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REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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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
Baroness Masham of Ilton
Umesh Prabhu
James Badenoch QC
Dame Professor Donna Kinnair

Honorary officers
Suzanne Shale
Chair
Caroline Browne
Vice-Chair
Angela Brown
Treasurer

Trustees
Moi Ali
Michael Andersson
Angela Brown
Caroline Browne
Jonathan Hazan
Nigel Holland
Linda Kenward
Jane Reid (*resigned March 2020*)
Suzanne Shale
Rachael Vasmer

Key management personnel
Peter Walsh
Chief Executive
Nicky Rushden
Finance Manager

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

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

Tavistock Private Client Ltd
The Barn, Downing Park
Station Rd, Swaffham Bulbeck
CAMBRIDGE, CB25 0NW

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 2020.

Reference and administrative information set out on pages 1 and 2 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 2019-2020

The achievements of particular note during the year were:

- Maintaining our core services to people affected by avoidable harm in healthcare at the same level as the previous year in difficult circumstances due to staff shortages during the year, which have now been largely resolved.
- Raising awareness of the dangers of the Government’s plans to introduce ‘fixed recoverable costs’ in clinical negligence following publication of the Civil Justice Council working party report on this subject.
- Engaging with key stakeholders over the need for a common understanding of what is meant by a ‘Just Culture’ in healthcare and seeking to ensure that it embraces the needs of patients and families and applies to policy making as well as how staff are dealt with.
- Improving the feedback, we seek and collect from our beneficiaries and starting a programme of work on engaging with and better understanding the needs of our beneficiaries.
- Making the case for funding of specialist independent advice for patients/families who experience avoidable harm in healthcare, including to health minister Caroline Dinenage, and building support for this.
- Publishing another impressive report on Patient Safety Alerts, prompting discussions with the Care Quality Commission and NHS Improvement on how the system can be improved.
- By the end of the year we had already recognised that the covid-19 pandemic and resultant closure or restriction of many healthcare services was having unintended consequences for patients with conditions other than covid-19. We started to raise awareness of this issue and seek urgent action to address it.

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 2019-20 we directly helped 2,747 people, with many others benefitting from our self-help guides and online information. This is almost exactly the same number as we helped in 2018-19.

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 2019-20 we advised on 1,991 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 6,780 people downloaded 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 are connected with one of AvMA's campaign priorities. In 2019-20 we opened 685 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.

96%

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

93%

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 19 – March 20

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Report and financial statements for the year ended 31 March 2020 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 11 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

60 families who were facing a forthcoming inquest, to help them prepare and/or to get legal representation at the inquest.

We have developed systems for collecting and analysing feedback from our beneficiaries, which helps us judge satisfaction and the impact of our work with them.

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.

100%

of inquest clients rated the quality of our service as "excellent" *

* Clients who responded to a feedback survey April 19 – March 20

"AvMA provided us with support throughout the inquest process and beyond. The coroner's verdict left no doubt that there were very serious failings which was the first major step in bringing justice and hopefully preventing any other family facing a similar situation in the future."

AvMA INQUEST CLIENT

"I recently attended a pre-inquest meeting where both the hospitals involved in my late husband's care had legal representation. Without AvMA's input, we would have been completely unprepared."

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. 2019-2020 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 due to its unique role.

We continued to engage with key stakeholders across the whole of the UK with regard to the Duty of Candour, including better implementation of it in England and Scotland and its adoption in Wales and Northern Ireland. The Department of Health in Northern Ireland invited us to do a significant amount of work in helping then

design a Duty of Candour there as a result of the Hyponatraemia Inquiry recommendations. We expect both Wales and Northern Ireland to adopt a statutory Duty of Candour in 2020-21.

Government proposals for fixed recoverable costs in clinical negligence continued to be a key area of concern. We made our concerns about the deeply flawed process and report of the Civil Justice Council working party known. Actual proposals from Government have been delayed probably due to the pandemic but are expected to emerge in 2020-21.

“Just Culture” is considered a key element of patient safety and is a priority in the Patient Safety Strategy for England. However, it is often defined inconsistently and often in terms which suggest that it is just about being fair to staff. We convened a workshop with a range of stakeholders in May 2019 to discuss just culture. This led us to draft a set of contents which would encompass the needs of patients and families and apply to policy making as well as operational issues and treatment

of staff. We met with a number of national stakeholders to canvass opinions and support for a common definition along these lines and hope to see this work bear fruit in 2020-21.

