

Charity registration number 1185650

Company registration number 11761835 (England and Wales)

PATIENT SAFETY WATCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

PATIENT SAFETY WATCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J R Titcombe Mr D Grunberg Mr Michael Durkin	(Appointed 19 December 2022)
Charity number	1185650	
Company number	11761835	
Registered office	5 Technology Park Colindeep Lane London United Kingdom NW9 6BX	

PATIENT SAFETY WATCH

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PATIENT SAFETY WATCH

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 JANUARY 2023

The Trustees present their annual report and financial statements for the year ended 31 January 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "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 2019).

Objectives and activities

The objectives of the Charity remain the same as in previous years and are to promote, preserve and protect the health of the public, in particular by carrying out research, making the useful results publicly available, and to provide and disseminate information and advice on safety and standards in patient care to policy makers, service providers and patients, in particular on how to prevent error and harm in healthcare.

PATIENT SAFETY WATCH

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

Governance and leadership

In the period under review, the governance and leadership of the charity have undergone some significant changes as our founder and Chairman, Jeremy Hunt resigned from his position in November 2022, to become UK Chancellor. Our former Chief Executive, Adam Smith, also resigned in the same month.

In this period of transition, the Trustees focused on ensuring continuation of proper governance and administration of the Charity with the following changes agreed and enacted.

1. In November 2022, James Titcombe took over day to day running and administration of the Charity as Chairman.
2. In December 2022, Dr Michael Durkin was appointed as Trustee.
3. In April 2023, following approval from the Charity Commission, James Titcombe was appointed formally as CEO (in a part time, employed capacity), at which time he resigned as Chairman. This position now being occupied by David Grunberg.

The Charity is delighted to announce the appointment of Dr Durkin whom brings a significant wealth of relevant expertise and experience to the board of Trustees.

The Charity is grateful to Adam Smith and Jeremy Hunt for their vision and hard work in building strong foundations for Patient Safety Watch. This includes the initial charity registration, researching, writing and publication of the book 'Zero' (the royalties for which are donated to support the Charity on an ongoing basis), building the website and social media platforms, producing regular patient safety newsletters, and developing the research proposals and key relationships with academic partners.

When considering the best way to fill the leadership gap following the resignation of our former CEO, the Trustees considered that the time commitment needed moving forward would be less than previously required as the Charity was now well established. For this reason, it was decided that a full-time replacement CEO would not be necessary. Following careful consideration and an options appraisal, it was determined that the best solution was to appoint James Titcombe to take on the role as CEO on a part time basis. The arrangement was subject to Charity Commission consent and approval.

Moving forward, these revised arrangements have resulted in the Charity's ongoing operational costs being significantly less than in previous years.

In addition to the changes noted above, the Trustees have determined that the Board need to be enhanced by the appointment of additional Trustees with relevant experience and they will be working to fulfil this ambition in the foreseeable future.

Trustees are aware that Mike Durkin had an ongoing role as a Senior Advisor with Imperial College, London. It was recognised that this could be perceived as a potential conflict of interest. However, the current contractual arrangement between PSW and Imperial College was put in place some time ago and prior to Mike Durkin being appointed as a Trustee. To mitigate the potential conflict of interest, Trustees agreed that whilst Mike Durkin remained an employee of Imperial College, he would be excluded from any contractual discussions, or research commissioning decisions by Patient Safety Watch that could potentially involve Imperial College London. However, since the end of the reporting period of these financial statements, Mike Durkin is no longer employed with Imperial College London and therefore any potential conflict of interest has now been removed.

PATIENT SAFETY WATCH

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

Achievements and performance

Research Programme

During this period, with the Covid crisis finally easing, the Trustees focused on delivering our commitment to publish our first research report, looking at the current state of patient safety in England. This report (National State of Patient Safety: What we know about avoidable harm in England), was published in late November 2022 and made five key recommendations.

Following the publication of our first research report, we have focused on developing our next major research project in partnership with Imperial College London. This next project focuses on the global state of patient safety and involves comprehensive analysis of world-wide data available relating to avoidable harm in healthcare systems around the world. The work is on track to be published at the end 2023, and will include an interactive data dashboard, an overarching report exploring insights and learning from the data, and a set of case studies highlighting best practice examples of patient safety initiatives across the world.

