Company number: 2239250
Charity number: 299123
OSCR number: SCO39683

Action against Medical Accidents

Report and financial statements
For the year ended 31 March 2022

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Action against Medical Accidents

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Action against Medical Accidents

Reference and administrative details

For the year ended 31 March 2022

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

Company number	2239250
Country of incorporation	United Kingdom
Charity number	299123
Country of registration	England & Wales
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	Jocelyn Cornwell	Chair (elected December 2021)
	Nigel Holland	Treasurer (elected December 2021)
	Caroline Browne	Senior Independent Director (July 2022)
Trustees	Moi Ali	(resigned December 2021)
	Michael Andersson	
	Angela Brown	(retired October 2021)
	Caroline Browne	
	Janine Collier	
	Jocelyn Cornwell	
	Maggie Davies	
	Jonathan Hazan	(resigned December 2021)
	Nigel Holland	
	Linda Kenward	(resigned October 2021)
	Amrat Khorana	(appointed December 2021)
	Bill Kilvington	
	Mary Smith	(appointed December 2021)
Key management personnel	Peter Walsh	Chief Executive
	Nathan Bacon	Internal Resources Manager
	Nicky Rushden	Finance Manager

Reference and administrative details

For the year ended 31 March 2022

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

The Board of Trustees presents its report and the audited financial statements for the year ended 31 March 2022.

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.

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.

2021-22 in a nutshell - Our key activities, including achievements and performance in 2021 - 2022

The achievements of particular note during the year were:

- We started 2021-22 with a refreshed board of trustees with four new trustees with impressive backgrounds appointed in March 2021. 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. Both went on to be appointed as full trustees in December 2021, when we also appointed a new Chair, Jocelyn Cornwell.
- We took the lead in making the case for the 'Independent Senior Advocates' (recommended by Donna Ockenden in her review of Shrewsbury and Telford NHS Trust maternity failures) needing to be genuinely independent, rather than employed by the NHS itself.
- We continued to get excellent feedback on the quality of advice provided to people affected by healthcare harm and increased the number of people we helped directly

- Our work on the 'Harmed Patient Care Pathway' received widespread recognition, with several NHS trusts offering to pilot the approach and elements of the Pathway being adopted by the Patient Safety Incident Response Framework.

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 2021-22 we directly helped 2,717 people (up from 2,590 in 2020-21), with many others benefitting from our self-help guides and online information. There were 13,705 downloads of these (up from 11,500 in 2020-21).

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 trained 50 new volunteers in the year. We are grateful to our team of 97 trained volunteers who enable us to make this service available Monday to Friday 10am-3.30pm. In 2021 -22 we advised on 2,052 calls (up from 1,894 in 2020-21). These are often 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 2021-22 we opened 555 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' giving their time, advocacy skills and expertise freely. It also involves a huge investment of time and effort in our caseworkers considering, researching and investigating the

issues (medical and circumstantial) believed to be related to the death and where appropriate instructing the barrister, supporting the family, and attending the inquests. We helped five families in this way over the year, involving multiple hearings. A number of important conclusions have been arrived at in inquests where we arranged representation for families, including recommendations for improving patient safety, via Prevention Future Death (PFD) reports which may not have been achieved had we not been involved. In some circumstances Serious Investigation Reports (SIR) or equivalent processes were instigated as a direct result of AvMA's involvement, these processes would likely have been avoided without that involvement. Some of the SIR offered up Action Plans which may obviate the need for a PFD. Arguably where a trust offers up its own action plan it may be just as influential for improving patient safety as a PFD. This is because the impetus for change comes from the trust itself, it is not imposed on it by direction of the coroner. Families gained a better insight into the circumstances leading to their family member's death. In addition we gave advice and information to a further 95 families who were facing a forthcoming inquest, to help them prepare and/or to get legal representation at the inquest (up from 76 in 2020-21). Some of these cases are very complex and time consuming.

