

COBALT HEALTH ANNUAL REPORT 2020/21



www.cobalthhealth.co.uk

Charity REGISTRATION NUMBER: 1090790
COMPANY NUMBER: 04366596



Cobalt

Medical Charity

Diagnosis • Research • Education



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CHAIR'S STATEMENT

This has been a challenging year for everyone, and yet a remarkable year for Cobalt. The Trustees are proud of how the team stepped up to support our colleagues in the NHS across the country to face the challenges of providing essential services in a COVID-19 environment.

In 2020-21 the Charity took significant strides forward; acquiring additional mobile CT scanners to respond to the pandemic, establishing sites at the local Nightingale hospitals and working with NHS England to support 30 hospitals around the country, where there was the most need for our services for up to 24 hours a day. Over 110,000 patients were scanned, a 35% increase from the previous year, which vividly demonstrates how Cobalt up scaled at very short notice to meet the exceptional demands for healthcare brought about by the pandemic. Our income for the year was £21.7m, an increase of £8m on 2019/20. The increased reserves this generated will provide financial stability in an uncertain world, whilst enabling the further expansion of services, including an ambitious programme of capital investment in the next generation of scanners, an increase in research activities, and significant development of our education programme.

Our charitable activities continued. We maintained the funding for four research nurses and Megan Willsher, Cobalt's Teenagers and Young Adults with Cancer Specialist Nurse, provided invaluable support to young people and their families. Dr Ayah Nawaar, Cobalt's first Radiology Research Fellow jointly published several papers, including studies on the interpretation of PET/CT ⁽¹⁾ scans within the COVID-19 pandemic. Our educational programme for healthcare professionals, became virtual, which enabled us to expand the training nationally.

All of this would not be possible without the ongoing support of our partners and colleagues in the various NHS Trusts who have worked with Cobalt and

demonstrated immense flexibility and adaptability to help us deliver the services.

Thank you to our volunteers and the many generous people who have contributed to the Charity through donations, fundraising activities, legacies, and awards from trusts. Events that were postponed are being rescheduled. The income generated through all our charitable activities is key to being able to deliver the Charity's objectives.

In April 2021, sadly our patron, Clive Richards, passed away (see p.58). Clive and his wife Sylvia have been generous benefactors of Cobalt. The CT scanners their charity kindly funded have been active during the year providing the NHS COVID-19 service and continuing to support lung cancer screening in some of the most deprived areas of the country.

Finally, I would like to thank my fellow trustees for their support, wisdom, and time, especially in navigating the fast-changing environment, thereby enabling Cobalt's team to respond quickly to the challenges and opportunities presented. Cobalt has ambitious plans for the next few years when we will acquire more state-of-the-art equipment, deliver enhanced education programmes and support internationally important research. It is an exciting time to be associated with Cobalt. The Board of trustees is immensely proud of what the charity has achieved in the most pressing of circumstances.

Neil Holbrook

Chair of the Board of Trustees



ABOUT US

Cobalt Health (Cobalt) is an independent medical Charity established in 1964 to help people affected by cancer, dementia and other conditions. Each year we provide diagnostic imaging for over 110,000 patients at imaging centres in Cheltenham and Birmingham, and through a fleet of mobile MRI⁽¹⁾ and CT⁽²⁾ scanners supporting NHS hospitals and other medical facilities across the UK.

We focus on offering equipment and services not generally available within the NHS to support many patients. Our imaging centres house the latest technology designed to deliver superior image quality, improve patient comfort and enable shorter scanning times.

Using ultra-low dose mobile CT, we are the leading provider of lung cancer screening services in the UK,

working in partnership with the NHS in many deprived areas of the country.

We endeavour to deliver improvements in clinical diagnosis and treatments, mainly relating to cancer and dementia. This is achieved by investing in cutting-edge technology with the aim of supporting and participating in local, national and international research working with leading experts in the field. We also work closely with the Queen Elizabeth Hospital Birmingham to deliver specialist research imaging for the Institute of Translational Medicine.

By delivering a diverse training and education programme for medical professionals we aim to enhance their professional development.

⁽¹⁾⁽²⁾ see glossary page 59.

OUR VISION

To pioneer innovation in medical imaging diagnosis by investing in equipment, integrated research and education, to improve outcomes for patients now and in the future.