Moving forward, the Charity will repeat our national state of patient safety report in 2024 and our global patient safety report in 2025.

This ongoing research programme ensures that the Charity continues to contribute to the health of the public by improving patient safety and reducing harm, through publishing comprehensive research looking at the scale and nature of avoidable harm in healthcare systems and promoting initiatives, policies and strategies towards making future healthcare safer.

Patient Safety Weekly Updates

James Titcombe replaced Jeremy Hunt in writing the Charity's patient safety newsletters as from December 2022. At the same time, it was also decided to publish these on a fortnightly basis. These newsletters are now sent to our subscriber mail list as well as published via the Health Service Journal (HSJ), where they are accessible free of charge. These newsletters continue to receive positive feedback. The decision to partner with HSJ means that these newsletters now reach an even bigger audience.

To supplement the values of these newsletters, the Charity has published several guest blogs highlighting important patient safety issues on topical subjects.

External Engagement

The Trustees agreed that the Charity should seek out and participate in relevant conferences and events.

As such, the Charity attended a high-level patient safety event in London in November 2022. This event brought together a wide range of influential stakeholders include system leaders, heads of national patient safety organisations and members of the media.

A number of further high-profile engagement events are scheduled, these include:

- The Charity and Imperial College are presenting a session at the HSJ Patient Safety Congress in Manchester in September 2023.
- The Charity is attending the WHO Global Patient Safety Day event in Geneva in September 2023.
- The Charity is hosting a high-level roundtable event in London in November 2023, the focus of this event will be reflecting on the recommendation of our national state of patient safety report and seeking to galvanise support for action and change.
- The Charity will be launching our next research report, in partnership with Imperial College London in December 2023 at the House of Lords.

Financial review

In the financial period to 31st January 2023, the Charity received income of £208,120 (2022: £164,400) and incurred total expenditure was £213,013 (2022: £199,975).

For the period ended 31 January 2023 the Charity had therefore recorded net expenditure of £4,893 (2022: £35,575).

PATIENT SAFETY WATCH

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent of three month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Plans for future periods

As Patient Safety Watch further develops as a charity, our aims for the coming years are to continue our research collaboration with Imperial College London, by commissioning and publishing an updated national state of patient safety report in 2024, and an updated global state of patient safety report in 2025.

In addition, we will continue to produce regular, high quality patient safety newsletters and seek other opportunities to influence change by campaign for improvements to patient safety, using insights and intelligence from our research.

Our ambition is also to develop a longer-term fund-raising strategy with the aim of securing additional funding which is hoped will enable the charity to expand the scope of its research, engagement and campaigning work.

We are delighted to have received a commitment from The Masimo Foundation of \$60,000 per year for the next three years. This amounts to a total of \$180,000.

Structure, governance and management

The Charity is controlled by its governing document, its articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Company is controlled by its articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr J Hunt (Resigned 28 November 2022)

Mr J R Titcombe

Mr D Grunberg

Mr Michael Durkin (Appointed 19 December 2022)

Trustee Recruitment

New Trustees are appointed by existing Trustees by a majority vote.

PATIENT SAFETY WATCH

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

Risk Management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees have identified the following as significant risks to the Charity: over-reliance on limited sources of income, reputational damage, lower income than expected, and failure to secure a research partner. The Trustees are satisfied that appropriate measures are being taken to mitigate these risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

11761835 (England and Wales)

Registered Charity number

1185650

Registered office

5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

Trustees

Mr M Durkin
Mr J R Titcombe
Mr D Grunberg

Chief Executive

Mr J R Titcombe

Independent Examiner

Grunberg & Co Limited
Chartered Accountants
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
Barbican
London
EC1M 6HR

Bankers

Metro Bank Plc
1 Southampton Row
London
WC1B 5HA

PATIENT SAFETY WATCH

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 JANUARY 2023**

The Trustees' report was approved by the Board of Trustees.