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 pre inquest reviews had to be held online (via Teams/Zoom/Similar) or phone, this approach was referred to as remote or partial remote hearings . Demand for the inquest service exceeds what we can supply by way of representation so we have written criteria for the cases we will take on, all applications for representation are judged against these criteria, which ensures equality and fairness in the process. All applications are read by caseworkers and then discussed at a weekly allocation meeting where views on the merits of the case are shared. 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 can take on with existing resources. We assisted through the pandemic by preparing families and helping to manage their expectations about remote and partial remote hearings as well as the coronial process more generally. 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 and our professionally qualified caseworkers were able to accommodate the challenge and uncertainty created by this change in process.

IMPACT: Families who have lost a family member as a result of avoidable harm are all given information and advice on the coronial process, on limitation and on the terms of the pro bono inquest service. The beneficiaries we are able to provide assistance to at the healthcare inquest hearing are represented by qualified barristers and feel empowered by having a legal representative raise relevant points of law (for example, Article 2 arguments; neglect as a rider to a conclusion) and pose questions to the coroner and other witnesses attending to give evidence 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. It can also encourage the coroner to seek independent medical expert evidence before the full hearing thereby contributing to the coroner holding a full and fearless enquiry and ensuring that the evidence is available to be considered when the coroner arrives at their conclusion. Early

involvement before the full hearing can enable families to invite the coroner to call relevant witnesses to give evidence at the hearing which they may have omitted to do without our **involvement.**

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. 2021-22 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.

The initial report by Donna Ockenden in 2021 into maternity service failures at Shrewsbury and Telford NHS Trust included a recommendation for the role of Independent Senior Advocates to be developed. The advocates would support women and families who experience adverse incidents and face investigations. We participated in a 'stakeholder group' to advise NHS England/Improvement on taking this forward but the group only met once before the group was suddenly informed in November 2021 that a decision had been taken that the 'Independent Advocates' would be employed by the NHS. We worked with other stakeholders to try to persuade NHS England that this would not be 'independent' or enjoy the confidence of harmed women or their families. We continue to try to find a solution and avoid what would be a missed opportunity to provide much needed support to these people.

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. 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.

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 2022-23 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. In particular, we gave evidence to the Health and Social Care Committee investigation looking at NHS Litigation Reform and developed a comprehensive response to the formal consultation on fixed

recoverable cost in clinical negligence. We also convened a 'Legal Think Tank' of lawyers to help plan and prepare for further expected legal reform proposals for clinical negligence.

We were pleased that the Justice Committee's review of the Coroners' service took on board evidence from ourselves and others and made a recommendation for legal aid to be available for families who face inquests into public disasters or deaths where public bodies are legally represented. Sadly, the Ministry of Justice is still not accepting this recommendation, but our work goes on to try to address this clear injustice.

We continued to work with NHS Resolution and others building on the successful co-operation over a legal protocol for clinical negligence cases during the covid pandemic.

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 various meetings and working groups Staff and trustees were also represented on several advisory groups for relevant research projects. In 2021-22 we also made formal responses to the following consultations:

- "Regulating Health Professionals; protecting the Public" - Department of Health & Social Care
- "Duty of Candour in Northern Ireland" - Department of Health, Northern Ireland
- "Review of the Parliamentary and Health Service Ombudsman" - the Public Administration & Constitutional Affairs Committee
- "NHS Litigation Reform - evidence to Health & Social Care Committee
- "Pre-Action Protocol" - Civil Justice Council

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)

In spite of disruption due to the covid pandemic continuing to disrupt events in 2021 a total of 788 delegates attended AvMA's four physical 'face to face" events in 2021-22 (Court of Protection, Panel Meeting, Christmas Drinks Reception, and our Annual Clinical Negligence Conference). A further 469 joined the two online conferences live, with 258 accessing the content on demand after the event. 262 delegates joined our live webinars, with a further 201 accessing the content on demand. This means a total of 2,040 people benefitted from our training and events in 2021-22 compared with 740 in 2020-21 and 1,123 in 2019-20. Despite having to postpone some events due to Covid during the 2021-22 financial year we still comfortably surpassed budget due to the success of the Annual Conference and the three other physical events that we were able to run in September and December and the popularity of two online events earlier in the financial

year. The 32nd Annual Clinical Negligence Conference (ACNC) took place on 24-25 March 2022 in Leeds, after a three-year hiatus due to Covid. The event was a great success, with delegate bookings nearly reaching the same levels as 2019, a record number of exhibition bookings and a healthy profit well ahead of budget.