AvMA was represented on the Care Quality Commission’s advisory group and the subsequent family experience group for the *Learning from Deaths* project. Feedback from families underlined the need for specialist independent advice for families going through patient safety investigations and various other processes. Various national guidance also assumes that such advice or advocacy will be available for people going through investigations if they need it. However, whilst AvMA does what it can to support patients/families in this way using its own meagre resources, there is no funding provision made for this and consequently we can only help a tiny percentage of those who could benefit from this kind of service. We have spoken to a range of stakeholders about this and hope that this will lead to official recognition of this important gap and action to address it.

“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 like to use our own research to inform policy making where we can and decided this year to return to the subject of Patient Safety Alerts. We were fortunate to have the services of a highly qualified volunteer in the shape of Dr David Cousins who conducted research and wrote our report: *An organisation losing its memory? Patient Safety Alert implementation, monitoring and regulation in England*. We are using this to inform discussions with the Care Quality Commission and NHS Improvement about improving the system.

In March 2020 we recognised that many patients with conditions other than covid-19 were at high risk as a result of disruption to health services in response to the pandemic. We began to raise awareness of this huge issue which would continue to be a key priority for us in 2020-21. Some estimates suggest that more people could lose their lives as a result of the disruption and delays to diagnosis and treatment of non-covid conditions as do from the virus itself.

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. For example we became a member of the steering group working on a Complaints Standard Framework for England. Staff and trustees were also represented on several advisory groups for relevant research projects. We gave evidence to the Paterson Inquiry and the Independent Medicines and Devices Safety Review and made submissions to several formal consultations.

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

"I've found the information invaluable and the patience and understanding of your volunteers very impressive. I am very grateful for the helpline and the assistance it has given us during what has been a horrific ordeal."

AvMA CLIENT

"Very understanding and empathetic adviser who listened well and then suggested three really good options for me, one of which I am now pursuing."

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 Leeds and brought together 430 of the leading medical experts, lawyers and policy makers in the field. Overall, 1,123 delegates benefited from our 13 events during 2019-2020. In addition we provided event management for a highly successful patient safety conference for a fellow charity Patient Safety Learning and a hosted a highly successful event to mark World Patient Day in September, highlighting the contribution of patients and families to patient safety. Unfortunately two of our planned conferences in March 2020 had to be postponed due to the covid-19 pandemic. 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 good quality advice and representation from them.

92%

of delegates rated the Annual Clinical Negligence Conference as 8+ out of 10 *

100%

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

"The lectures struck a good balance between the medical information and how it applies to the work that we do as lawyers."

AvMA CONFERENCE DELEGATE

"I will apply the learning to most of my day-to-day work as my caseload of medical negligence cases is varied."

AvMA CONFERENCE DELEGATE

"I will be better informed about the medical matters discussed."

AvMA CONFERENCE DELEGATE

"Very well organised event. Enjoyed all of the lectures, difficult to say which was my favourite."

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 assessed 15 new applications to join the panel and 11 new appointments were made by the end of 2019-20. Four applications were deferred pending more experience being gained, or more evidence being submitted. We also started to assess 38 members for the panel. 8 solicitors left the panel for various reasons, including retirement.

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 expert advice and representation and, in our opinion, greater 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 a fundraising activity 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 charity has a Quality and Outcomes sub-committee 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.

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.

"I was so relieved to (finally!) talk to someone who really listened, understood my frustration, and could relate to my concerns.

She was so calm, patient and caring and I feel genuine empathy."

AvMA HELPLINE CLIENT

"I found the assistance I was given today exceptionally helpful and I found the lady I spoke to really really able to understand the issues I raised very quickly and she was very kind to me and made me feel reassured. Thank you very much."

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 2020-21 include:

- Commissioning and implementation of a new database for the organisation.
- Raising awareness and seeking urgent action to address risk of avoidable harm to non-covid patients as a result of disruption to health services during the pandemic.
- Intensive policy and influencing work around the Government's proposals for 'fixed recoverable costs' in clinical negligence or other legal reforms 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.

"It helped clarify what I needed to do next, and therefore move toward a resolution. I felt very confused and alone with it all and the helpline really helped me feel I wasn't on my own."

