



Report and financial statements

for the year ended
31 March 2017

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Reference and administrative details

Action against Medical Accidents

(also known as "AvMA")

Company number
2239250

Country of incorporation
England

Charity number
299123

Country of registration
England

OSCR number
SCO39683

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

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

Honorary officers
Suzanne Shale *Chair*
Malcolm Alexander *Vice-Chair*
(resigned June 2017)
Hilary Scott *Vice-Chair*
(from September 2017)
Angela Brown *Treasurer*

Trustees
Malcolm Alexander
(resigned June 2017)
Michael Andersson
(appointed September 2017)
Angela Brown
Caroline Browne
(appointed September 2017)
Philip Dolan MBE
Ava Easton
*(appointed September 2017,
resigned November 2017)*

Ceri Edwards
Ray Greenwood
(resigned March 2017)
Jonathan Hazan
(appointed September 2017)
Nigel Holland
Linda Kenward
(appointed September 2017)
Vincent Kika
(resigned November 2016)
Rita Lewis
(resigned December 2016)
Aideen O'Neill
(resigned March 2017)
James Petter
Barbara Ross
Hilary Scott
Suzanne Shale
Rachael Vasmer

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

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

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
Russell-Cooke LLP
2 Putney Hill
LONDON SW15 6AB

Report of the Council of Management

The Council of Management presents its report and the audited financial statements for the year ended 31 March 2017.

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

OUR BENEFICIARIES

AvMA's beneficiaries are people who have been affected by medical accidents (lapses in patient safety) and who are directly helped by our services; and others affected by medical accidents 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 the year, are as follows.

ADVICE, INFORMATION AND SUPPORT

The advice and support we provide to people affected by medical accidents is at the very heart of what AvMA does, and the experience of our clients informs everything we do. In 2016-17 we directly helped around 2,840 people, with many others benefitting from our self-help guides and online information.

Our Helpline provides specialist, sympathetic support to people when they are coping with the trauma of a medical accident. It reassures them that an organisation exists which understands their plight and is here to help them. Our helpline staff and volunteers help explain people's rights, how different medico-legal processes and procedures work, and puts people in touch with other specialist support where needed. We are grateful to our team of 60 trained volunteers who help us make this service available Monday-Friday 10am- 3.30pm. In 2016-17 we handled 2,082 calls, often involving extremely serious and complex cases. Ours is the only specialist medico- legal helpline in the UK and can get very busy. Following a review we made changes to our

website to encourage use of our self-help materials as an alternative to phoning the Helpline where appropriate. This resulted in a dramatic increase in the downloads of self-help leaflets, which by the end of the year was nearly 2,000 a quarter.

Our own caseworkers are able to give more in-depth advice on some cases where we are the only or most suitable agency to help. Examples of other cases our caseworkers help with are cases which may require the referral of a healthcare professional to their regulator, or cases which clearly have broader lessons for patient safety, or are connected with one of AvMA's campaign priorities. In 2016-17 we opened 689 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 increasingly important part of our casework is the support we provide to families involved in healthcare related inquests. This helps ensure that families are empowered in the process, and maximises the opportunity for the right questions to be asked and learning to come from the inquest. 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 pro bono time by barristers. We helped 13 families in this way over the year and started preparatory work for representing other families. A number of important verdicts 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 56 families who were facing a forthcoming inquest, to help them prepare and/or to get legal representation at the inquest.

IMPACT: Families who have lost a family member as a result of a medical accident are legally represented and feel empowered to have the right issues and questions addressed at inquests. Often, the coroner is 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.

POLICY AND EXTERNAL RELATIONS (Influencing policy & practice)

Whilst the direct support we provide to our main beneficiaries – people whose lives have been affected by lapses in patient safety – is vitally important in its own right, it also informs our policy priorities and fuels our passion to bring about change that has the potential to benefit far more people than our direct services will ever have the capacity to reach. One of our best known achievements is the adoption of a statutory Duty of Candour in England and in Scotland. Whilst anecdotal feedback in England suggests that the duty has begun to change culture and behaviour, we continued to have to expend considerable resources to promoting good practice in delivering the Duty of Candour, and exhorting the appropriate statutory bodies to raise awareness, provide training, and monitor and regulate the duty effectively. In August 2016 we published our report '*Regulating the Duty of Candour: a report on CQC inspections and regulation of the Duty of Candour*' which showed that it was not being regulated anywhere near as well as it should be and made a series of recommendations. The report received a lot of attention and the CQC agreed to improve its systems for monitoring and inspection as a result.