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?".

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 5 new appointments to the panel during the year and reaccredited 15 panel members. These figures are down from 11 and 29 respectively in 2020-21, which may be a reflection of the pandemic. We also had 5 panel members retire during the year, so we are conscious of the need to recruit more. However, we are re-assured by feedback suggesting the AvMA panel accreditation is still held in very high regard.

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 Board of Trustees 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 Board 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 2022-23 include:

- Full implementation a new CRM (database) - the biggest infrastructure investment AvMA has ever made, which will greatly improve our efficiency
- The recruitment and Induction of our new chief executive. Peter Walsh retires at the end of 2022 and is being replaced by Paul Whiteing.
- Further development of a 'Harmed Patient Care Pathway', seeking to ensure a consistent approach is taken to meet the needs of harmed patients and their families
- Renting out three floors of our property, retaining just one for our own use
- 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.
- The launch of a new 'junior solicitor' certification scheme to acknowledge and develop solicitors to become full panel members in the future.
- Continuing to work hard to try 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.
- Obtaining accreditation of our advice services.
- Commissioning a new website

"THANK YOU"

AvMA provides all of its services to the public for free and receives no State funding. It has to rely on its own fundraising and income generation activities to keep going. We are very grateful to all of our supporters; donors; paying customers; and business partners for making this happen. We would like to say a special thank you to the following companies who Supported us in 2021-22:

- **Partners in Costs** (Our Platinum medico-legal sponsor and organiser of famous curry nights))
- **BD** (our Platinum 'Partners for Patient Safety' corporate member)
- **Radar Healthcare** (our Gold 'Partners for Patient Safety' corporate member)
- **Pentland Medical** (our Silver 'Partners for Patient Safety' corporate member)

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 Board of Trustees.

Board of Trustees and appointment of Board members

Individual trustees (members of the Board) are appointed by the Board of Trustees. Not less than 6 nor more than 20 Board members may be appointed. The Board may co-opt persons to fill casual vacancies provided the maximum of 20 is not exceeded. Approximately one third of the Board 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 Board believes this is necessary to add to or complement the experience, knowledge and skills available to the Board. 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 Board together with the candidate's background details for a decision. During 2021-22 four trustees resigned or retired and our two 'trainee trustees were appointed as full trustees, bringing the total number of trustees to nine at the year end. There have been no changes since the year end.

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 2022 was 9 (2021 - 11). Members of the Board of Trustees have no beneficial interest in the charitable company.

The Board of Trustees 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. A 'Finance and Investment Committee' and 'Quality & Outcomes Committee' meet between Board 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 2021-22.

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 2021 saw the appointment of Jocelyn Cornwell as Chair and Nigel Holland as Treasurer. The charity has decided not to continue to elect a vice-chair and instead to create a position of Senior Independent Director, to which Caroline Browne was appointed in July 2022.

Delegation of day to day running of the charity

Trustees delegate the day to day running of the charity to the Chief Executive (currently Peter Walsh). Peter Walsh is due to retire in December 2022.

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 Board of Trustees 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 Board of Trustees, with reference to 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 £222,537 in the year, Other Charitable Trading generated £132,102 and Conferences and Training recovered after Covid-19 to generate £164,618. Fundraising was still subdued and generated a contribution of £36,830. Overall this covered the net cost of our public-facing Advice and Information Service of £229,617, our Policy & External Relations costs of £38,592 and our support costs, giving an overall net expenditure of £48,801 for the year. In addition, we had unrealised gains on investments of £8,224 in a challenging year.