AvMA CLIENT

"It felt like a big load was lifted off my mind when I received the call back. I have now had my first appointment with one of the solicitors recommended. Great relief."

AvMA CLIENT

"A superb friendly service and source of independent advice."

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 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, 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 2019-20 one trustee retired (Jane Reid) bringing the total number of trustees to nine.

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 2020 was 9 (2019 -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 has 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 & 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 2019-20.

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 2019 saw the re-election of Suzanne Shale as Chair, Angela Brown was re-elected as Treasurer and Caroline Browne was re-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.

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 £254,233 in the year, Conferences and Training made a contribution of £106,650, Fundraising generated a £114,455 contribution and Other Charitable Trading generated £113,275. This covered the net cost of our public-facing Advice and Information Service of £214,287, our Policy & External Relations costs of £54,568 and most of our support costs, giving an overall net expenditure of £9,921 for the year. In addition, we realised gains on investments of £47,022 and had an unrealised loss on the value of investments of £46,721 for the year as a result of Covid; due to the structure of our portfolio this has been recouped since the year end.

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 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, and the trustees believe the value as at 31 March 2020 was not materially different. We also currently hold £1,071,345 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). It is not known when the Government will come forward with proposals but this will probably be towards the end of 2020 or early in 2021. 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 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 & Investment Committee, Quality & 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. In this light a more detailed risk register relating to the impact of Covid-19 on the charity has been produced, see following section.

IMPACT OF COVID-19 ON THE CHARITY

Although the impact of covid-19 only started to become clear in 2020-21, we are advised to comment on it here. Government advice to work at home if possible and then a full lock down created challenges for us at the start of the pandemic in terms of keeping operations running smoothly.

Fortunately, we had already invested in technology which enabled staff to work from home very efficiently without impacting services to our beneficiaries and other activities, except our conferences and events including fundraising based on events. Our enquiries for advice fell sharply at the start of lockdown but recovered to normal levels after a short period of time.

The inability to hold face to face conferences meant we have had to cancel a number of events planned for 2020-21 including our flagship Annual Clinical Negligence Conference which was expected to yield £150,000 profit. Some virtual events have been organised which have been successful and the Annual Clinical Negligence Conference has been put back to April 2021 in the hope that it would be feasible then. It is planned to hold an Annual Clinical Negligence Conference at the end of 2020-21 in order to recoup some of most of the lost revenue. Events based fundraising has also not been possible with restrictions in place. In total we estimate that we could lose

up to £244,000 anticipated income in 2020-21 (£150,000 of which we hope to recoup by running the extra Annual Clinical Negligence Conference in 2021-22).

A special covid-19 section of our Risk Register has been produced and we agreed a revised budget for 2020-21 taking account of the anticipated reduced income. This has also been factored into our ten year financial plan. Fortunately, we have sufficient reserves to be able to cope with the reduced income in 2020-21 without major impact to our operations. We are unable to estimate the impact in 2021-22 at this stage. There is a risk that restrictions will still be in place at the start of 2021-22 which would impact on our ability to run the planned conferences and events, but again our reserves should be sufficient to allow us to adapt in time, if we need to. We continue to monitor the situation and the risks very closely.

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 £542,622.

LEVEL OF RESERVES

We have free reserves of £665,153 at the year end (£1,080,561 general funds of which £415,408 is tied up in investments and notice deposits) (see note 19a). This is a shortfall of £249,745 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 8th December 2020 and signed on its behalf by

Peter Walsh
Company Secretary

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 2020 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 2020 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)

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 2020

	Note	Restricted £	Unrestricted £	2020 Total £	Restricted £	Unrestricted £	2019 Total £
Income from:							
Donations and legacies	2	-	147,440	147,440	-	108,623	108,623
Charitable activities							
Conferences and training	3	-	381,691	381,691	-	368,899	368,899
Medico-legal services	3	-	432,873	432,873	-	423,193	423,193
Advice, information and support	3	-	1,283	1,283	-	5,367	5,367
Other trading activities	4	-	134,983	134,983	-	128,896	128,896
Investments	5	-	47,022	47,022	-	118,795	118,795
Other		-	169	169	-	202	202
Total income		-	1,145,462	1,145,462	-	1,153,975	1,153,975
Expenditure on:							
Raising funds	6	-	45,140	45,140	-	47,807	47,807
Charitable activities							
Conferences and training	6	-	364,959	364,959	-	386,931	386,931
Medico-legal services	6	-	292,455	292,455	-	310,655	310,655
Advice, information and support	6	-	349,358	349,358	-	380,799	380,799
Policy and external relations	6	-	74,166	74,166	-	73,377	73,377
Charitable trading activities	6	-	29,305	29,305	-	-	-
Total expenditure		-	1,155,383	1,155,383	-	1,199,569	1,199,569
Net income / (expenditure) before net gains on investments		-	(9,921)	(9,921)	-	(45,594)	(45,594)
Net (losses)/gains on investments	14	-	(46,721)	(46,721)	-	99,638	99,638
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	-	(56,642)	(56,642)	-	(95,956)	(95,956)
Reconciliation of funds:							
Total funds brought forward	20	162	3,947,241	3,947,403	162	4,043,197	4,043,359
Total funds carried forward	20	162	3,890,599	3,890,761	162	3,947,241	3,947,403

