

Action against Medical Accidents

Report and financial statements

For the year ended 31 March 2021

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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
Moi Ali
Chair (from December 2020)
Caroline Browne
Vice-Chair
Jonathan Hazan
Treasurer (from October 2021)

Trustees
Moi Ali
Michael Andersson
Angela Brown
(retired October 2021)
Caroline Browne
Janine Collier
(appointed March 2021)
Jocelyn Cornwell
(appointed March 2021)
Maggie Davies
(appointed March 2021)
Jonathan Hazan
Nigel Holland
Linda Kenward
(resigned October 2021)
Bill Kilvington
(appointed March 2021)
Suzanne Shale
(resigned December 2020)
Rachael Vasmer
(resigned December 2020)

Trainee trustees (non-voting)
Amrat Khorana (appointed March 2021)
Mary Smith (appointed March 2021)

Key management personnel
Peter Walsh
Chief Executive
Nicky Rushden
Finance Manager

Bankers
Co-operative Bank plc
Delf House, Southway
SKELMERDALE, 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 2021.

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.

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.

2020-21 in a nutshell:

Our key activities, including achievements and performance in 2020 – 2021

The achievements of particular note during the year were:

- We maintained our core services to people affected by avoidable harm in healthcare, and other activities, in spite of the challenges posed by the Covid-19 pandemic and adapted to staff working from home remarkably well
- We suffered large financial losses due to not being able to hold face to face conferences or fundraising events due to the pandemic, including our flagship Annual Clinical Negligence Conference. However, we reacted to the changed circumstances well by running successful online events
- We launched a campaign together with the Harmed Patients Alliance and other stakeholders for a ‘Harmed Patient Care Pathway’ and engaged 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.
- We continued to improve the systems we use to collect feedback from our beneficiaries and developing our programme of work on engaging with and better understanding the needs of our beneficiaries.
- We continued to make the case to a wide range of stakeholders including the Department of Health and Social Care for funding of specialist independent advice for patients/families who experience avoidable harm in healthcare and building support for this
- We took a lead in speaking up for patients with conditions other than Covid-19 affected by disruption to health services and calling for urgent action to address this
- We started 2021-22 with a refreshed board of trustees with four new trustees with impressive backgrounds appointed in March 2021 and with Moi Ali having succeeded Suzanne Shale as chair in December 2020. We also took the innovative step of recruiting two ‘trainee trustees’ to help attract new talent without formal board experience so that they can gain governance experience before taking on the full trustee role

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 2020-21 we directly helped 2,590 people (just 6% less than the previous year, despite the pandemic), with many others benefitting from our self-help guides and online information. There were nearly 11,500 downloads of these.

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 explain people's rights, how different medico-legal processes and procedures work, and they put people in touch with other specialist support where needed. We are grateful to our team of 60 trained volunteers who enable us to make this service available Monday to Friday 10am-3.30pm. In 2020-21 we advised on 1,894 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.

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 link with one of AvMA's campaign priorities. In 2020-21 we opened 613 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.

An important part of our casework is the support we provide to families involved in healthcare related inquests. This empowers families 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 barristers' generous donation of time, and also involves a huge investment of time and effort in our staff instructing the barrister, supporting the family, and attending the inquests. We helped eight families in this way over the year and started preparatory work for representing two other families. A number of important conclusions were arrived at in inquests where we arranged representation for families, including recommendations for improving patient safety, which may not have been had we not been involved. Families gained a better insight into the circumstances leading to their family member's death. In addition we gave advice to a further 76 families who were facing a forthcoming inquest, to help them prepare and/or to get legal representation at the inquest. Supporting families at inquests was made more challenging due to the pandemic, as coroners' courts closed for a period; travel was not always possible; and some hearings and meetings had to be held online. We have noticed a trend in inquests becoming more complex and taking more time (more often than not being listed for a minimum of 3 days, and in one of our inquests lasting 6 days). This reduces the number of inquests we are able to take on with existing resources. We assisted through the pandemic by participating in remote and partial remote hearings and pre inquest review hearings. Remote/partial remote hearings are likely to be part of the future. We were able to do this because our IT was able to facilitate participation in remote hearings.