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 £1,780,000 as at 31 March 2022, an increase of

£180,000 in the year; this is £573,341 higher than the original cost. We also currently hold £1,194,199 in an investment portfolio (see note14).

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 facing the charity is the impact of the current high levels of inflation. The charity may not be able to increase income in all areas sufficient to cover higher costs. Also, using estimates of future inflation poses a challenge to the accuracy of the financial planning process. The charity is addressing this risk by keeping it under constant review and remaining flexible in its financial planning, together with analysing inflation information from the best sources, to include the most appropriate rates in the planning.

A further 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, one floor has been leased since the year end and one further floor is being vacated by AvMA and 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 and Quality & Outcomes Committee, which report to the Board of Trustees. The risk register is also reviewed annually by the full Board at the charity's AGM.

Reserves and Investment Policy

Background and financial strategy

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

The trustees have worked hard to develop a long-range financial strategy to address the situation on a timely and considered basis. Our financial strategy is to move to a sustainable balanced budget over a period of 10 years to 2026/27, against the background of anticipated contraction of our traditional revenue streams, through developing new sources of income and making cost efficiencies in a carefully planned manner. This is reviewed each year on a rolling basis, and this year was extended by a further 3 years to 2029/30.

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 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 £100,000: 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 £464,984.

Level of reserves

We have free reserves of £838,878 at the year end. This is an excess of £373,894 against the above year-end target, due primarily to the receipt of the legacy of £450,000 in the year (which was accrued at 31/3/21). Liquidity is carefully managed and the balance is in line with our long-range 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 to achieve some return whilst ensuring appropriate liquidity, using a specialist cash management service where possible. The remaining reserves are held 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 Board of Trustees

The Board of Trustees (whose members are also directors of Action against Medical Accidents for the purposes of company law) is responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 Board of Trustees 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 Board of Trustees 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 Board of Trustees is aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and

- The Board'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 Board of Trustees 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 Board of Trustees on 13 December 2022 and signed on its behalf by

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 2022 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 2022 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)
Date 15 December 2022
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

Action against Medical Accidents

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

	Note	Restricted £	Unrestricted £	2022 Total £	Restricted £	Unrestricted £	2021 Total £
Income from:							
Donations and legacies	2	-	72,277	**72,277**	-	518,898	518,898
Charitable activities							
Conferences and training	3	-	437,348	**437,348**	-	82,675	82,675
Medico-legal services	3	-	392,909	**392,909**	-	394,370	394,370
Advice, information and support	3	-	785	**785**	-	796	796
Other trading activities	4	-	162,630	**162,630**	-	140,353	140,353
Investments	5	-	56,096	**56,096**	-	50,391	50,391
Other		-	1	**1**	-	228	228
Total income		-	1,122,046	**1,122,046**	-	1,187,711	1,187,711
Expenditure on:							
Raising funds	6	-	46,937	**46,937**	-	46,619	46,619
Charitable activities							
Conferences and training	6	-	368,468	**368,468**	-	236,766	236,766
Medico-legal services	6	-	281,528	**281,528**	-	317,979	317,979
Advice, information and support	6	-	378,478	**378,478**	162	403,290	403,452
Policy and external relations	6	-	55,482	**55,482**	-	62,743	62,743
Charitable trading activities	6	-	39,954	**39,954**	-	34,646	34,646
Total expenditure		-	1,170,847	**1,170,847**	162	1,102,043	1,102,205
Net (expenditure) /income before net gains on investments		-	(48,801)	**(48,801)**	(162)	85,668	85,506
Net gains on investments	14	-	8,224	**8,224**	-	214,533	214,533
Net gains/(losses) on investment property	13b	-	90,000	**90,000**	-	(150,000)	(150,000)
Revaluation gain/(impairment loss) on leasehold property	13a	-	90,000	**90,000**	-	(150,000)	(150,000)
Net income / (expenditure) for the year	7	-	139,423	**139,423**	(162)	201	39
Reconciliation of funds:							
Total funds brought forward	20	-	3,890,800	**3,890,800**	162	3,890,599	3,890,761
Total funds carried forward	20	-	4,030,223	**4,030,223**	-	3,890,800	3,890,800

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.