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 2020

Company number 2239250

	Note	£	2020 £	£	Restated 2019 £
Fixed assets:					
Tangible assets: other	12		14,002		19,713
Tangible assets: leasehold property	13a		950,000		950,000
Investment property	13b		950,000		950,000
Investments	14		1,071,444		1,119,606
			2,985,446		3,039,319
Current assets:					
Debtors	15	95,277		128,012	
Investments: short term deposits		240,000		484,370	
Cash at bank and in hand		907,259		710,147	
		1,242,536		1,322,529	
Liabilities:					
Creditors: amounts falling due within one year	16	337,221		414,445	
Net current assets			905,315		908,084
Total assets less current liabilities			3,890,761		3,947,403
Total net assets			3,890,761		3,947,403
The funds of the charity:					
Restricted income funds	20a		162		162
Unrestricted income funds:					
Designated funds		2,732,675		2,843,835	
Fair value reserve		77,363		306,888	
General funds		1,080,561		796,518	
Total unrestricted funds			3,890,599		3,947,241
Total charity funds			3,890,761		3,947,403

Approved by the trustees on 8 December 2020 and signed on their behalf by

Dr Suzanne Shale
ChairDr Angela Brown
Treasurer

**STATEMENT OF
CASH FLOWS**

For the year ended 31 March 2020

Reconciliation of net income / (expenditure) to net cash flow from operating activities		2020	2019	
		£	£	
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		(56,642)	(95,956)	
Depreciation charges		12,702	14,136	
Losses/(gains) on investments		46,721	(99,638)	
Loss on property revaluation		-	150,000	
Dividends, interest and rent from investments		(47,022)	(118,795)	
Decrease/(increase) in debtors		32,735	75,548	
Increase/(decrease) in creditors		(77,224)	23,531	
Net cash used in operating activities		(88,730)	(51,174)	
		2020	2019	
	£	£	£	
Cash flows from operating activities				
Net cash used in operating activities		(88,730)	(51,174)	
Cash flows from investing activities:				
Dividends, interest and rents from investments		47,022	118,795	
Purchase of fixed assets		(6,990)	(25,328)	
Proceeds from sale of investments		670,088	612,421	
Purchase of fixed asset investments and cash invested into portfolio		(668,647)	(28,379)	
Net sale/(purchase) of current asset investments		244,370	(484,370)	
Net cash from investing activities		285,843	193,139	
Change in cash and cash equivalents in the year		197,113	141,965	
Cash and cash equivalents at the beginning of the year		710,147	568,182	
Cash and cash equivalents at the end of the year		907,260	710,147	
Analysis of cash and cash equivalents and of net debt		At 1 April 2019	Cash flows	At 31 March 2020
		£	£	£
Cash at bank and in hand		323,734	(109,702)	214,032
Notice deposits (less than three months)		386,413	306,814	693,227
Total cash and cash equivalents		710,147	197,112	907,259
Loans and finance lease obligations		-	-	-
Total		710,147	197,112	907,259

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 2020, 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, including the impact of covid on the charity within the year and going forward.

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 2020

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 | 23% |
| • Medico-legal services | 30% |
| • Advice, information and support | 36% |
| • Policy and external relations | 5% |
| • Raising funds | 4% |
| • Charitable trading activities | 2% |

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 2020

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

	2020	2019
	Total	Total
	£	£
Experts' donations	26,653	28,036
Others' events	22,650	19,117
Unclaimed clients' money	47,194	6,162
Legacies	-	8,308
Other donations	16,067	20,098
Corporate sponsorship	7,500	5,000
Sponsored leaflets	16,161	13,090
Other fundraising	11,215	8,812
Grants	-	-
	<u>147,440</u>	<u>108,623</u>

All funds for 2020 and 2019 were unrestricted.