OUR VALUES



(1) See glossary of terms page 59

110,000 PATIENTS SCANNED
A 44% INCREASE COMPARED
TO 2019/20



30 HOSPITALS SUPPORTED DURING
COVID-19 PANDEMIC

COBALT RADIOLOGY
RESEARCH FELLOW APPOINTED

87% OF CLAUSTROPHOBIC PATIENTS SCANNED SUCCESSFULLY
USING OUR SPECIALLY DESIGNED SCANNERS

MOBILE CT SCANNERS DEPLOYED TO SUPPORT THE NHS
NIGHTINGALE HOSPITALS UP TO 24 HOURS PER DAY

94% STAFF SAID THEY ARE SATISFIED THAT THAT
CHARITY IS DOING ALL IT CAN TO SUPPORT
THE NHS DURING THE PANDEMIC ⁽³⁾



OVER 50 RESEARCH PROJECTS AND
CLINICAL TRIALS TO DEVELOP NEW
AND IMPROVED CANCER AND
DEMENTIA TREATMENTS

**THE LARGEST PROVIDER OF
LUNG CANCER SCREENING
IN THE UK, SUPPORTING 7
NHS PROGRAMMES**

£3.2M INVESTMENT IN
CUTTING EDGE
CT AND MRI SCANNERS

99.5% PATIENTS SAID
THAT THEY WOULD
RECOMMEND COBALT ⁽⁴⁾



100% STAFF WOULD BE
HAPPY TO RECOMMEND
COBALT TO THEIR FRIENDS
OR RELATIVES ⁽³⁾

214 ★★★★★

GOOGLE REVIEWS 4.8 OUT OF 5 STARS AND
49 FACEBOOK REVIEWS 5 OUT OF 5 STARS

⁽³⁾ Staff survey results April 2021. ⁽⁴⁾ Patient survey results Jan – May 2021

TRUSTEES' STRATEGIC REPORT

Cobalt trustees present their Strategic Report and the Financial Statements for the year ended 31 March 2021. The Charity reports its achievements for 2020/21 against its core activities in Diagnosis, Research and Education.

Public Benefit

When reviewing the aims and objectives and planning future activities, the trustees of the Charity have referred to and believe they have complied with the duty of section 17 of the Charities Act 2011. This relates to having due regard to the Charity Commission's published general guidance on public benefit. In particular, to its supplementary public benefit guidance on fee-charging. The trustees have also considered how planned activities will contribute to the aims and objectives they have set.

The trustees believe that this report demonstrates the Charity's commitment to providing public benefit through a range of activities, including the advancement of diagnostic practice, the sharing of knowledge with healthcare practitioners and the provision of low cost and free scans for patients to assist in their diagnosis and treatment.

The trustees are also pleased to report the Charity's response to the COVID-19 pandemic. Working with NHS England, Cobalt has supported hospitals across England by providing urgent oncology scans. Cobalt was also on standby to supply a CT imaging service for two Nightingale field hospitals.