Action against Medical Accidents

Balance sheet

Company no. 2239250

As at 31 March 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets: other	12		142,716		4,362
Tangible assets: leasehold property	13a		890,000		800,000
Investment property	13b		890,000		800,000
Investments	14		1,194,298		1,183,806
			3,117,014		2,788,168
Current assets:					
Debtors	15	147,244		605,254	
Cash at bank and in hand		1,188,531		1,038,455	
		1,335,775		1,643,709	
Liabilities:					
Creditors: amounts falling due within one year	16	422,566		541,077	
Net current assets			913,209		1,102,632
Total net assets			4,030,223		3,890,800
The funds of the charity:	20a				
Restricted income funds			-		-
Unrestricted income funds:					
Designated funds		3,157,483		2,786,690	
Fair value reserve		33,862		304,417	
General funds		838,878		799,693	
Total unrestricted funds			4,030,223		3,890,800
Total charity funds			4,030,223		3,890,800

Approved by the trustees on 13 December 2022 and signed on their behalf by

Dr Jocelyn Cornwell
Chair

Nigel Holland
Treasurer

Action against Medical Accidents

Statement of cash flows

For the year ended 31 March 2022

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

	2022	2021
	£	£
Net income for the reporting period (as per the statement of financial activities)	**139,423**	39
Depreciation charges	**2,984**	11,930
(Gains) on investments	**(8,224)**	(214,533)
(Gain)/loss on property revaluation	**(180,000)**	300,000
Dividends, interest and rent from investments	**(56,096)**	(50,391)
Decrease/ (Increase) in debtors	**458,010**	(509,977)
(Decrease)/increase in creditors	**(118,510)**	203,856
Net cash from/(used in) used in operating activities	**237,587**	(259,076)

	£	2022 £	£	2021 £
Cash flows from operating activities				
Net cash provided by/ (used in) operating activities		**237,587**		(259,076)
Cash flows from investing activities:				
Dividends, interest and rents from investments	**56,096**		50,391	
Purchase of fixed assets	**(141,338)**		(2,290)	
Proceeds from sale of investments	**1,016,152**		99,980	
Purchase of fixed asset investments and cash invested into portfolio	**(1,018,421)**		2,191	
Net sale of current asset investments	**-**		240,000	
Net cash from investing activities		**(87,511)**		390,272
Change in cash and cash equivalents in the year		**150,076**		131,196
Cash and cash equivalents at the beginning of the year		**1,038,455**		907,259
Cash and cash equivalents at the end of the year		**1,188,531**		1,038,455

Analysis of cash and cash equivalents and of net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	301,962	149,044	**451,006**
Notice deposits (less than three months)	736,493	1,032	**737,525**
Total cash and cash equivalents	1,038,455	150,076	**1,188,531**
Total	**1,038,455**	**150,076**	**1,188,531**

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 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 a 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.

1 Accounting policies (continued)

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.

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.

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:

Raising funds	4%
Conferences and training	24%
Medico-legal services	28%
Advice, information and support	38%
Policy and external relations	4%
Charitable trading activities	2%

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

1 Accounting policies (continued)

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
- Databases 10 years

The leasehold property is valued under the revaluation model. No depreciation is charged on the leasehold property on the grounds of immaterially 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.

Investment properties

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

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors and provisions

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

1 Accounting policies (continued)

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

	2022 Total £	2021 Total £
Experts' donations	11,121	11,496
Corporate donations	7,315	556
Unclaimed clients' money	14,113	19,242
Legacies	-	456,327
Other donations	12,670	9,185
Corporate sponsorship	4,750	7,500
Sponsored leaflets	15,552	13,605
Other fundraising	6,756	987
	72,277	518,898

All funds for 2022 and 2021 were unrestricted.