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.

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.

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 than we can ever reach ourselves. 2020-21 was another busy year for AvMA in 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.

Whilst the NHS response to the pandemic – particularly the role played by health and social care staff – was impressive and often heroic, we quickly became aware of the knock-on effects of the disruption of services for patients with non-Covid-19 conditions. For example, some estimates of lost lives/opportunities for cancer patients put the avoidable deaths as high potentially as deaths due to Covid-19 itself. We took a lead together with other stakeholders and experts to raise awareness of the problem and seek more urgent action to address it, achieving substantial media coverage and attention being given to this issue.

Our work around 'just culture' in healthcare and the work we did with our beneficiaries on understanding the harmed patient's journey led us to recognise the need to look at how the NHS should deal with the holistic needs of harmed patients and their families. Together with colleagues in the new organisation Harmed Patients Alliance, we developed the concept of a 'Harmed Patient Care Pathway' – an acknowledgement of a specific duty of care for patients who experience harm, and their families, and a set of different kinds of support which should be made available to them. We jointly launched a campaign for a Harmed Patient Care Pathway and formed an advisory group of stakeholders. This has been very well received by many stakeholders in healthcare and our beneficiaries. Our hope is that following further development of the concept and piloting of the approach this will lead to a much better defined and resourced approach to supporting harmed patients and their families.

We continued to engage with key stakeholders across the UK about the Duty of Candour, including better implementation of it in England and Scotland and its adoption in Wales and Northern Ireland. We worked with the Department of Health in Northern Ireland in helping them design a Duty of Candour there as a result of the Hyponatraemia Inquiry recommendations.

We worked collaboratively with NHS Resolution and other organisations to develop a Clinical Negligence Protocol for cases during the pandemic. This facilitated additional protections for clients by making suspension of the limitation period a right (subject to criteria stipulated in the CNP being met). We have been able to protect families who are attending inquests by making provision for the limitation period to be suspended for three months for any civil/Human Rights Act claim identified either before or as a result of the inquest hearing. It is estimated that the Protocol may have saved around three million pounds of taxpayers money already. Going forward we hope to build on this collaborative approach even when the pandemic is over.

Government proposals for fixed recoverable costs in clinical negligence continued to be a key area of concern. Proposals from Government have been delayed, probably due to the pandemic, but are expected to emerge in 2021-22 and may now include even more radical proposals. We continued to make the case for full access to justice for harmed patients/their families; that this is a vital part of a 'just culture', and also important for ensuring lessons are learnt for patient safety.

As well as work that grabs the headlines, AvMA continued to bring an expert patient perspective to patient safety and justice issues 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 were an active member of the steering group working on a Complaints Standard Framework for England, led by the Parliamentary and Health Service Ombudsman. Staff and trustees were also represented on several advisory groups for relevant research projects. We gave evidence to the Health and Social Care Select Committee's review of safety in maternity services and to the Justice Committee's review of the Coroners' Service. The Justice Committee's report quoted AvMA's evidence and made welcome recommendations in line with our advice, including making legal aid available for legal representation of families at inquests. We also made submissions to several formal consultations including NHS England/Improvement's Framework for Involving Patients and Families in patient Safety.

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'/access to justice should mean that more people retain the ability to access justice and ensure health providers recognise they have made a mistake.

Conferences and training (Spreading awareness and good practice)

AvMA rolled out an impressive portfolio of conferences, training and events in spite of the pandemic meaning face-to-face events were not possible. Unfortunately, our flagship annual Clinical Negligence and Medical Law conference, which was to be held in Bournemouth in 2020, had to be cancelled, as did other planned face-to-face events, resulting in large reductions in anticipated income. However, we adapted well to the changed circumstances by developing virtual online events. These proved popular and profitable and this is something we will benefit from going forward with what will probably be a mixed portfolio of face-to-face and virtual events. Overall, 612 delegates benefited from our 6 online conferences during 2020-2021 compared with 1,123 in 2019-20. A further 128 viewed our online webinars. **100% of attendees who completed evaluation forms for our events replied "Yes" when asked "Do you expect that you will use the learning from this conference in your work?"**. Whilst attendees commented on advantages of online events, including not having to travel and the online 'chat' function, comments also reflected an appetite for face-to-face events returning – especially the annual Clinical Negligence and Medical Law conference. To maximise chances of this going ahead in 2021-22, and delegates feeling safe to attend, our next Clinical Negligence and Medical Law conference has been put back to March 2022 (in Leeds).