**NOTES TO THE
FINANCIAL
STATEMENTS**

For the year ended 31 March 2020

3 Income from charitable activities

	2020	2019
	Total	Total
	£	£
Delegate, sponsor and webinar income	381,692	368,899
Total: conferences and training	381,692	368,899
Subscription fees	413,973	405,643
Referral panel fees	18,900	17,550
Total: medico-legal services	432,873	423,193
Other	1,283	5,367
Total: advice, information and support	1,283	5,367
Total income from charitable activities	815,848	797,459

All funds for 2020 and 2019 were unrestricted

4 Income from other trading activities

	2020	2019
	Total	Total
	£	£
AvMA events	1,071	-
Website subscriptions	98,007	89,953
Lawyers' service directory	11,874	12,479
Publications	12,678	12,186
Fees earned	11,353	14,278
	134,983	128,896

All funds for 2020 and 2019 were unrestricted

5 Income from investments

	2020	2019
	Total	Total
	£	£
Dividends and interest	23,042	19,735
Rent and lease surrender premiums	23,980	99,060
	47,022	118,795

All funds for 2020 and 2019 were unrestricted

**NOTES TO THE
FINANCIAL
STATEMENTS**

For the year ended 31 March 2020

6 Analysis of expenditure (current year)

	Charitable activities								2020 Total £	2019 Total £
	Cost of raising funds £	Conferences and training £	Medico-legal services £	Advice, information and support £	Policy and external relations £	Charitable trading activities	Gov-ernance costs £	Support costs £		
Staff costs (Note 8)	30,813	127,943	174,107	206,095	52,897	19,187	31,370	186,465	828,877	832,529
Direct cost of events	-	148,087	1,400	1,812	-	557	-	-	151,856	166,745
Travel, subsistence and accommodation	5	65	348	106	1,671	-	1,469	826	4,490	15,508
Call handling	-	-	-	3,141	-	-	-	-	3,141	3,556
Investment management fees	-	-	-	-	-	-	-	13,665	13,665	8,076
Other professional fees	-	-	-	-	-	600	7,650	6,998	15,248	22,737
Office costs	1,131	1,054	2,782	4,417	-	293	20	60,274	69,971	75,217
Premises costs	-	-	-	-	-	-	-	46,403	46,403	55,531
Depreciation	-	-	-	-	-	-	-	12,702	12,702	14,136
Training and development	-	-	-	-	-	-	-	5,461	5,461	1,795
Sundry	-	-	3	-	-	-	57	3,509	3,569	3,739
Direct expenditure	31,949	277,149	178,640	215,571	54,568	20,637	40,566	336,303	1,155,383	1,199,568
Support costs	11,771	78,358	101,564	119,386	17,489	7,735	-	(336,303)	-	-
Governance costs	1,420	9,452	12,251	14,401	2,109	933	(40,566)	-	-	-
Total expenditure 2020	45,140	364,959	292,455	349,358	74,166	29,305	-	-	1,155,383	1,199,568
Total expenditure 2019	47,807	386,931	310,655	380,799	73,377	-	-	-	-	1,199,568

All expenditure in 2020 and 2019 was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

6 Analysis of expenditure (prior year)

	Charitable activities							2019 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)	29,915	124,279	184,543	228,283	50,656	30,413	184,440	832,529
Direct cost of events	-	166,070	676	-	-	-	-	166,745
Travel, subsistence and accommodation	7	2,433	1,083	3,986	3,189	3,909	902	15,508
Call handling	-	-	-	3,556	-	-	-	3,556
Investment management fees	-	-	-	-	-	-	8,076	8,076
Other professional fees	-	-	-	-	-	11,150	11,587	22,737
Office costs	1,092	-	2,939	4,273	-	1,277	65,635	75,217
Premises costs	-	-	-	-	-	-	55,531	55,531
Depreciation	-	-	-	-	-	-	14,136	14,136
Training and development	468	396	230	-	-	8	693	1,795
Sundry	699	-	85	70	-	42	2,843	3,739
Direct expenditure	32,181	293,177	189,556	240,168	53,845	46,799	343,841	1,199,568
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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