We are glad to say that the Scottish Government has successfully passed legislation to provide for a statutory Duty of Candour there. AvMA continued to work with the Scottish Government to plan for the implementation of the duty in Scotland, which is due to come into force in April 2018. This has included

advising on the regulations and guidance for the Scottish Duty of Candour. AvMA continue also to work with the Welsh Assembly Government and The Northern Ireland Assembly with a view to the Duty of Candour becoming a reality in those countries.

As well as responding to the Department of Health consultation on plans to impose a system of 'fixed recoverable costs' for clinical negligence cases in England and Wales, AvMA took the lead on raising awareness of the negative consequences of the proposals and working with other patients' charities, and legal organisations to exert as much influence as possible. This included co-ordination of a joint letter to the Secretary of State expressing our shared concerns, which was signed by eight national charities, and generating media coverage. We believe the proposals as they were outlined would have a disastrous effect on some people's access to justice when they have been harmed by negligent treatment, and would also mitigate against patient safety by preventing people's ability to challenge NHS denials and incentivising a 'deny and defend' culture in the NHS.

We submitted an impressive response to the Scottish Government consultation on a proposed 'no-blame redress scheme' pointing out the potential benefits but also elements which would need to be changed to avoid unintended consequences. We also started our preparations for responding to consultations on a proposed Rapid Response and Redress scheme for brain injured babies in England, and controversial proposals to impose a 'safe space' on patient safety investigations (a prohibition on disclosing information even to the patients/families concerned). On the latter in particular, once again we were able to raise awareness of the dangers of this approach and begin to build a coalition of organisations sharing our concerns.

What is most striking about the work on things such as fixed costs, redress schemes, and 'safe space' is how uniquely well placed AvMA is to comment and influence. Also that this is recognised by other organisations who look to AvMA for a lead on such issues.

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

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.

CONFERENCES AND TRAINING (Spreading awareness and good practice)

AvMA rolled out an impressive portfolio of conferences, training and events during the year. The centrepiece was our annual Clinical Negligence and Medical Law conference which was held in Brighton and brought together 450 of the leading medical experts, lawyers and policy makers in this field. Seventeen one day events one day events were also held, reaching out not only to lawyers but to health service professionals and managers on subjects such as complaints handling and Serious Untoward Incident investigations. Overall, 1,171 delegates benefited from our events during 2016-2017.

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

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

We were pleased that, in spite of legal reforms creating a very difficult environment for clinical negligence solicitors, membership of our Lawyers' Service and applications to our specialist panel both held up very well in 2016-17. 25 new applications and reaccreditation applications were assessed in the year, with 9 new appointments to our panel and 11 solicitors being successfully re-accredited.

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. As discussed above, we continued to work with Scottish Government on preparing for implementation of the Duty of Candour and made a substantial response to the consultation on a 'no-blame redress scheme'.

Strategic planning

We undertook extensive work using the 'theory of change' approach to better understand the inputs, outputs and impact of our various activities and improve strategic planning. We adopted a ten year financial strategy to help us to make best use of available funds in delivering our charitable objectives whilst working towards a balanced budget and an appropriate level of reserves at the end of the period.

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.

Plans for the future

AvMA's plans for 2017-18 include:

- Intensive policy and influencing work around the Government's proposals for 'fixed recoverable costs', 'safe space' prohibition on full openness with patients and families in patient safety investigations, and the Rapid Response and Redress scheme .
- 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 Scotland, Wales and Northern Ireland to seek the introduction of a Duty of Candour.
- Promoting the AvMA specialist panel of clinical negligence solicitors better to the public.
- 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.

- Planning activities to mark AvMA's 35th anniversary in 2017-18 to make the most of fundraising opportunities this provides and also raising awareness of the charity's work and achievements.
- Implementing improved systems for collecting and reporting on data from our work with beneficiaries, and building relationships with beneficiaries and other potential supporters.
- Development of the charity's "theory of change" and systems for measuring the impact of our work.

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.