Impact

Enhancing the skills and knowledge of legal and health professionals results in our beneficiaries receiving good quality advice and representation from them.

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. Law firms subscribe to this service, which provides AvMA's single biggest income stream. Most of the services continued to be provided uninterrupted by the pandemic, with staff working from home. However, our regional Lawyers' Service Group meetings had to move to an online format. These meetings usually involve a medical and a legal speaker as well as an AvMA update and provide an opportunity for networking. The online meetings were well received in the circumstances, but we are exploring how best to arrange these meetings going forward.

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.

We continued to assess and accredit clinical negligence solicitors for our 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 made 11 new appointments to the panel during the year and reaccredited 29 panel members – very much on a par with recent years in spite of the pandemic. One of the key aims in the operation of the AvMA Panel is improving standards of clinical negligence practice by sharing best practice. Best practice benchmarks are drawn from applications to the panel, particularly from the most experienced senior lawyers, as well as the contribution of external interviewers, but always with a focus on what is in clients' best interests. Those benchmarks are continually changing as standards improve. We always interview new applicants, including those who have been advised they do not meet the

required standard, as this enables us to offer advice on how they can improve. We do this as they will be providing clinical negligence advice with or without us, so we wish to ensure that their clients receive the best service. We are very grateful to David Kerry, an experienced former panel member, who helps us on a voluntary basis with assessing and interviewing applicants.

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.

AvMA's work in Scotland

As a charity registered in Scotland (as well as England and Wales) our activities north of the border include our Helpline and Casework Service, which can be accessed by people in Scotland. We continued to liaise with bodies such as Scottish Government, NHS Improvement Scotland, the Scottish Public Services Ombudsman and the Patient Advice and Support Service Scotland and contributed to discussions about patient safety and justice. In particular, we continued to engage about implementation of the Duty of Candour in Scotland.

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 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 received no formal complaints about AvMA during the year. However, we continue to monitor feedback and look into any concerns expressed. We introduced a "you said, we did" section to our Newsletter to demonstrate we take such feedback seriously.

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.

Plans for the future

Our five-year strategic plan sets out our strategic objectives for five years from 2019-2024 and our plans for achieving them. We held a mid-term review of our strategy in October 2021.

AvMA's plans for 2021-22 include:

- Significant investment in new IT including implementation of a new database and new finance software.
- Awareness-raising and development work around the concept of a 'Harmed Patient Care Pathway'
- Agreeing a strategy for our property and staff working arrangements post-pandemic
- We anticipate having to do intensive policy and influencing work around the Government's expected legal reforms, including proposals for 'fixed recoverable costs' in clinical negligence and other legal reforms which we fear may be injurious to access to justice and patient safety.
- Continuing to support good practice in implementing the Duty of Candour in England, with appropriate awareness-raising and training.
- Continuing to work with the governments in Wales and Northern Ireland on the introduction of a Duty of Candour.
- Introducing a new 'junior solicitor' certification scheme to acknowledge and develop solicitors 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 our beneficiaries with the appointment of a Beneficiary Engagement Facilitator and establishment of a Beneficiary Advisory Committee
- Seeking accreditation of our advice services.
- Commissioning a new website
- Hopefully, a return to face-to-face conferences and fundraising events, with the next Annual Clinical Negligence Conference planned for March 2022 in Leeds

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 2020-21 two trustees resigned and four were appointed bringing the total number of trustees to eleven at the year end. Since the year end one trustee has retired and one has resigned bringing the current total to nine. In addition, two new 'trainee trustees' were appointed during the year.