OUR OBJECTIVES

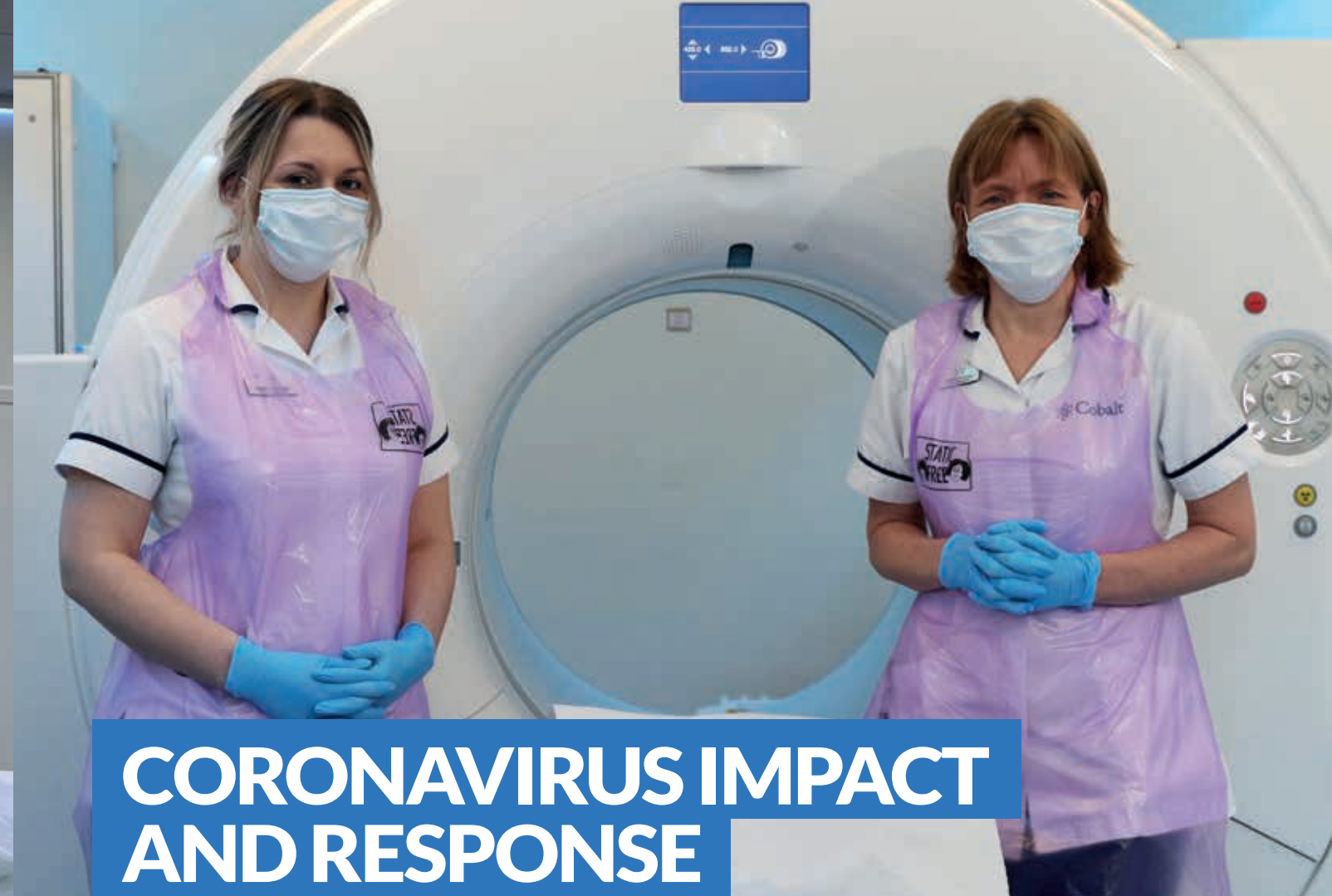
The detection, diagnosis, treatment and prevention of sickness, in particular cancer, in persons living in Gloucestershire, Herefordshire, Worcestershire and the West Midlands, and such other areas of Great Britain and by such means as the trustees may from time to time decide, including the provision and maintenance of equipment and to provide or assist in the provision of education and research into methods of detection, diagnosis, treatment and prevention of sickness, in particular cancer and dementia and publication of any useful results.

The Charity's articles include the powers to develop, deliver and promote services that detect, diagnose, treat and prevent sickness, in particular cancer and dementia.

When reviewing whether the Charity has been successful the trustees consider:

- The number of patients scanned
- The feedback from patients and referring clinicians as to the quality of the service

- The support provided to oncology and dementia services, including research into those areas
- The ability to invest in up-to-date equipment and help introduce diagnostic imaging innovations
- The effectiveness of the training and education delivered to healthcare professionals
- The number of research projects and clinical trials being supported
- The number of internal research studies and papers accepted
- The effectiveness of funded research
- The level of staff satisfaction
- The financial performance of the Charity and its ability to fund future activities
- The contribution the Charity is making to support the NHS during the Covid-19 pandemic.



CORONAVIRUS IMPACT AND RESPONSE

In March 2020, the emerging COVID-19 pandemic and UK-wide lockdown had a significant impact on the activities of the Charity requiring a quick response to manage the associated risks to health and the provision of services. The Charity established a COVID-19 action group to monitor and respond to developments.