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 2017 was 10 (2016 -14). 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 rolling three year strategic plan which is reviewed and updated at each council meeting. An 'Executive Committee' comprising the Chair, Vice Chair, Treasurer, Chief Executive and Deputy Chief Executive meets between Council meetings to deal with urgent business and reports to the Council. A 'Finance and Investment Committee' meets 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 2016-17.

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 2016 saw the re-election of Suzanne Shale as a Chair, Angela Brown was re-elected as Treasurer, and Malcolm Alexander was re-elected as Vice-Chair. Hilary Scott was appointed as Vice-Chair in September 2017.

Delegation of day to day running of the charity

Trustees delegate the day to day running of the charity to the chief executive, Peter Walsh, and in his absence the deputy chief executive, Hugh Williams.

Patrons

Professor Dame Donna Kinnair was appointed as a new patron in September 2016. 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 are conducted (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 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 of £324,280 in the year, and Conferences and Training made a contribution of £113,516. This covered the net cost of our public-facing Advice and Information Service of £237,681 and most of our support costs, giving an overall net expenditure of £133,004 for the year. In addition, gains on investments (both realised and unrealised) were £255,440.

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

The receipt of the Judith Freedman legacy in 2011 means that the charity is has been able to invest for its future. The single most significant use of the legacy was the purchase of "Freedman House" on a 999 year lease. As well as no longer paying rent, we are letting out some of the office space to provide us with regular income. We currently have long-term investments of £1,889,389.

Reserves and investment policy

The trustees have a policy to retain sufficient free reserves to cover working capital requirements, realistic contingencies and exposure to changes in income over committed expenditure, and sufficient funds to allow the charity to take advantage of change and new opportunities. In addition, we continue to hold 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.

We currently operate a planned deficit budget, in order to provide maximum impact to our beneficiaries from our services and operations. AvMA's financial strategy is to move to a sustainable balanced budget over a period of 10 years, utilising reserves to fund the shortfall each year. This will reduce reserves towards a target level by the end of the period; this target is currently under review.

The trustees have agreed to invest the reserves in an ethical investment portfolio to generate long-term capital growth where possible, whilst allowing sufficient funds to be drawn down to fund the requirements as above. On advice from our specialist financial advisers Castlefield, we use a balanced medium-risk capital growth portfolio. Our target capital growth is RPI +3%; since inception our portfolio has outperformed this target.

The management and trustees monitor the financial plan and investment policy closely in the light of changing circumstances.

Total reserves at the year-end are £2,001,995, not including the values of our office building and other fixed assets. Of this £252,183 is designated for property, ICT and specific project costs and £900,000 is designated as a transitional fund. The fair value reserve (excess of value over cost of our investments) is £488,410. This gives free reserves of £361,402.

Principal risks and uncertainties

The main risk facing the charity is 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' Support 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. The trustees are reviewing the charity's investment strategy in the light of this.

Trustees consider known significant risks and strategies for mitigating them through a risk register which is reviewed regularly by the Finance & Investment Committee and the Executive Committee, which report to the Council of Trustees.

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 were 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 14 December 2017 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 2017 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 2017 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

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.

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.

**Judith Miller (Senior statutory auditor)
Date**

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.

Consolidated statement of financial activities

(Incorporating an income and expenditure account)