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 2021 was 11 (2020 - 9). 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 and 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 2020-21.

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 2020 saw the resignation of Suzanne Shale as Chair and Trustee, Moi Ali was elected as Chair, Angela Brown was re-elected as Treasurer and Caroline Browne was re-elected as Vice-Chair. Jonathan Hazan was appointed treasurer on an interim basis following Angela Brown's retirement in October 2021.

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 £219,034 in the year and Other Charitable Trading generated £115,896. Other income was badly hit by Covid-19: Conferences and Training made a loss of £54,056; Fundraising generated a contribution of £37,099 plus a generous legacy of £450,000 which was received in June 2021 and accrued in the year. Overall this covered the net cost of our public-facing Advice and Information Service of £227,131, our Policy & External Relations costs of £42,828 and our support costs, giving an overall net income of £85,506 for the year. In addition, we had unrealised gains on investments of £214,533, most of which was realised after the year end in a portfolio restructure.

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 £1,600,000 as at 31 March 2021, a fall of £300,000 in the year as a result of changes in the market for office properties; it is still £393,341 higher than the original cost. We also currently hold £1,183,707 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 operating 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, de-risking the short-term element of the portfolio and assuming medium risk for the long-term part.

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 and two other floors are being marketed for lease.

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.

Impact of Covid-19 on the charity

Throughout the year we kept operations running smoothly. Fortunately, we had already invested in technology which enabled staff to continue 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 remained at normal levels throughout the year.

Face to face events have had to be cancelled or rescheduled due to Covid-19. The second main lockdown meant the ACNC was not feasible as face to face in April 2021 and it was not possible to reschedule for later in the year; the next one will be in March 2022. We have been successful in adapting our portfolio of events post Covid-19 to include more profitable/popular virtual events on an ongoing basis as well as planning to return to face-to-face events where appropriate. The virtual 'not the ACNC' event was a great success.

Events based fundraising has also not been possible with restrictions in place. We have been concentrating on maximising income from non-events based fundraising whilst these are not possible and are working with our supporters to plan ahead for events once this is possible. Notwithstanding all the challenges, every effort has been made to maximise alternative fundraising and sponsorship income and the financial year finished on a positive note with the pandemic having less impact than originally feared, leaving forecast income from fundraising at 77% of the original budget. In addition we received £450,000 of the anticipated legacy after the year end, with a small additional amount expected

Covid-19 has been specifically considered in all areas of our Risk Register, and the impact has factored into our ten year financial plan. We anticipate that income streams will return to close to normal levels within the next two years. Fortunately, we have sufficient reserves to be able to cope with the temporarily reduced income without major impact to our operations. 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 £558,123.

Level of reserves

We have free reserves of £624,285 at the year end (£799,693 general funds of which £175,408 is tied up in investments) (see note 19a). This is an excess of £66,162 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 7 December 2021 and signed on its behalf by

Nigel Holland

Trustee

Peter Walsh

Company Secretary

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 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Action against Medical Accidents' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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; and
- 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 directors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Noelia Serrano (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 2021

			2021		2020
		Restricted	Unrestricted	Total	Total
	Note	£	£	£	£
Income from:					
Donations and legacies	2	-	518,898	518,898	147,440
Charitable activities					
Conferences and training	3	-	82,675	82,675	381,692
Medico-legal services	3	-	394,370	394,370	432,873
Advice, information and support	3	-	796	796	1,283
Other trading activities	4	-	140,353	140,353	134,983
Investments	5	-	50,391	50,391	47,022
Other		-	228	228	169
Total income		-	1,187,711	1,187,711	1,145,462
Expenditure on:					
Raising funds	6	-	46,619	46,619	45,140
Charitable activities					
Conferences and training	6	-	236,766	236,766	364,959
Medico-legal services	6	-	317,979	317,979	292,455
Advice, information and support	6	162	403,290	403,452	349,358
Policy and external relations	6	-	62,743	62,743	74,166
Charitable trading activities	6	-	34,646	34,646	29,305
Total expenditure		162	1,102,043	1,102,205	1,155,383
Net income / (expenditure) before net gains on investments		(162)	85,668	85,506	(9,921)
Net (losses)/gains on investments	14	-	214,533	214,533	(46,721)
Net losses on investment property	13b	-	(150,000)	(150,000)	-
Impairment loss on leasehold property	13a	-	(150,000)	(150,000)	-
Net income / (expenditure) for the year	7	(162)	201	39	(56,642)
Reconciliation of funds:					
Total funds brought forward	20	162	3,890,599	3,890,761	3,947,403
Total funds carried forward	20	-	3,890,800	3,890,800	3,890,761