The trustees are pleased to report that the Charity responded well, protecting staff whilst doing everything it could to support the NHS both in the response to COVID-19 nationally and maintaining key diagnostic services for patients.

The safety of patients and staff remained the first priority. During the pandemic, as the understanding about the virus developed measures to protect our

patients and staff were continuously adapted. All activities and areas of the Charity were risk assessed and appropriate procedures and infrastructure put in place to protect staff and patients. All staff in 'at risk' categories either worked from home or adaptations were made to ensure they were able to continue to work safely.

Staff who could work from home were given support and equipment to do so. The fundraising team continued to regularly keep in touch with volunteers, offering support where they could. Some volunteers were able to continue making cards and working from home.

"Friendly staff. Great Covid precautions."
Ashley Donlan, Cheltenham.



DIAGNOSIS ACHIEVEMENTS AND THE FUTURE

Supporting NHS England's COVID-19 response:

Cobalt worked closely with the NHS to support the Nightingale hospitals, helping to provide COVID-19 response scanning services across the country and continued to support research commitments. At the same time Cobalt moved quickly to ensure core services were maintained, particularly for oncology patients. More detail of how Cobalt helped support the NHS in its response to COVID-19 can be found under the Diagnosis and Research sections on pages 11-14.

Protecting the Charity's financial resources:

In early 2020, extensive cash flow forecasting and stress testing of the finances was undertaken. To ensure that Cobalt could continue to operate effectively through the year the trustees approved loan and lease facilities of £1.3m against the purchase of a property and a new mobile CT scanner to

preserve cash reserves. This created a safety margin that allowed the team to focus on operational matters. The partnership with NHS England, a significant increase in activity and generous legacy receipts were sufficient to give trustees confidence in Cobalt's finances and to progress with strategic plans. The Charity has finished the year with improved cash reserves and confidence that it will be able to support operations over the next 12 months and beyond.

"I am so happy that we could be there for vulnerable patients throughout the lockdowns, as a 'green site', with a designated Covid-safe route outside of the main hospital building, patients felt secure and able to continue with their imaging and treatment with us. It is also great for myself and the team here that we have been able to continue scanning throughout the pandemic"

– Jan Kennedy, Research Superintendent, ITM Imaging Centre, Birmingham.

Diagnosis: Aims for 2020/21 were:

The Charity aims to support NHS services to provide enhanced medical care to people who are sick and injured, using the most up-to-date imaging technology that would not otherwise have been available. The specific aims for 2020/21 included:

- To promote a specialist patient friendly service for anxious/claustrophobic patients, combining the expertise of radiography staff with enhanced scanner patient comfort features.
- To support NHS England's COVID-19 response by providing a mobile CT scanning service for the Nightingale and other hospitals across England. This provided additional scanning capacity to support both COVID-19 and urgent oncology patients.
- To ensure a safe and secure environment for staff to provide patients with continuing high quality, caring, diagnostic services during the pandemic.
- To maintain services to patients participating in time-sensitive research trials.

- To help maintain rapid access to PET/CT scans by extending clinic times and investigating the expansion of the service in 2021.
- To work with local consultants to help improve patient pathways, speed up diagnosis and onward treatment, with the aim of reducing patient wait times, improving access to early intervention and ultimately more positive outcomes.
- To continue to expand the lung cancer screening services in areas of the country with the highest occurrence of lung cancer, identifying cancers in at-risk patients at an early stage, when the chance of treatment success is highest.
- To monitor the global development of scanning technology and ensuring that the latest technology is available to our patients and the NHS through a continuous upgrade and development programme, including collaboration with the local NHS trusts to support their patients using the latest technology at main hospital sites.