For the year ended 31 March 2017

	Note	Unrestricted £	2017 Total £	Unrestricted £	2016 Total £
Income from:					
Donations and legacies	2	73,089	73,089	71,373	71,373
Charitable activities					
Conferences and training	3	461,316	461,316	469,388	469,388
Medico-legal services	3	509,650	509,650	515,438	515,438
Advice, information and support	3	13,422	13,422	30,040	30,040
Policy and external relations	3	10,394	10,394	5,911	5,911
Other trading activities	4	6,706	6,706	4,607	4,607
Investments	5	68,167	68,167	48,880	48,880
Other		552	552	1,379	1,379
Total income		<u>1,143,296</u>	<u>1,143,296</u>	<u>1,147,016</u>	<u>1,147,016</u>
Expenditure on:					
Raising funds	6	58,620	58,620	65,594	65,594
Charitable activities					
Conferences and training	6	442,725	442,725	457,458	457,458
Medico-legal services	6	301,654	301,654	305,333	305,333
Advice, information and support	6	395,648	395,648	377,698	377,698
Policy and external relations	6	77,653	77,653	75,514	75,514
Total expenditure		<u>1,276,300</u>	<u>1,276,300</u>	<u>1,281,597</u>	<u>1,281,597</u>
Net (expenditure) before net gains on investments		<u>(133,004)</u>	<u>(133,004)</u>	<u>(134,581)</u>	<u>(134,581)</u>
Net gains on investments		<u>255,440</u>	<u>255,440</u>	<u>3,575</u>	<u>3,575</u>
Net income / (expenditure) for the year	7	<u>122,436</u>	<u>122,436</u>	<u>(131,006)</u>	<u>(131,006)</u>
Transfers between funds	19	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>122,436</u>	<u>122,436</u>	<u>(131,006)</u>	<u>(131,006)</u>
Reconciliation of funds:					
Total funds brought forward		<u>3,108,803</u>	<u>3,108,803</u>	<u>3,239,809</u>	<u>3,239,809</u>
Total funds carried forward		<u><u>3,231,239</u></u>	<u><u>3,231,239</u></u>	<u><u>3,108,803</u></u>	<u><u>3,108,803</u></u>

All of the above results are derived from continuing activities and all funds are unrestricted. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

Consolidated balance sheet

Company number 2239250

As at 31 March 2017

	Note	£	2017 £	£	2016 £
Fixed assets:					
Tangible assets	12		1,229,244		1,237,453
Investments	13		1,889,389		1,633,769
			3,118,633		2,871,222
Current assets:					
Debtors	14	160,467		151,922	
Cash at bank and in hand	21	326,527		528,518	
		486,994		680,440	
Liabilities:					
Creditors: amounts falling due within one year	15	374,388		442,859	
Net current assets			112,606		237,581
Total assets less current liabilities			3,231,239		3,108,803
Net assets excluding pension asset / (liability)			3,231,239		3,108,803
Total net assets			3,231,239		3,108,803
The funds of the charity:	19				
Unrestricted income funds:					
Designated funds		2,381,427		2,517,453	
Fair value reserve		488,410		234,015	
General funds		361,402		357,335	
Total unrestricted funds			3,231,239		3,108,803
Total charity funds			3,231,239		3,108,803

Approved by the trustees on 14 December 2017 and signed on their behalf by

Dr Suzanne Shale
Chair

Dr Angela Brown
Treasurer

Consolidated statement of cash flows

For the year ended 31 March 2017

	Note	2017		2016	
		£	£	£	£
Cash flows from operating activities	20				
Net cash used in operating activities			(258,866)		(59,720)
Cash flows from investing activities:					
Dividends, interest and rents from investments		68,167		48,880	
Purchase of fixed assets		(11,112)		(9,033)	
Proceeds from sale of investments		-		41,201	
Purchase of investments and cash invested into portfolio		(180)		(337,786)	
Net cash used in investing activities			56,875		(256,738)
Change in cash and cash equivalents in the year			(201,991)		(316,458)
Cash and cash equivalents at the beginning of the year			528,518		844,976
Cash and cash equivalents at the end of the year	21		326,527		528,518

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies

a) Statutory information

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

b) Basis of preparation

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

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

These financial statements consolidate the position of the charitable company and its wholly-owned subsidiary AVMA Services Limited on a line by line basis. AVMA Services Limited was dormant in this and the prior financial years. The difference between the group and parent charitable company balance sheet are not material and therefore a separate parent only balance sheet and related notes are not presented. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

d) Going concern

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

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

e) Income

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

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

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

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

f) Donations of gifts, services and facilities

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

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

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies (continued)

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. There were no restricted funds in the year.

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 costs

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. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- | | |
|-----------------------------------|-----|
| • Conferences and training | 24% |
| • Medico-legal services | 29% |
| • Advice, information and support | 36% |
| • Policy and external relations | 5% |
| • Raising funds | 5% |

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.

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies (continued)

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.

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

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.

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 the option of a stakeholder pension scheme. The charitable company pays an agreed contribution to this scheme, or to another scheme of the employee's choice, on their behalf. The assets of the pension funds are independent from the company and the pension cost charge represents contributions payable. The charitable company has no additional liability other than for the payment of those contributions.