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 2021

Company number 2239250

	Note	£	2021 £	2020 £
Fixed assets:				
Tangible assets: other	12		4,362	14,002
Tangible assets: leasehold property	13a		800,000	950,000
Investment property	13b		800,000	950,000
Investments	14		1,183,806	1,071,444
			2,788,168	2,985,446
Current assets:				
Debtors	15	605,254	95,277	
Investments: short term deposits		-	240,000	
Cash at bank and in hand		1,038,455	907,259	
		1,643,709	1,242,536	
Liabilities:				
Creditors: amounts falling due within one year	16	541,077	337,221	
Net current assets			1,102,632	905,315
Total assets less current liabilities			3,890,800	3,890,761
Total net assets			3,890,800	3,890,761
The funds of the charity:	20a			
Restricted income funds			-	162
Unrestricted income funds:				
Designated funds		2,786,690	2,732,675	
Fair value reserve		304,417	77,363	
General funds		799,693	1,080,561	
Total unrestricted funds			3,890,800	3,890,599
Total charity funds			3,890,800	3,890,761

Approved by the trustees on 7 December 2021 and signed on their behalf by

Nigel Holland
Trustee

Statement of cash flows

For the year ended 31 March 2021

Reconciliation of net income / (expenditure) to net cash flow from operating activities		2021	2020
		£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		39	(56,642)
Depreciation charges		11,930	12,702
(Gains)/losses on investments		(214,533)	46,721
Loss on property revaluation		300,000	-
Dividends, interest and rent from investments		(50,391)	(47,022)
(Increase)/decrease in debtors		(509,977)	32,735
Increase/(decrease) in creditors		203,856	(77,224)
Net cash used in operating activities		(259,076)	(88,730)
		2021	2020
		£	£
Cash flows from operating activities	£	£	£
Net cash used in operating activities		(259,076)	(88,730)
Cash flows from investing activities:			
Dividends, interest and rents from investments	50,391	47,022	
Purchase of fixed assets	(2,290)	(6,990)	
Proceeds from sale of investments	99,980	670,088	
Purchase of fixed asset investments and cash invested into portfolio	2,191	(668,647)	
Net sale of current asset investments	240,000	244,370	
Net cash from investing activities		390,272	285,843
Change in cash and cash equivalents in the year		131,196	197,113
Cash and cash equivalents at the beginning of the year		907,259	710,146
Cash and cash equivalents at the end of the year		1,038,455	907,259
Analysis of cash and cash equivalents and of net debt			
	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	214,032	87,930	301,962
Notice deposits (less than three months)	693,227	43,266	736,493
Total cash and cash equivalents	907,259	131,196	1,038,455
Total	907,259	131,196	1,038,455

Notes to the financial statements

For the year ended 31 March 2021

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.

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-19 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.

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.

1 Accounting policies (continued)

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 | 22% |
| • Medico-legal services | 31% |
| • Advice, information and support | 38% |
| • Policy and external relations | 4% |
| • Raising funds | 3% |
| • 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 |

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.

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.

1 Accounting policies (continued)

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

	2021 Total £	2020 Total £
Experts' donations	11,496	26,653
Others' events	(64)	22,650
Unclaimed clients' money	19,242	47,194
Legacies	456,327	-
Other donations	9,804	16,067
Corporate sponsorship	7,500	7,500
Sponsored leaflets	13,605	16,161
Other fundraising	987	11,215
	518,898	147,440

All funds for 2021 and 2020 were unrestricted.