3 Income from charitable activities

	2022 Total £	2021 Total £
Delegate, sponsor and webinar income	437,348	82,675
Total: conferences and training	437,348	82,675
Subscription fees	379,709	381,920
Referral panel fees	13,200	12,450
Total: medico-legal services	392,909	394,370
Other	785	796
Total: advice, information and support	785	796
Total income from charitable activities	831,042	477,841

All funds for 2022 and 2021 were unrestricted.

4 Income from other trading activities

	2022 Total £	2021 Total £
AvMA events	2,230	-
Website subscriptions	108,230	101,532
Lawyers' service directory	10,502	11,040
Publications	12,512	12,714
Fees earned	29,156	15,066
	162,630	140,353

All funds for 2022 and 2021 were unrestricted.

5 Income from investments

	2022 Total £	2021 Total £
Dividends and interest	14,516	8,811
Rent	41,580	41,580
	56,096	50,391

All funds for 2022 and 2021 were unrestricted.

6a Analysis of expenditure (current 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 £	**2022 Total £**	2021 Total £
Staff costs (Note 8)	31,976	131,229	167,484	220,952	37,692	20,058	29,315	212,706	**851,412**	872,132
Direct cost of events	–	144,544	–	247	–	10,470	–	–	**155,261**	16,442
Travel, subsistence and accommodation	–	–	–	–	–	–	1,503	744	**2,247**	97
Call handling	–	–	–	4,847	–	–	–	–	**4,847**	4,792
Investment management fees	–	–	–	–	–	–	–	11,137	**11,137**	9,629
Other professional fees	–	–	–	216	900	–	7,675	10,475	**19,266**	14,201
Office costs	428	–	2,888	4,140	–	–	–	58,455	**65,911**	55,830
Premises costs	–	–	–	–	–	–	–	52,300	**52,300**	56,250
Depreciation	–	–	–	–	–	–	–	2,984	**2,984**	11,930
Training and development	–	–	–	–	–	–	–	24	**24**	1,809
Major projects	–	–	–	–	–	–	–	3,493	**3,493**	52,759
Sundry	–	–	–	–	–	–	60	1,905	**1,965**	6,334
Direct expenditure	32,404	275,773	170,372	230,402	38,592	30,528	38,553	354,223	1,170,847	1,102,204
Support costs	13,106	83,597	100,245	133,542	15,232	8,501	–	(354,223)	–	–
Governance costs	1,427	9,098	10,911	14,534	1,658	925	(38,553)	–	–	–
Total expenditure 2022	**46,937**	**368,468**	**281,528**	**378,478**	**55,482**	**39,954**	**–**	**–**	**1,170,847**	**1,102,204**
Total expenditure 2021	46,619	236,766	317,979	403,452	62,743	34,646	–	–		1,136,851

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 £	2021 Total £
Staff costs (Note 8)	31,553	126,122	170,877	219,203	42,333	19,877	31,476	230,690	**872,132**
Direct cost of events	–	10,159	1,507	796	–	3,980	–	–	**16,442**
Travel, subsistence and accommodation	–	–	–	42	–	–	55	–	**97**
Call handling	–	–	–	4,792	–	–	–	–	**4,792**
Investment management fees	–	–	–	–	–	–	–	9,629	**9,629**
Other professional fees	–	–	–	–	450	600	7,300	5,851	**14,201**
Office costs	246	449	2,867	3,094	45	–	23	49,106	**55,830**
Premises costs	–	–	–	–	–	–	–	56,250	**56,250**
Depreciation	–	–	–	–	–	–	–	11,930	**11,930**
Training and development	–	–	–	–	–	–	–	1,809	**1,809**
Major projects	–	–	–	–	–	–	–	52,759	**52,759**
Sundry	–	–	85	–	–	–	143	6,106	**6,334**
Direct expenditure	31,799	136,730	175,336	227,927	42,828	24,457	38,997	424,130	1,102,204
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

7 Net incoming resources for the year

This is stated after charging / (crediting):