Diagnosis: Achievements and impact in 2020/21 were:

- Continued to develop services focused on anxious and claustrophobic patients by introducing a new virtually open Siemens Healthineers Sola 1.5 Tesla⁽¹⁾ MRI scanner. This together with an enhanced ‘in-bore’ patient entertainment system on the Philips 3.0 Tesla MRI scanner, resulted in 87% of claustrophobic and anxious patients receiving high quality diagnostic scans. These patients had been at risk of not being able to tolerate their scan, affecting their ongoing treatment options.
- Cobalt worked closely with NHS England and a number of NHS trusts to provide a COVID-19 support service. Initially two CT scanners supported the Bristol and Birmingham Nightingale hospitals. Staff integrated with the local trusts and undertook training to support the facilities if required.
- In parallel Cobalt provided a rapid mobile CT service to many COVID-19 hot spots to enable patients to be scanned outside hospitals, reducing pressure on the NHS trusts during this challenging time. Cobalt was able increase the number of CT scanners deployed from 3 to 7 supporting 1,500 patients each week.
- As part of NHS England’s COVID-19 response the Charity was able to place CT scanners in Cheltenham and Kidderminster to provide green zone “COVID free” scanning centres for Gloucestershire Hospitals NHS Foundation Trust and Worcester Acute Hospitals NHS Foundation Trust, enabling patients to receive their urgent scans close to home.

- This support for NHS England would not have been possible without the generosity of the Clive and Sylvia Richards Charity, who supported the purchase of two of the additional CT scanners.
- Cobalt Imaging Centre in Cheltenham continued to provide the full range of services. The number of patient waiting rooms was increased to support social distancing. The number of out-patient clinics was also increased to enable patients to be seen, whilst local hospitals supported COVID-19 patients.
- An 18% increase in PET/CT referrals resulted in over 3,300 oncology patients from the Three Counties (Gloucestershire, Herefordshire and Worcestershire) having a PET/CT scan. This enabled early and accurate diagnoses and treatment monitoring, supporting personalised pathways for patients.
- Cobalt also increased the number of free specialist PET/CT scans to support the early diagnosis of dementia – enabling patients to have access to an appropriate treatment pathway sooner.
- The pandemic effectively paused the CT lung cancer screening services for much of the year. Cobalt did however continue to see patients who required following up with additional CT scans. The lung screening services commenced again at the end of the year, and Cobalt is now supporting seven lung cancer screening programmes working in partnership with the NHS.



(1) See glossary of terms page 59

“Staff were so very welcoming. From the minute I arrived to leaving all staff were so professional, fantastic communication and so warm. Thank you wonderful team.”
Sue Holmes, Chipping Campden.

DIAGNOSIS

THE FUTURE

- To continue to ensure a safe and secure environment for staff to provide patients with continuing high quality, caring, diagnostic services during the pandemic.
- To continue to monitor the global development of scanning technology to ensure that the Charity identifies opportunities to be early adopters of innovation for the benefit of future patients.
- To maximise opportunities to support the NHS with the increasing need for diagnostic imaging in the UK, including supporting the development of Community Diagnostic Hubs; delivering accessible services where they are most required.
- To continue to support NHS England’s COVID-19 response by providing imaging services where waiting times have increased; including helping to reduce the waiting time for urgent oncology scans.
- To expand the provision of PET/CT services to meet the increased demand in the three counties, by acquiring a mobile PET/CT scanner and support unit.
- To work with local medical professionals with the aim of improving patient pathways, enabling faster access to diagnostic imaging reducing patient wait times and enabling earlier treatment.
- To support restarting the lung cancer screening services and expansion of the national programme helping the NHS make a positive difference to people’s health in areas of the country with the highest occurrence of lung cancer.



RESEARCH ACHIEVEMENTS AND THE FUTURE

Cobalt aims to fund and participate in research into the advancement of the detection and treatment of cancer and other long term conditions such as dementia, with an emphasis on using diagnostic imaging.

During the year the Charity appointed an external chair for the Research Committee and undertook a review of the research strategy. The aim is now to support more internal research within the Charity but also to continue to support external research projects which are in line with the Charity's core objectives.

Whilst the review was undertaken, research activities continued where they could and where they were not limited by the impact of COVID-19.

Research: Achievements and impact in 2020/21 were:

- Cobalt funded a Radiology Research Fellow in partnership with University Hospitals Bristol NHS Foundation Trust. Following the success of this appointment, Dr Ayah Nawwar became Cobalt's first fully funded Research Fellow now based at Cobalt Imaging Centre in Cheltenham, supporting Prof Iain Lyburn, Cobalt's Medical Director.
- During 2020/21 Cobalt commenced work with an international team to develop the use of artificial intelligence in PET/CT to improve diagnostic accuracy. Early findings have been encouraging

leading to an extension of this work.

