals in year	-	-	-	-
At the end of the year	<u>85,330</u>	<u>59,831</u>	<u>20,000</u>	<u>165,161</u>
Depreciation				
At the start of the year	55,316	55,996	20,000	131,312
Charge for the year	12,219	1,917	-	14,136
Eliminated on disposal	-	-	-	-
At the end of the year	<u>67,535</u>	<u>57,913</u>	<u>20,000</u>	<u>145,448</u>
Net book value				
At the end of the year	<u>17,795</u>	<u>1,918</u>	<u>-</u>	<u>19,713</u>
At the start of the year	<u>4,686</u>	<u>3,835</u>	<u>-</u>	<u>8,521</u>

All of the above assets are used for charitable purposes. The leasehold property is disclosed separately, see [note 13](#).

13 Property

The charity owns the leasehold to Freedman House. This comprises 4 floors; the ground and first floor are currently occupied by the charity, the second and third floors are rented out. It is therefore a multi-use property. The entire property has previously been included as a tangible fixed asset at its original cost of £1,206,659. The investment portion was not carried at valuation, due to the high expense of obtaining valuations. However under Bulletin 2, Charity SORP this exemption is no longer allowed.

The property is now disclosed in two parts. The tangible asset represents the part of Freedman House that is currently used for operational purposes, the ground and first floors ([note 13a](#)). The second and third floors which are rented out are now included as investment property ([note 13b](#)).

Both parts are now included at valuation. As at 31 March 2018 the value for the total property was £2,050,000, a gain of £843,341 since the purchase of Freedman House in 2013. See [note 22](#) for prior year adjustment.

The property was revalued as at 31 March 2019. The value was found to have fallen by £150,000 to £1,900,000 in the year. The valuation was carried out on 16 August 2019 by Elliott & Company, Chartered Surveyors.

13a Tangible fixed assets: Leasehold property (ground and first floors)

	2019 £	2018 (as restated) £
Valuation		
At the start of the year	1,025,000	1,025,000
Additions in year	-	-
At the end of the year	<u>1,025,000</u>	<u>1,025,000</u>
Depreciation		
At the start of the year	-	-
Impairment losses	75,000	-
At the end of the year	<u>75,000</u>	<u>-</u>
Net book value		
At the end of the year	<u>950,000</u>	<u>1,025,000</u>

13b Investment property (second and third floors)

	2019 £	2018 (as restated) £
Fair value at the start of the year	1,025,000	1,025,000
Additions	-	-
Disposals	-	-
Revaluation during the year	(75,000)	-
Fair value at the end of the year	<u>950,000</u>	<u>1,025,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

14 Investments

	2019	2018
	£	£
Fair value at the start of the year	1,603,911	1,889,389
Additions at cost	-	-
Disposal proceeds	(612,421)	(329,900)
Net gain on change in fair value	99,638	40,911
Movements in cash element of portfolio	28,379	3,511
Fair value at the end of the year	<u>1,119,507</u>	<u>1,603,911</u>
Historic cost at the end of the year	<u>812,619</u>	<u>1,182,474</u>
Investments comprise:		
Investment Trusts/OEICs/REITs/SICAVs	1,084,559	1,597,342
Cash	34,948	6,569
	<u>1,119,507</u>	<u>1,603,911</u>
Share in subsidiary undertaking (see below)	99	99
	<u>1,119,606</u>	<u>1,604,010</u>

Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of AVMA Services Limited, a company registered in England. The company did not trade in this or the prior financial year. The subsidiary's net assets are £99 (2018: £99).

15 Debtors

	2019	2018
	£	£
Trade debtors	44,116	63,898
Other debtors	25,365	104,001
Prepayments	48,251	21,671
Accrued income	10,280	13,990
	<u>128,012</u>	<u>203,560</u>

16 Creditors: amounts falling due within one year

	2019	2018
	£	£
Taxation and social security	57,104	58,349
Other creditors	3,242	11,649
Accruals	24,780	19,609
Deferred income (note 17)	329,319	301,307
	<u>414,445</u>	<u>390,914</u>

17 Deferred income

Deferred income comprises subscriptions, conference fees and other income received in advance

	2019	2018
	£	£
Balance at the beginning of the year	301,307	293,009
Amount released to income in the year	(301,307)	(293,009)
Amount deferred in the year	329,319	301,307
Balance at the end of the year	<u>329,319</u>	<u>301,307</u>

18 Pension scheme

The charity contributes to a defined contribution stakeholder pension scheme for its employees. Contributions are set out in [note 8](#) above. There were no amounts owed at 31 March 2019 (2018: £nil).

**NOTES TO THE
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For the year ended 31 March 2019

19a Analysis of net assets between funds (current year)

	Restricted	General unrestricted	Fair value reserve	Designated	Total funds
	£	£	£	£	£
Tangible fixed assets - other	-	-	-	19,713	19,713
Tangible fixed assets - leasehold property	-	-	-	950,000	950,000
Investment property	-	-	-	950,000	950,000
Fixed asset investments	-	99	306,888	812,619	1,119,606
Investments - notice deposits	-	372,867	-	111,503	484,370
Other net current assets	162	423,552	-	-	423,714
Net	162	796,518	306,888	2,843,835	3,947,403

19b Analysis of net assets between funds (prior year)

	Restricted	General unrestricted	Fair value reserve	Designated	Total funds
	£	£	£	£	£
Tangible fixed assets - other	-	-	-	8,521	8,521
Tangible fixed assets - leasehold property	-	-	-	1,025,000	1,025,000
Investment property	-	-	-	1,025,000	1,025,000
Fixed asset investments	-	133,024	421,437	1,049,450	1,603,911
Investments - notice deposits	-	-	-	-	-
Other net current assets	162	380,765	-	-	380,927
Net	162	513,789	421,437	3,107,971	4,043,359