	2022	2021
	£	£
Depreciation	2,984	11,930
Auditor's remuneration (excluding VAT):		
Audit - current year	7,675	7,300
Foreign exchange losses/(gains)	13	102

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

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	760,479	786,315
Social security costs	73,229	68,506
Employer's contribution to defined contribution pension schemes	17,704	17,311
	851,412	872,132

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

	2022	2021
	No.	No.
£70,000 - £79,999	2	1
£60,000 - £69,999	-	1

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £184,706 (2021: £141,628). The increase is due to a change in staff responsibilities since 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 (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel, subsistence and accommodation costs totalling £970 (2021: £55) incurred by 6 (2021: 1) members relating to attendance at trustee meetings and events and telephone costs.

9 Staff numbers

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

	2022 No.	2021 No.
Raising funds	0.6	0.6
Conferences and training	3.8	4.0
Medico-legal services	4.6	5.7
Advice, information and support	6.1	7.0
Policy and external relations	0.7	0.8
Charitable trading activities	0.4	0.4
Support	5.5	5.5
Governance	0.5	0.6
	22.2	24.6

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

	2022 No.	2021 No.
Raising funds	0.6	0.6
Conferences and training	3.1	3.0
Medico-legal services	3.6	3.8
Advice, information and support	5.0	4.9
Policy and external relations	0.6	0.7
Charitable trading activities	0.3	0.3
Support	4.8	4.2
Governance	0.5	0.5
	18.5	18.0

10 Related party transactions

There are no related party transactions to disclose for 2022 (2021: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties (2021: 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 £	MS Dynamics CRM database £	Total £
Cost or valuation					
At the start of the year	93,069	61,372	20,000	-	**174,441**
Additions in year	-	-	-	141,338	**141,338**
At the end of the year	93,069	61,372	20,000	141,338	**315,779**
Depreciation					
At the start of the year	89,726	60,353	20,000	-	**170,079**
Charge for the year	2,580	404	-	-	**2,984**
At the end of the year	92,306	60,757	20,000	-	**173,063**
Net book value					
At the end of the year	**763**	**615**	**-**	**141,338**	**142,716**
At the start of the year	3,343	1,019	-	-	4,362

All of the above assets are used for charitable purposes. The leasehold property is disclosed separately, see note 13. The Microsoft Dynamics CRM database was still in development at the year end and so no depreciation has been charged in the year.

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.

The value for the total property was £2,050,000 at 31/3/18, £1,900,000 at 31/3/19 and 31/3/20, £1,600,000 at 31/3/21. The trustees obtained an informal valuation at 31 March 2022 from a property consultant, Ovingtons, based on potential resale value. The value has increased by £180,000 to £1,780,000 in the year as a result of adjustments in the market. This is £573,341 higher than the original cost.

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

	2022 £	2021 £
Valuation		
At the start of the year	**1,025,000**	1,025,000
At the end of the year	**1,025,000**	1,025,000
Depreciation		
At the start of the year	**225,000**	75,000
Impairment gains /(losses written back)	**(90,000)**	150,000
At the end of the year	**135,000**	225,000
Net book value		
At the end of the year	**890,000**	800,000

13b Investment property (second and third floors)

	2022 £	2021 £
Fair value at the start of the year	**800,000**	950,000
Revaluation during the year	**90,000**	(150,000)
Fair value at the end of the year	**890,000**	800,000

14 Investments

	2022 £	2021 £
Fair value at the start of the year	1,183,707	1,071,345
Additions at cost	1,042,575	-
Disposal proceeds	(1,016,152)	(99,980)
Net gain on change in fair value	8,224	214,533
Movements in cash element of portfolio	(24,155)	(2,191)
Fair value at the end of the year	1,194,199	1,183,707
Historic cost at the end of the year	1,160,337	879,290
Investments comprise:		
Investment Trusts/OEICs/REITs/SICAVs	1,185,509	1,150,863
Cash	8,690	32,844
	1,194,199	1,183,707
Share in subsidary undertaking (see below)	99	99
	1,194,298	1,183,806

The total value of the investments have reduced to £1,114,471 as at 25/11/22, partly as a result of the effect on the global downturn and volatility of the markets. There is no immediate requirement for the investments, so they will be held until value recovers.