7 Net incoming resources for the year

This is stated after charging / (crediting):

	2020	2019
	£	£
Depreciation	12,702	14,136
Auditors' remuneration (excluding VAT):		
Audit - current year	7,150	7,000
Foreign exchange losses/(gains)	(5)	79
	<u>19,847</u>	<u>21,295</u>

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

Staff costs were as follows:

	2020	2019
	£	£
Salaries and wages	745,643	746,511
Social security costs	66,252	68,939
Employer's contribution to defined contribution pension schemes	16,982	17,079
	<u>828,877</u>	<u>832,529</u>

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

	2020	2019
	No.	No.
£70,000 - £79,999	1	1
£60,000 - £69,999	1	1
	<u>2</u>	<u>2</u>

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £126,200 (2019: £123,026).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel, subsistence and accommodation costs totalling £1,556 (2019: £3,773) incurred by 5 (2019: 6) members relating to attendance at trustee meetings and events and telephone costs.

9 Staff numbers

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

	2020	2019
	£	£
Raising funds	0.6	0.6
Conferences and training	4.0	4.0
Medico-legal services	5.2	5.1
Advice, information and support	6.1	6.0
Policy and external relations	0.9	0.8
Charitable trading activities	0.4	-
Support	5.0	6.0
Governance	0.6	0.5
	<u>22.8</u>	<u>23.0</u>

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

	2020	2019
	£	£
Raising funds	0.6	0.6
Conferences and training	3.1	3.1
Medico-legal services	4.0	4.2
Advice, information and support	5.7	5.7
Policy and external relations	0.8	0.8
Charitable trading activities	0.3	-
Support	4.1	4.1
Governance	0.5	0.5
	<u>19.1</u>	<u>19.0</u>

10 Related party transactions

There are no related party transactions to disclose for 2020 (2019: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2019: none).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

11 Taxation

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

12 Tangible fixed assets

	Computer equipment and website £	Office equipment and furniture £	EMIS database £	Total £
Cost or valuation				
At the start of the year	85,330	59,831	20,000	165,161
Additions in year	5,449	1,541	-	6,990
Disposals in year	-	-	-	-
At the end of the year	<u>90,779</u>	<u>61,372</u>	<u>20,000</u>	<u>172,151</u>
Depreciation				
At the start of the year	67,535	57,913	20,000	145,448
Charge for the year	11,169	1,532	-	12,701
Eliminated on disposal	-	-	-	-
At the end of the year	<u>78,704</u>	<u>59,445</u>	<u>20,000</u>	<u>158,149</u>
Net book value				
At the end of the year	<u>12,075</u>	<u>1,927</u>	<u>-</u>	<u>14,002</u>
At the start of the year	<u>17,795</u>	<u>1,918</u>	<u>-</u>	<u>19,713</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 rental. It is therefore a multi-use property. Before 31 March 2018 the entire property had been included as a tangible fixed asset at its original cost of £1,206,659. The investment portion had not been carried at valuation, due to the high expense of obtaining valuations. However under Bulletin 2, Charity SORP this exemption was no longer allowed.

Since this change, the property has been 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 held for rental are included as investment property (note 13b).

Both parts are 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. The property was revalued as at 31 March 2019 and 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. This was an overall gain of £693,341 compared to cost.

The trustees carried out an informal valuation at 31 March 2020, based on consideration of local property price movements and informal advice from our estate agent. Although property prices have been negatively impacted since the year end by Covid, we have been advised that the building could realistically be marketed at a value higher than the year end valuation. The trustees believe therefore that the the existing valuation therefore remains appropriate.

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

	2020 £	2019 £
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	75,000	-
Impairment losses	-	75,000
At the end of the year	<u>75,000</u>	<u>75,000</u>
Net book value		
At the end of the year	<u>950,000</u>	<u>950,000</u>

**NOTES TO THE
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For the year ended 31 March 2020

13b Investment property (second and third floors)

	2020	2019
	£	£
Fair value at the start of the year	950,000	1,025,000
Additions	-	-
Disposals	-	-
Revaluation during the year	-	(75,000)
Fair value at the end of the year	<u>950,000</u>	<u>950,000</u>