Notes to the financial statements

For the year ended 31 March 2017

2 Income from donations and legacies

	Unrestricted	2017 Total	2016 Total
	£	£	£
Experts' donations	26,142	26,142	40,070
Firms' events	20,353	20,353	13,339
Unclaimed clients' money	12,833	12,833	2,605
Legacies	572	572	-
Other donations	8,337	8,337	10,784
Runners and riders	2,564	2,564	1,775
Other fundraising	2,288	2,288	2,800
	<u>73,089</u>	<u>73,089</u>	<u>71,373</u>

3 Income from charitable activities

	Unrestricted	2017 Total	2016 Total
	£	£	£
Delegate, sponsor and webinar income	461,316	461,316	469,388
Sub-total for conferences and training	461,316	461,316	469,388
Subscription fees	407,538	407,538	417,810
Website subscriptions	74,213	74,213	73,664
Referral panel fees	11,250	11,250	8,550
Publications	16,649	16,649	15,414
Sub-total for medico-legal services	509,650	509,650	515,438
Care Quality Commisison	10,000	10,000	30,000
Other	3,422	3,422	40
Sub-total for advice, information and support	13,422	13,422	30,040
Fees earned and expenses reimbursed	10,394	10,394	5,911
Sub-total for policy and external relations	10,394	10,394	5,911
Total income from charitable activities	<u>994,782</u>	<u>994,782</u>	<u>1,020,777</u>

Notes to the financial statements

For the year ended 31 March 2017

4 Income from other trading activities

	Unrestricted £	2017 Total £	2016 Total £
AvMA events	6,706	6,706	4,607
	<u>6,706</u>	<u>6,706</u>	<u>4,607</u>

5 Income from investments

	Unrestricted £	2017 Total £	2016 Total £
Dividends and interest	14,250	14,250	16,298
Rent	53,917	53,917	32,582
	<u>68,167</u>	<u>68,167</u>	<u>48,880</u>

Notes to the financial statements

For the year ended 31 March 2017

6 Analysis of expenditure

	Cost of raising funds	Charitable activities				Governance costs	Support costs	2017 Total	2016 Total
		Conferences and training	Medico-legal services	Advice, information and support	Policy and external relations				
	£	£	£	£	£	£	£	£	
Staff costs (Note 8)	36,185	130,592	181,008	236,985	55,632	28,040	222,787	891,229	881,027
Direct cost of events	-	204,208	473	-	-	-	-	204,681	216,033
Travel, subsistence and accommodation	553	1,636	1,022	4,344	2,133	3,951	618	14,257	12,874
Call handling	-	-	-	3,391	-	-	-	3,391	2,824
Investment management fees	-	-	-	-	-	-	11,445	11,445	10,205
Other professional fees	-	-	-	-	-	6,500	8,795	15,295	12,452
Office costs	258	9,813	28	4,937	-	248	37,635	52,919	50,354
Premises costs	-	-	-	-	-	-	53,006	53,006	59,426
Depreciation	-	-	-	-	-	-	19,321	19,321	18,811
Training and development	-	86	478	722	471	974	956	3,687	2,213
Sundry	50	1,465	2,361	724	-	152	2,317	7,069	15,378
	37,046	347,800	185,370	251,103	58,236	39,865	356,880	1,276,300	1,281,597
Support costs	19,406	85,387	104,599	130,022	17,466	-	(356,880)	-	-
Governance costs	2,168	9,538	11,684	14,524	1,951	(39,865)	-	-	-
Total expenditure 2017	58,620	442,725	301,654	395,648	77,653	-	-	1,276,300	1,281,597
Total expenditure 2016	65,594	457,458	305,333	377,698	97,069	-	-	1,281,597	

All expenditure was unrestricted (2016: all).

Notes to the financial statements

For the year ended 31 March 2017

7 Net incoming resources for the year

This is stated after charging / (crediting):	2017	2016
	£	£
Depreciation	19,321	18,811
Auditors' remuneration (excluding VAT):		
Audit - current year	6,500	6,500
Foreign exchange gains	(54)	(26)

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

Staff costs were as follows:	2017	2016
	£	£
Salaries and wages	756,471	776,355
Social security costs	73,184	76,748
Employer's contribution to defined contribution pension schemes	47,994	15,579
Temporary staff costs	13,580	12,345
	891,229	881,027

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

	2017	2016
	No.	No.
£70,000 - £79,999	1	1

The total employee benefits including pension contributions and employers national insurance of the key management personnel were £142,751 (2016: 144,305).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £3,484 (2016: £2,570) incurred by 7 (2016: 6) members relating to attendance at trustee meetings and courses.