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 (2021: £99).

15 Debtors

	2022 £	2021 £
Trade debtors	87,189	47,467
Other debtors	22,028	17,686
Prepayments	30,815	84,729
Accrued income	7,212	455,372
	147,244	605,254

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Taxation and social security	40,902	50,038
Other creditors	39,895	18,908
Accruals	39,113	37,921
Deferred income (note 17)	302,656	434,210
	422,566	541,077

17 Deferred income

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

	2022 £	2021 £
Balance at the beginning of the year	434,210	270,335
Amount released to income in the year	(434,210)	(270,335)
Amount deferred in the year	302,656	434,210
Balance at the end of the year	302,656	434,210

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 2022 (2021: £nil).

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

	Restricted £	General unrestricted £	Fair value reserve £	Designated £	Total funds £
Tangible fixed assets - other	-	-	-	1,378	1,378
Tangible fixed assets - database	-	-	-	141,338	141,338
Tangible fixed assets - leasehold	-	-	-	890,000	890,000
Investment property	-	-	-	890,000	890,000
Fixed asset investments	-	-	33,862	1,160,436	1,194,298
Net current assets	-	838,878	-	74,331	913,209
Net assets at 31 March 2022	-	838,878	33,862	3,157,483	4,030,223

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

	Restricted £	General unrestricted £	Fair value reserve £	Designated £	Total funds £
Tangible fixed assets - other	-	-	-	4,362	4,362
Tangible fixed assets - leasehold	-	-	-	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 31 March 2021	-	799,693	304,417	2,786,690	3,890,800

20a Movements in funds (current year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Unrestricted funds:					
Designated funds:					
Fixed assets – property	1,600,000	–	–	180,000	**1,780,000**
Fixed assets – CRM database	–	–	–	141,338	**141,338**
Fixed assets – other	4,362	–	(2,984)	–	**1,378**
Major repairs and maintenance	200,000	–	–	–	**200,000**
ICT replacement	10,328	–	–	–	**10,328**
Transitional fund	500,000	–	–	200,000	**700,000**
CRM replacement	202,000	–	(1,850)	(141,338)	**58,812**
Business development projects	175,000	–	–	–	**175,000**
New website and finance software	70,000	–	(4,373)	–	**65,627**
Laptop replacement	25,000	–	–	–	**25,000**
Total designated funds	2,786,690	–	(9,207)	380,000	**3,157,483**
Fair value reserve	304,417	–	–	(270,555)	**33,862**
General funds	799,693	1,310,270	(1,161,640)	(109,445)	**838,878**
Total unrestricted funds	3,890,800	1,310,270	(1,170,847)	–	**4,030,223**
Total funds	**3,890,800**	**1,310,270**	**(1,170,847)**	–	**4,030,223**

20b Movements in funds (prior year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
Access audit	162	–	(162)	–	–
Total restricted funds	162	–	(162)	–	–
Unrestricted funds:					
Designated funds:					
Fixed assets - property	1,900,000	–	–	(300,000)	**1,600,000**
Fixed assets - other	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**

Purposes of restricted funds

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

Purposes of designated funds

Fixed asset – property: 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).

Fixed asset – CRM database: reflects the development cost to date of the new CRM database, Microsoft Dynamics. The development was not complete by the year end. Depreciation will be charged to this fund in future years.

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 2026/27 in accordance with our long range financial plan. The funds are released on a straight line basis over 10 years. This has been rolled forward for a further 3 years to 2029/30.

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 was 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 Iplicit 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 capital commitments of £12,729 for the balance of the CRM development work (2021: £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 the first floor which we currently occupy and market it for rental. This will make the split 25:75, and this will be reflected in the 2023 accounts.