14 Investments

	2020	2019
	£	£
Fair value at the start of the year	1,119,507	1,603,911
Additions at cost	668,560	-
Disposal proceeds	(670,088)	(612,421)
Net (loss)/gain on change in fair value	(46,721)	99,638
Movements in cash element of portfolio	87	28,379
Fair value at the end of the year	<u>1,071,345</u>	<u>1,119,507</u>
Historic cost at the end of the year	<u>993,982</u>	<u>812,619</u>
Investments comprise:		
Investment Trusts/OEICs/REITs/SICAVs	1,036,310	1,084,559
Cash	35,035	34,948
	<u>1,071,345</u>	<u>1,119,507</u>
Share in subsidiary undertaking (see below)	99	99
	<u>1,071,444</u>	<u>1,119,606</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 (2019: £99).

15 Debtors

	2020	2019
	£	£
Trade debtors	1,382	44,116
Other debtors	28,168	25,365
Prepayments	52,731	48,251
Accrued income	12,996	10,280
	<u>95,277</u>	<u>128,012</u>

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Taxation and social security	39,461	57,104
Other creditors	8,286	3,242
Accruals	19,139	24,780
Deferred income (note 17)	270,335	329,319
	<u>337,221</u>	<u>414,445</u>

17 Deferred income

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

	2020	2019
	£	£
Balance at the beginning of the year	329,319	301,307
Amount released to income in the year	(329,319)	(301,307)
Amount deferred in the year	270,335	329,319
Balance at the end of the year	<u>270,335</u>	<u>329,319</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 2020 (2019: £nil).

**NOTES TO THE
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For the year ended 31 March 2020

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

	Restricted	General unrestricted	Fair value reserve	Designated	Total funds
	£	£	£	£	£
Tangible fixed assets - other	-	-	-	14,002	14,002
Tangible fixed assets - leasehold	-	-	-	950,000	950,000
Investment property	-	-	-	950,000	950,000
Fixed asset investments	-	175,408	77,363	818,673	1,071,444
Investments - notice deposits	-	240,000	-	-	240,000
Other net current assets	162	665,153	-	-	665,315
Net	162	1,080,561	77,363	2,732,675	3,890,761

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

	Restricted	General unrestricted	Fair value reserve	Designated	Total funds
	£	£	£	£	£
Tangible fixed assets - other	-	-	-	19,713	19,713
Tangible fixed assets - leasehold	-	-	-	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

**NOTES TO THE
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For the year ended 31 March 2020

20a Movements in funds (current year)

	At the start of the year £	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	1,900,000	-	-	-	1,900,000
Other fixed assets	19,713	-	(12,701)	6,990	14,002
Major repairs and maintenance	200,000	-	-	-	200,000
ICT replacement	18,067	-	-	(5,449)	12,618
Transitional fund	700,000	-	-	(100,000)	600,000
Connect Assist project	6,055	-	-	-	6,055
Total designated funds	2,843,835	-	(12,701)	(98,459)	2,732,675
Fair value reserve	306,888	-	-	(229,525)	77,363
General funds	796,518	1,098,741	(1,142,682)	327,984	1,080,561
Total unrestricted funds	3,947,241	1,098,741	(1,155,383)	-	3,890,599
Total funds	3,947,403	1,098,741	(1,155,383)	-	3,890,761

**NOTES TO THE
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STATEMENTS**

For the year ended 31 March 2020

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
	£	£	£	£	£
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	-	(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 (note 22)	4,043,359	1,253,612	(1,349,568)	-	3,947,403

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

Purposes of designated funds

Property value: the charity purchased the leasehold to Freedman House on 2 May 2013 for £1.2 million. This has been carried at valuation since 31 March 2018, and is 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 has been spent in 2020/21.

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

21 Capital commitments

At the balance sheet date, the charity had no capital commitments (2019: £nil).

22 Contingent assets and liabilities

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

At the year end the charity had been notified of a material legacy that it was unable to measure reliably at the time. Since the year end the charity considers the value to be in the region of £400,000 - £450,000 as at the signing date.

23 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.

24 Post Balance Sheet events

It has been noted that the volatility in the world's stock markets as a result of the COVID-19 pandemic has caused a reduction in investment portfolio at the year end. Since the year end the value of the investments have recovered to £1,232,861 as at 21 October 2020.

Action against Medical Accidents

Freedman House
Christopher Wren Yard
117 High Street
Croydon CR0 1QG

020 8688 9555

www.avma.org.uk

 **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)