Mr J R Titcombe
Trustee

26 September 2023

PATIENT SAFETY WATCH

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF PATIENT SAFETY WATCH

I report to the Trustees on my examination of the financial statements of Patient Safety Watch (the Charity) for the year ended 31 January 2023.

Responsibilities and basis of report

As the Trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Rudy Loeb ACA
Grunberg & Co Limited
Chartered Accountants
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

Dated: 28 September 2023

PATIENT SAFETY WATCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Income from:</u>			
Donations and legacies	2	160,000	106,000
Other trading activities	3	48,120	58,400
		<hr/>	<hr/>
Total income		208,120	164,400
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	4	213,013	199,975
		<hr/>	<hr/>
Net expenditure for the year/ Net movement in funds		(4,893)	(35,575)
Fund balances at 1 February 2022		17,343	52,918
		<hr/>	<hr/>
Fund balances at 31 January 2023		12,450	17,343
		<hr/>	<hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PATIENT SAFETY WATCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 JANUARY 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	9				50
Current assets					
Debtors	10	-		100	
Cash at bank and in hand		16,534		24,855	
		16,534		24,955	
Creditors: amounts falling due within one year	11	(4,084)		(7,662)	
Net current assets			12,450		17,293
Total assets less current liabilities			12,450		17,343
Income funds					
Unrestricted funds			12,450		17,343
			12,450		17,343

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 January 2023.

The directors acknowledges their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 26 September 2023



Mr J R Titcombe
Trustee

Company registration number 11761835

PATIENT SAFETY WATCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

Charity information

Patient Safety Watch is a private company limited by guarantee incorporated in England and Wales. The registered office is 5 Technology Park, Colindeep Lane, London, NW9 6BX, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.

PATIENT SAFETY WATCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	33% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

PATIENT SAFETY WATCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.10 Pension costs and other post-retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	160,000	106,000

Donated goods and services

Recognition and valuation of donated goods, facilities and services are accounted as donation in kind income valued at the cost incurred. In the period under review this amounted to £50,000 (2022: £50,000).

PATIENT SAFETY WATCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Fundraising speaking fees	48,120	58,400

4 Charitable activities

	Resources expended 2023	Resources expended 2022
	£	£
Depreciation and impairment	51	68
Sundry expenses	100	-
Research	100,000	50,000
Bank charges	19	-
	100,170	50,068
Share of support costs (see note 5)	107,341	146,439
Share of governance costs (see note 5)	5,502	3,468
	213,013	199,975

PATIENT SAFETY WATCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

5 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Management	91,341	-	91,341	123,921	-	123,921
Other	16,000	-	16,000	22,000	-	22,000
Legal & professional	-	-	-	518	-	518
Accountancy	-	5,502	5,502	-	3,468	3,468
	<u>107,341</u>	<u>5,502</u>	<u>112,843</u>	<u>146,439</u>	<u>3,468</u>	<u>149,907</u>
Analysed between						
Charitable activities	<u>107,341</u>	<u>5,502</u>	<u>112,843</u>	<u>146,439</u>	<u>3,468</u>	<u>149,907</u>

Expenditure includes payments to the independent examiner of £3,000 (2022: £3,420) for independent examination fees, and £1,502 (2022: £540) for other services provided.

Support costs include payments to a defined contribution retirement benefit scheme of £991 (2022: £1,320).

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

7 Employees

The average monthly number of employees during the year was:

2023	2022
Number	Number
<u>1</u>	<u>1</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023	2022
	Number	Number
£110,000-£120,000	-	1
£80,000-£90,000	<u>1</u>	<u>-</u>

8 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

PATIENT SAFETY WATCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

9 Tangible fixed assets

	Computers £
Cost	
At 1 February 2022	203
At 31 January 2023	203
Depreciation and impairment	
At 1 February 2022	152
Depreciation charged in the year	51
At 31 January 2023	203
Carrying amount	
At 31 January 2022	50

10 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	-	100

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	-	4,307
Trade creditors	84	85
Accruals and deferred income	4,000	3,270
	4,084	7,662

12 Related party transactions

There were no disclosable related party transactions during the year (2022: none)