**NOTES TO THE
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For the year ended 31 March 2019

20a Movements in funds (current year)

	At the start of the year (restated)	Incoming and gains	Expenditure and losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Access audit	162	-	-	-	162
Total restricted funds	162	-	-	-	162
Unrestricted funds:					
Designated funds:					
Property value	2,050,000	-	(150,000)	-	1,900,000
Other fixed assets	8,521	-	(14,136)	25,328	19,713
Major repairs and maintenance	200,000	-	-	-	200,000
ICT replacement	43,395	-	-	(25,328)	18,067
Transitional fund	800,000	-	-	(100,000)	700,000
Connect Assist project	6,055	-	-	-	6,055
Total designated funds	3,107,971	-	(164,136)	(100,000)	2,843,835
Fair value reserve	421,437	-	-	(114,549)	306,888
General funds	513,789	1,253,612	(1,185,432)	214,549	796,518
Total unrestricted funds	4,043,197	1,253,612	(1,349,568)	-	3,947,241
Total funds	4,043,359	1,253,612	(1,349,568)	-	3,947,403

**NOTES TO THE
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For the year ended 31 March 2019

20b Movements in funds (prior year)

	At the start of the year (restated)	Incoming and gains	Expenditure and losses	Transfers	At the end of the year (restated)
	£	£	£	£	£
Restricted funds:					
Access audit	-	2,000	(1,838)	-	162
Consultation advice	-	2,000	(2,000)	-	-
Total restricted funds	-	4,000	(3,838)	-	162
Unrestricted funds:					
Designated funds:					
Property value	2,050,000	-	-	-	2,050,000
Other fixed assets	22,585	-	(17,277)	3,213	8,521
Major repairs and maintenance	200,000	-	-	-	200,000
ICT replacement	46,128	-	-	(2,733)	43,395
Transitional fund	900,000	-	-	(100,000)	800,000
Connect Assist project	6,055	-	-	-	6,055
Total designated funds	3,224,768	-	(17,277)	(99,520)	3,107,971
Fair value reserve	488,410	-	-	(66,973)	421,437
General funds	361,402	1,208,984	(1,223,090)	166,493	513,789
Total unrestricted funds	4,074,580	1,208,984	(1,240,367)	-	4,043,197
Total funds (note 22)	4,074,580	1,212,984	(1,244,205)	-	4,043,359

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

Purposes of restricted funds

Access audit: received from City Bridge Trust to carry out an access audit of Freedman House. The funder has agreed that the unspent balance may be spent on other similar work.

Consultation advice: received from Partners in Costs, towards professional advice on the consultation on Fixed Recoverable Costs.

Purposes of designated funds

Property value: the charity purchased the leasehold to Freedman House on 2 May 2013 for £1.2 million. This is now carried at valuation, and split 50:50 between functional fixed assets (ground & 1st floors) and investment property (2nd & 3rd floors).

Other fixed assets: reflects the reducing net book value of the ICT, website, furniture and office equipment. The transfer represents the cost of assets purchased in the year.

Major repairs and maintenance: for major works to maintain the value of the property in the future.

ICT replacement: to cover programme of ICT replacement. Transfers reflect ICT equipment which has been purchased during the year.

Transitional fund: to allow the charity to continue to meet its charitable objects at as near as possible the level of activity and impact as the year 2015-2016 whilst new sources of income are explored and where necessary expenditure reduced, moving toward a sustainable balanced budget in accordance with our 10-year financial plan. The funds are released on a straight line basis over 10 years.

Connect Assist project: to implement recommendations of Connect Assist report on data, website and helpline, including employment of temporary IT worker and software/website development costs. The balance is to be spent in the coming year.

Fair value reserve: this represents the unrealised gains/losses on fixed asset investments.

21 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2019	2018
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(95,956)	(31,221)
Depreciation charges	14,136	17,277
Gains on investments	(99,638)	(40,911)
Loss on property revaluation	150,000	-
Dividends, interest and rent from investments	(118,795)	(76,595)
Decrease/(increase) in debtors	75,548	(43,093)
Increase/(decrease) in creditors	23,531	16,427
Net cash used in operating activities	(51,174)	(158,116)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

22 Prior year adjustment

Reserves position	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	31 March 2018	31 March 2018		1 April 2017	1 April 2017	
	£	£	£	£	£	£
Funds previously reported	3,199,856	162	3,200,018	3,231,239	-	3,231,239
Adjustments on transition						
Revaluation of property:						
Functional (grd/1st floor)	421,670	-	421,670	421,670	-	421,670
Investment (2nd/3rd floors)	421,671	-	421,671	421,671	-	421,671
Funds restated on transition	<u>4,043,197</u>	<u>162</u>	<u>4,043,359</u>	<u>4,074,580</u>	<u>-</u>	<u>4,074,580</u>

As set out in [note 13](#) above, the leasehold property Freedman House was previously carried at cost in the accounts. In order to comply with Bulletin 2, Charity SORP as a mixed use property, it has now been split into its component parts and both parts are being carried at valuation.

The total increase of £843,341 has been made to both fixed assets and reserves as at 1/4/17. There is no impact on the net income/(expenditure) for either of the financial years ending 31/3/19 and 31/3/18.

23 Capital commitments

At the balance sheet date, the charity had no capital commitments (2018: £nil).

24 Contingent assets or liabilities

At the balance sheet date the charity had no contingent assets or liabilities.

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Action against Medical Accidents

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 **www.facebook.com/AvMAuk**

 **[@AvMAuk](https://twitter.com/AvMAuk)**

Action against Medical Accidents (AvMA) is a registered charity in England and Wales (number 299123) and in Scotland (number SCO39683)