3 Income from charitable activities

	2021 Total £	2020 Total £
Delegate, sponsor and webinar income	82,675	381,692
Total: conferences and training	82,675	381,692
Subscription fees	381,920	413,973
Referral panel fees	12,450	18,900
Total: medico-legal services	394,370	432,873
Other	796	1,283
Total: advice, information and support	796	1,283
Total income from charitable activities	477,841	815,848

All funds for 2021 and 2020 were unrestricted.

4 Income from other trading activities

	2021 Total £	2020 Total £
AvMA events	-	1,071
Website subscriptions	101,532	98,007
Lawyers' service directory	11,040	11,874
Publications	12,714	12,678
Fees earned	15,066	11,353
	140,353	134,983

All funds for 2021 and 2020 were unrestricted.

5 Income from investments

	2021 Total £	2020 Total £
Dividends and interest	8,811	23,042
Rent	41,580	23,980
	50,391	47,022

All funds for 2021 and 2020 were unrestricted.

6a Analysis of expenditure (current year)

	Cost of raising funds	Charitable activities					Governance costs	Support costs	2021 Total	2020 Total
		Conferences and training	Medico-legal services	Advice, information and support	Policy and external relations	Charitable trading activities				
	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	31,553	126,122	170,877	219,203	42,333	19,877	31,476	230,690	872,132	828,877
Direct cost of events	-	10,159	1,507	796	-	3,980	-	-	16,442	151,856
Travel, subsistence and accommodation	-	-	-	42	-	-	55	-	97	4,490
Call handling	-	-	-	4,792	-	-	-	-	4,792	3,141
Investment management fees	-	-	-	-	-	-	-	9,629	9,629	13,665
Other professional fees	-	-	-	-	450	600	7,300	5,851	14,201	15,248
Office costs	246	449	2,867	3,094	45	-	23	49,106	55,830	69,971
Premises costs	-	-	-	-	-	-	-	56,250	56,250	46,403
Depreciation	-	-	-	-	-	-	-	11,930	11,930	12,702
Training and development	-	-	-	-	-	-	-	1,809	1,809	5,461
Major projects	-	-	-	-	-	-	-	52,759	52,759	-
Sundry	-	-	85	-	-	-	143	6,106	6,334	3,569
Direct expenditure	31,799	136,730	175,336	227,927	42,828	24,457	38,997	424,130	1,102,204	1,155,383
Support costs	13,572	91,612	130,632	160,745	18,238	9,331	-	(424,130)	-	-
Governance costs	1,248	8,423	12,011	14,780	1,677	858	(38,997)	-	-	-
Total expenditure 2021	46,619	236,766	317,979	403,452	62,743	34,646	-	-	1,102,204	1,155,383
Total expenditure 2020	45,140	364,959	292,455	349,358	74,166	29,305	-	-	-	1,155,383

In 2021 £162 expenditure was restricted, the balance was unrestricted. In 2020 all expenditure was unrestricted.

6b Analysis of expenditure (prior year)

		Charitable activities							
	Cost of raising funds	Conferences and training	Medico-legal services	Advice, information and support	Policy and external relations	Charitable trading activities	Governance costs	Support costs	2020 Total
	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	30,813	127,943	174,107	206,095	52,897	19,187	31,370	186,465	828,877
Direct cost of events	-	148,087	1,400	1,812	-	557	-	-	151,856
Travel, subsistence and accommodation	5	65	348	106	1,671	-	1,469	826	4,490
Call handling	-	-	-	3,141	-	-	-	-	3,141
Investment management fees	-	-	-	-	-	-	-	13,665	13,665
Other professional fees	-	-	-	-	-	600	7,650	6,998	15,248
Office costs	1,131	1,054	2,782	4,417	-	293	20	60,274	69,971
Premises costs	-	-	-	-	-	-	-	46,403	46,403
Depreciation	-	-	-	-	-	-	-	12,702	12,702
Training and development	-	-	-	-	-	-	-	5,461	5,461
Sundry	-	-	3	-	-	-	57	3,509	3,569
Direct expenditure	31,949	277,149	178,640	215,571	54,568	20,637	40,566	336,303	1,155,383
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