- Cobalt continued to support the funding of four research nurses, allowing a shift in focus to COVID-19 trials for a period of time. This funding enabled two local trusts to continue to recruit patients to clinical trials where many trusts had had to stop due to the impact COVID-19.
- The Charity is currently supporting over 50 research projects and clinical trials. In addition, Cobalt's research team has had papers published in international journals; a number relating to the COVID-19 findings on PET/CT scans.

The Future

- To focus more resources on internal research activities, using the considerable experience of the team and scanning resources to undertake studies
- To develop our research capability and infrastructure
- To continue to support the development of the use of artificial intelligence in diagnostic imaging, to assist radiologists with the best tools available to support their work
- To seek to raise the profile of the Charity's research activities through publishing findings and attendance at conferences
- To set aside funds for the development of the department and to encourage bids from like-minded teams looking at research with a significant scanning element



EDUCATION ACHIEVEMENTS AND THE FUTURE

Education: Aims for 2020/21 were:

- To appoint a new Head of Education and Training who will be responsible for developing the educational programme for staff and medical professionals
- In addition, developing educational courses and events on a national and international basis for healthcare professionals
- To continue to provide radiology and radiographer fellowships
- To work with the University of Gloucestershire and Gloucestershire Hospitals NHS Foundation Trust to develop a CT Academy to support undergraduate and postgraduate students and develop a wider training programme

- To support clinical placements for undergraduate students undertaking the Diagnostic Radiography BSc Hon course

Education: Achievements and impact in 2020/21 were:

- Continuing to provide formal training programmes for newly qualified radiographers
- The education programme was redesigned to enable online delivery of events, including talks delivered to 210 medical professionals covering dementia, orthopaedics and oncology.



EDUCATION THE FUTURE

- To work with the soon to be appointed Head of Education and Training to develop a comprehensive internal training strategy focusing on Continuing Professional Development
- To provide clinical placements for undergraduate students undertaking the new University of Gloucestershire Diagnostic Radiography BSc Hon course
- To build upon the success of the online education event programme for medical professionals and to evaluate the benefit and timing of future classroom courses, including conferences
- To develop undergraduate and apprenticeship radiography programmes with universities and colleges



CLINICAL QUALITY ASSURANCE

Cobalt is committed to exceptional patient care whilst delivering a consistently excellent standard of imaging and reporting. We support all our clinical processes with quality management systems. We constantly strive to improve the service we provide through a comprehensive audit programme and we encourage all users of our services to complete a Patient Questionnaire or Referrer Survey, these are monitored daily and reviewed by our Clinical Audit Committee on a quarterly basis.

We were the first diagnostic imaging service to meet the **Quality Standard for Imaging (QSI)** this is formal recognition that we have the organisational competence to deliver against key performance measures, based around our patients' experience. The United Kingdom Accreditation Service (UKAS)

deliver and manage QSI on behalf of The College of Radiographers and The Royal College of Radiologists. We have been accredited with **ISO 9001** continuously since 1994. This is an international standard which ensures a philosophy of continual improvement in all aspects of the business, with a focus on quality management.

We are also registered with the **Care Quality Commission (CQC)**. The Care Quality Commission is the independent regulator of health and social care in England with the aim to make sure better care is provided for everyone.

Cobalt is currently working towards the **ISO14001:2015** standard to assess the impact of our activity on the world around us and to provide sustainable solutions for the environment and the health and wellbeing of people.



Photo: Cobalt volunteers at a thank you event at Manor by the Lake

FUNDRAISING REPORT



Thank you for your support

We recognise the important role donors have played in helping ensure that we were well placed to respond to the pandemic and able to continue to provide a full PET/CT, CT and MRI service for oncology and dementia patients. The investment in mobile CT scanners, supported by the Clive and Sylvia Richards Charity enabled us to provide urgent support to NHS England across the country, when and where it was needed.

The impact of the coronavirus pandemic resulted in the cancellation of over 20 planned fundraising events and talks. It temporarily halted our in-house volunteer programmes.

In times of unexpected challenges, the continued support of individuals, partners, and organisations remains incredibly important to our fundraising efforts and the Charity.