Notes to the financial statements

For the year ended 31 March 2017

9 Staff numbers

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

	2017	2016
	No.	No.
Raising funds	1.0	1.0
Conferences and training	4.4	4.3
Medico-legal services	5.4	6.1
Advice, information and support	6.7	7.2
Policy and external relations	0.9	0.9
Support	5.5	6.1
Governance	0.4	0.4
	24.2	26.0

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

	2017	2016
	No.	No.
Raising funds	0.8	0.8
Conferences and training	3.5	3.5
Medico-legal services	4.4	4.7
Advice, information and support	6.4	6.6
Policy and external relations	0.9	0.9
Support	4.9	5.1
Governance	0.4	0.4
	21.3	22.0

10 Related party transactions

There are no related party transactions to disclose for 2017 (2016: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

11 Taxation

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

Notes to the financial statements

For the year ended 31 March 2017

12 Tangible fixed assets

	Leasehold property	Computer equipment and website	Office equipment and furniture	EMIS database	Total
Cost or valuation	£	£	£	£	£
At the start of the year	1,206,659	86,661	86,920	20,000	1,400,240
Additions in year	-	8,597	2,515	-	11,112
At the end of the year	1,206,659	95,258	89,435	20,000	1,411,352
Depreciation					
At the start of the year	-	80,065	62,722	20,000	162,787
Charge for the year	-	7,493	11,828	-	19,321
At the end of the year	-	87,558	74,550	20,000	182,108
Net book value					
At the end of the year	<u>1,206,659</u>	<u>7,700</u>	<u>14,885</u>	<u>-</u>	<u>1,229,244</u>
At the start of the year	<u>1,206,659</u>	<u>6,596</u>	<u>24,198</u>	<u>-</u>	<u>1,237,453</u>

All of the above assets are used for charitable purposes.

13 Investments

	2017 £	2016 £
Fair value at the start of the year	1,332,724	1,331,046
Additions at cost	301,225	39,304
Disposal proceeds	-	(41,201)
Net gain on change in fair value	255,440	3,575
	1,889,389	1,332,724
Cash held by investment broker pending reinvestment	-	301,045
Fair value at the end of the year	1,889,389	1,633,769
Historic cost at the end of the year	1,400,979	1,399,754
Investments comprise:		
	2017 £	2016 £
UK Common Investment Funds	1,886,331	1,332,724
Cash	3,058	301,045
	1,889,389	1,633,769

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 (2016: £99).

Notes to the financial statements

For the year ended 31 March 2017

14 Debtors

	2017	2016
	£	£
Trade debtors	42,649	61,273
Other debtors	57,790	51,240
Prepayments	43,237	16,689
Accrued income	16,791	22,720
	<u>160,467</u>	<u>151,922</u>

15 Creditors: amounts falling due within one year

	2017	2016
	£	£
Taxation and social security	58,874	71,990
Other creditors	6,678	5,584
Accruals	15,827	18,658
Deferred income	293,009	346,627
	<u>374,388</u>	<u>442,859</u>

16 Deferred income

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

	2017	2016
	£	£
Balance at the beginning of the year	346,627	285,075
Amount released to income in the year	(346,627)	(285,075)
Amount deferred in the year	293,009	346,627
	<u>293,009</u>	<u>346,627</u>
Balance at the end of the year	<u>293,009</u>	<u>346,627</u>

17 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 2017 (2016: £nil).