7 Net incoming resources for the year

This is stated after charging / (crediting):	2021	2020
	£	£
Depreciation	11,930	12,702
Auditor's remuneration (excluding VAT):		
Audit - current year	7,300	7,150
Foreign exchange losses/(gains)	102	(5)

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

Staff costs were as follows:	2021	2020
	£	£
Salaries and wages	786,315	745,643
Social security costs	68,506	66,252
Employer's contribution to defined contribution pension schemes	17,311	16,982
	872,132	828,877

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

	2021	2020
	No.	No.
£70,000 - £79,999	1	1
£60,000 - £69,999	1	1

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £141,628 (2020: £126,200). The increase is due to a change in staff responsibilities arising from the retirement of the deputy chief executive.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel, subsistence and accommodation costs totalling £55 (2020: £1,556) incurred by one (2020: 5) member 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:

	2021	2020
	No.	No.
Raising funds	0.6	0.6
Conferences and training	4.0	4.0
Medico-legal services	5.7	5.2
Advice, information and support	7.0	6.1
Policy and external relations	0.8	0.9
Charitable trading activities	0.4	0.4
Support	5.5	5.0
Governance	0.6	0.6
	24.6	22.8

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

	2021	2020
	No.	No.
Raising funds	0.6	0.6
Conferences and training	3.0	3.1
Medico-legal services	3.8	4.0
Advice, information and support	4.9	5.7
Policy and external relations	0.7	0.8
Charitable trading activities	0.3	0.3
Support	4.2	4.1
Governance	0.5	0.5
	18.0	19.1

10 Related party transactions

There are no related party transactions to disclose for 2021 (2020: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2020: none).

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	90,779	61,372	20,000	172,151
Additions in year	2,290	-	-	2,290
Disposals in year	-	-	-	-
At the end of the year	<u>93,069</u>	<u>61,372</u>	<u>20,000</u>	<u>174,441</u>
Depreciation				
At the start of the year	78,704	59,445	20,000	158,149
Charge for the year	11,022	908	-	11,930
Eliminated on disposal	-	-	-	-
At the end of the year	<u>89,726</u>	<u>60,353</u>	<u>20,000</u>	<u>170,079</u>
Net book value				
At the end of the year	<u>3,343</u>	<u>1,019</u>	<u>-</u>	<u>4,362</u>
At the start of the year	<u>12,075</u>	<u>1,927</u>	<u>-</u>	<u>14,002</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 which comprises 4 floors. The ground and first floor are currently occupied by the charity and disclosed as tangible fixed assets. The second and third floors are rental and disclosed as investment property. The original cost in 2013 was £1,206,659.

As at 31 March 2018 the value for the total property was £2,050,000; at 31 March 2019 and 2020 it was £1,900,000. The trustees obtained an informal valuation at 31 March 2021 from our estate agent, based on potential resale value. The value has fallen by £300,000 to £1,600,000 in the year as a result of adjustments in the market. This is £393,341 higher than the original cost.

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

	2021 £	2020 £
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	75,000
Impairment losses	150,000	-
At the end of the year	<u>225,000</u>	<u>75,000</u>
Net book value		
At the end of the year	<u>800,000</u>	<u>950,000</u>

13b Investment property (second and third floors)

	2021 £	2020 £
Fair value at the start of the year	950,000	950,000
Additions	-	-
Disposals	-	-
Revaluation during the year	<u>(150,000)</u>	<u>-</u>
Fair value at the end of the year	<u>800,000</u>	<u>950,000</u>

14 Investments

	2021 £	2020 £
Fair value at the start of the year	1,071,345	1,119,507
Additions at cost	-	668,560
Disposal proceeds	(99,980)	(670,088)
Net gain/(loss) on change in fair value	214,533	(46,721)
Movements in cash element of portfolio	(2,191)	87
Fair value at the end of the year	1,183,707	1,071,345
Historic cost at the end of the year	879,290	993,982
Investments comprise:		
Investment Trusts/OEICs/REITs/SICAVs	1,150,863	1,036,310
Cash	32,844	35,035
	1,183,707	1,071,345
Share in subsidiary undertaking (see below)	99	99
	1,183,806	1,071,444

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 (2020: £99).