FUNDRAISING GOALS



Cobalt undertakes fundraising to support the objectives of the Charity in particular to:

- provide the latest technology, enabling patients to have the earliest and most accurate diagnosis. We invest in projects that improve the patient experience, including a specialist nursing post supporting teenagers and young adults with cancer.
- fund and participate in pioneering research, particularly in the fields of cancer and dementia. We support research projects that study the effect of current treatments or which help to establish

the efficacy of new and novel treatments. We also fund the salaries of four specialist research nurses for breast cancer and dementia and who help to identify patients who may be suitable and willing to participate in trials which could bring tangible benefits to patients now and in the future.

- support education events for medical professionals, showcasing leading experts in their fields and enabling the sharing of knowledge and best practice between peers for the benefit of patients.

FUNDRAISING HIGHLIGHTS



TOTAL INCOME ACHIEVED DURING 2020/2021 WAS £1.0M COMPARED TO £1.5M THE PREVIOUS YEAR AND TARGET OF £795K.

During the year, over £800k of our fundraising income came from people choosing to recognise the work of the Charity with gifts in their wills. In 2020 we provided support through our Make a Will Month campaign in April and participation in Remember a Charity Week in September, as well as partnering with the Co-op to provide a reduced fee will-writing service – helping more people plan for the future.

We are very grateful to past supporters and their loved ones who left a gift in their will and over a hundred more supporters who have kindly let us know their intention to support Cobalt in this way.

'We decided to leave a gift to Cobalt in our will because we thought "why wouldn't we?". If it goes towards saving even one person's life, it would be worth it.'

Supporters, Lyn and Ian from Cheltenham, have included a gift in their will to Cobalt.



Pass On
SOMETHING
Wonderful

REMEMBER A CHARITY
IN YOUR WILL
Help the work live on...

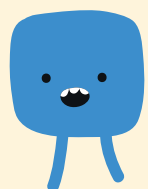
Gift in will to Cobalt enables purchase of new medical equipment

Last year Pamela Gay left a gift in her will to Cobalt. We are very touched that Pam remembered the work of the Charity in this way. Pam was diagnosed with Hodgkin's lymphoma and bone cancer in the 1970's. She was put on a pioneering chemotherapy trial at the 'Cobalt Unit' under our founder, Dr Fred Hanna. She went on to make a full recovery and led a very full and active life. After surviving cancer, Pam became involved in organising fundraising events and chose to leave a special gift in her will to Cobalt, in order to help more people survive cancer.

theBigGive

Over the course of seven days in December the campaign raised over £35,000 to introduce a pioneering onsite service at the Cobalt Imaging Centre to analyse blood prior to scanning. The new onsite service is already helping to reduce waiting times for patients, many of whom require urgent scans. Thank you to all our supporters and to our champion funder the Clive and Sylvia Richards Charity for match funding this campaign.

A new online fundraising campaign was launched in October 2020 to connect with supporters digitally. This dedicated supporters' area provides access to virtual open gardens, monthly quizzes, Cobalt's Kitchen Table (recipes and demonstrations) and other interactive content to help raise the profile and funds for the Charity.



IN AID OF COBALT

SUPER SUPPORTERS



Photo: Marcia Gonsalves-Thompson

Dave Burley raised £7,000 after cycling a double marathon, repeating the 52 mile run he last did back in 1984 for Cobalt, but this time on two wheels.

Marcia Gonsalves-Thompson raised over £500 running the 2020 Virtual London Marathon.

We would also like to give special thanks all those supporters whose efforts were affected by the pandemic restrictions including Philip Pinchin (who was preparing to climb Lhotse mountain), Matt Burke (Edinburgh Marathon), James Fenton (Race to the King double marathon) and Lily Wilcocks (cancelled auction event at Batsford Arboretum) to name but a few.



CHARITY PARTNER IRESS

Charity partner, global financial software company, IRESS raised funds for a brand new laptop for our Teenage and Young Adult with Cancer Specialist Nurse, Megan Willsher, helping to ensure that she could work remotely and easily connect with her clinically vulnerable patients. This support was more important than ever during the pandemic, given the increased uncertainty and isolation many felt.

FUNDRAISING PROJECTS



Investing in Equipment and the Patient Experience

£67,742 was received for new equipment and improving our patients' experience.