18a Analysis of net assets between funds (current year)

	General unrestricted	Designated	Total funds
	£	£	£
Tangible fixed assets	-	1,229,244	1,229,244
Investments	737,206	1,152,183	1,889,389
Net current assets	112,606	-	112,606
	<u>849,812</u>	<u>2,381,427</u>	<u>3,231,239</u>
Net assets at the end of the year	<u>849,812</u>	<u>2,381,427</u>	<u>3,231,239</u>

Notes to the financial statements

For the year ended 31 March 2017

18b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	-	1,237,453	1,237,453
Investments	353,769	1,280,000	1,633,769
Net current assets	237,581	-	237,581
Net assets at the end of the year	<u>591,350</u>	<u>2,517,453</u>	<u>3,108,803</u>

19a Movements in funds (current year)

	At the start of the year £	Incoming and gains £	Expenditure and losses £	Transfers £	At the end of the year £
Unrestricted funds:					
Designated funds:					
Property cost	1,206,659	-	-	-	1,206,659
Other fixed assets	30,794	-	(19,321)	11,112	22,585
Major repairs and maintenance	200,000	-	-	-	200,000
Transitional fund	1,000,000	-	-	(100,000)	900,000
ICT replacement	50,000	-	-	(3,872)	46,128
Connect Assist project	30,000	-	(23,945)	-	6,055
Total designated funds	<u>2,517,453</u>	<u>-</u>	<u>(43,266)</u>	<u>(92,760)</u>	<u>2,381,427</u>
Fair value reserve	<u>234,015</u>	<u>-</u>	<u>-</u>	<u>254,395</u>	<u>488,410</u>
General funds	<u>357,335</u>	<u>1,398,736</u>	<u>(1,233,034)</u>	<u>(161,635)</u>	<u>361,402</u>
Total unrestricted funds	<u>3,108,803</u>	<u>1,398,736</u>	<u>(1,276,300)</u>	<u>-</u>	<u>3,231,239</u>
Total funds	<u><u>3,108,803</u></u>	<u><u>1,398,736</u></u>	<u><u>(1,276,300)</u></u>	<u><u>-</u></u>	<u><u>3,231,239</u></u>

Notes to the financial statements

For the year ended 31 March 2017

19b Movements in funds (prior year)

	At the start of the year £	Incoming and gains £	Expenditure and losses £	Transfers £	At the end of the year £
Unrestricted funds:					
Designated funds:					
Property cost	1,206,659	-	-	-	1,206,659
Other fixed assets	40,572	-	(18,811)	9,033	30,794
Investment capital	1,094,561	-	-	(1,094,561)	-
Strategic reserve	329,690	-	(42,631)	(287,059)	-
Major repairs and maintenance	24,134	-	-	175,866	200,000
Transitional fund	-	-	-	1,000,000	1,000,000
ICT replacement	-	-	-	50,000	50,000
Connect Assist project	-	-	-	30,000	30,000
Total designated funds	2,695,616	-	(61,442)	(116,721)	2,517,453
Fair value reserve	239,048	-	-	(5,033)	234,015
General funds	305,145	1,147,016	(1,216,580)	121,754	357,335
Total unrestricted funds	3,239,809	1,147,016	(1,278,022)	-	3,108,803
Total funds	3,239,809	1,147,016	(1,278,022)	-	3,108,803

Purposes of designated funds

Property cost: the charity purchased an office building on 2 May 2013 for £1.2 million.

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.

Strategic reserve: was used to facilitate projects as set out in our Strategic Plan, including targeted marketing and communications, development of client services, ICT expenditure and building maintenance contingency. The balance was transferred to the four funds below in 2015-16.

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

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. 1/10th of the fund has been transferred to general funds in the year in order to support the 10-year plan.

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

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.

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

Notes to the financial statements

For the year ended 31 March 2017

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

	2017	2016
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	122,436	(131,006)
Depreciation charges	19,321	18,811
Gains on investments	(255,440)	(3,575)
Dividends, interest and rent from investments	(68,167)	(48,880)
(Increase)/decrease in debtors	(8,545)	30,859
(Decrease)/increase in creditors	(68,471)	74,071
Net cash used in operating activities	(258,866)	(59,720)

21 Analysis of cash and cash equivalents

	At 1 April 2016	Cash flows	At 31 March 2017
	£	£	£
Cash at bank and in hand	165,266	65,381	230,647
Notice deposits (less than three months)	363,252	(267,372)	95,880
Total cash and cash equivalents	528,518	(201,991)	326,527

22 Capital commitments

At the balance sheet date, the charity had no capital commitments (2016: £nil).

23 Contingent assets or liabilities

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

24 Legal status of the charity

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

Action against Medical Accidents

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

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