15 Debtors

	2021 £	2020 £
Trade debtors	47,467	1,382
Other debtors	17,686	28,168
Prepayments	84,729	52,731
Accrued income	455,372	12,996
	605,254	95,277

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Taxation and social security	50,038	39,461
Other creditors	18,908	8,286
Accruals	37,921	19,139
Deferred income (note 17)	434,210	270,335
	541,077	337,221

17 Deferred income

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

	2021 £	2020 £
Balance at the beginning of the year	270,335	329,319
Amount released to income in the year	(270,335)	(329,319)
Amount deferred in the year	434,210	270,335
Balance at the end of the year	434,210	270,335

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 2021 (2020: £nil).

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

	Restricted	General unrestricted	Fair value reserve	Designated	Total funds
	£	£	£	£	£
Tangible fixed assets - other	-	-	-	4,362	4,362
Tangible fixed assets - leasehold property	-	-	-	800,000	800,000
Investment property	-	-	-	800,000	800,000
Fixed asset investments	-	175,408	304,417	703,981	1,183,806
Accrued income	-	455,372	-	-	455,372
Other net current assets	-	168,913	-	478,347	647,260
Net assets at the end of the year	-	799,693	304,417	2,786,690	3,890,800

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

	Restricted	General unrestricted	Fair value reserve	Designated	Total funds
	£	£	£	£	£
Tangible fixed assets - other	-	-	-	14,002	14,002
Tangible fixed assets - leasehold property	-	-	-	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
Accrued income	-	12,996	-	-	12,996
Other net current assets	162	652,157	-	-	652,319
Net assets at the end of the year	162	1,080,561	77,363	2,732,675	3,890,761

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	-	-	(300,000)	1,600,000
Other fixed assets	14,002	-	(11,930)	2,290	4,362
Major repairs and maintenance	200,000	-	-	-	200,000
ICT replacement	12,618	-	-	(2,290)	10,328
Transitional fund	600,000	-	-	(100,000)	500,000
Connect Assist project	6,055	-	(3,250)	(2,805)	-
CRM replacement	-	-	-	202,000	202,000
Business development projects	-	-	-	175,000	175,000
New website and finance software	-	-	-	70,000	70,000
Laptop replacement	-	-	-	25,000	25,000
Total designated funds	2,732,675	-	(15,180)	69,195	2,786,690
Fair value reserve	77,363	-	-	227,054	304,417
General funds	1,080,561	1,402,244	(1,386,863)	(296,249)	799,693
Total unrestricted funds	3,890,599	1,402,244	(1,402,043)	-	3,890,800
Total funds	3,890,761	1,402,244	(1,402,205)	-	3,890,800

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	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

Purposes of restricted funds

Access audit: received from City Bridge Trust to carry out an access audit of Freedman House. The balance has been spent on similar work in 2020/21.

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 2015/16 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 on helpline and CRM development.

CRM replacement: to complete the project to replace our legacy CRM system Seneca. Includes development costs and project management.

Business development projects: to invest in projects to develop new recurring income streams for the future.

New website and finance software: to implement new finance software Ipicit and develop new website for the organisation.

Laptop replacement: one-off project to replace the laptops used by all staff.

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 (2020: £nil).

22 Contingent assets and liabilities

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

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

As stated in note 13 above, the ground and first floor are currently occupied by the charity, the second and third floors are rental. This gives a 50:50 split between tangible fixed assets and investment property. Due to the impact of the pandemic and the uptake in remote working, since the year end it has been decided to free up one of the floors that we occupy and market it for rental. This will make the split 25:75, and this will be reflected in the 2022 accounts.

Action against Medical Accidents

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