The Charity continues to help fund the role of the Teenage and Young Adult with Cancer Specialist Nurse at a cost of £29,000 each year, the majority of which was raised through fundraising activities



Pioneering Research

Fundraising continues to support the research programme. Research plays an important role in progressing medicine and ensuring we use existing treatments in the best possible way. Over £19k was allocated towards Cobalt's research work.

Cobalt funds four specialist NHS research posts. In December 2019 Cobalt pledged £200,000 of funding to enable the appointment of a Senior Breast Cancer Research Nurse and a Research Support Officer. These appointments have already enabled the opening of breast screening trials in Gloucestershire, helping to improve access to new therapies and techniques for Gloucestershire breast cancer patients. £100,000 has been raised (as of March 2021). It is the intention after the initial funding period that these posts become self-funding for future years. £17,777 was raised towards salary costs of two Dementia Research Nurses.





GIVING WITH CONFIDENCE

Cobalt is a member of the Fundraising Regulator and complies with the standards laid out in the Code of Fundraising Practice. We agree to ensure our fundraising is legal, open, honest and respectful. The Charity adheres to the 'Fundraising Promise' which is published on the Cobalt website. The Charity has also signed up to the Fundraising Preference Service which enables individuals to opt out from receiving fundraising communications from us. Cobalt staff and volunteers carry out their activities in accordance with these guidelines.

The Charity is also a member of the Chartered Institute of Fundraising and the Institute of Legacy Management and adheres to their best practice guidelines. External agencies are not employed to carry out fundraising on behalf of the Charity. There is no door-to-door fundraising. In line with our Data Protection Policy the Charity does not sell and has not given data to any third parties without express permission. Access to the Cobalt database by staff and volunteers is strictly controlled. Cobalt treats its responsibility towards supporters in vulnerable circumstances with the utmost importance and our fundraisers are provided with guidance and support to help them respond appropriately to any individual they consider this might apply to.

No complaints have been received during the year. Any complaints received would be managed in accordance with our complaint handling procedures. Supporters are encouraged to provide feedback as this is an important source of information about the impact that the Charity's work has on them and other members of the public.

We provide details of how to contact us, including our complaints process, on our website. The fundraising programme is reported on a regular basis to the Board of Trustees and the ongoing strategy approved by them, to make sure our fundraising activities are compliant with all relevant rules and regulations, remain ethical and deliver the highest possible standards.

Most people who donate to us want to know how their money is making a difference. We ask whether and how they would like us to keep in touch with them so we can update them on our work and how they've helped us. If they no longer wish to hear from us, we would always respect their decision.

We are trialling new technology to make donating to Cobalt easier than ever, including contactless payment system at Cobalt Imaging Centre so people are able to donate digitally.

FINANCIAL OVERVIEW

Total income for the year was £21.7m (2020 – £13.7m). Initially the Charity saw a fall in routine diagnostic imaging and research activities. Whilst these did largely recover through the year, all educational and fundraising events were postponed or cancelled. Cobalt was able to take advantage of the investment from previous two years in lung cancer screening to support NHS England as part of their COVID-19 response. During the year the number of CT scanners deployed was increased to seven through acquisition and hires. This contract generated £9.8m of income. The Charity did manage to maintain support for oncology patients with PET/CT and MRI. Cobalt provided a number of free scans to help research improved diagnostic pathways and the early diagnosis of dementia.

The cost of delivering services increased by £2.1m to £14.9m (2020 - £12.8m), including the associated costs of supporting NHS England as part of their COVID-19 response.

The surplus for the year was £6.8m (2020 - £0.9m). During the year £4.5m was invested in assets, including £3.2m of medical equipment and £1.1m for additional office space. A further £3.6m of capital expenditure had been committed to at the year end.

INCOME AND EXPENDITURE

The total income for 2020/21 was £21.7m (2020 - £13.7m).

MRI Services (£6.4m) (2020 - £7.9m)

This is income from the MRI scanners from the imaging centres in Cheltenham and Birmingham as well as the mobile scanners supporting hospitals across the UK. After the initial fall in income due to uncertainty at the start of the pandemic, numbers began to increase again throughout the rest of the financial year.

PET/CT and CT Services (£13.8m) (2020 - £4.1m)

PET/CT income is mainly from a contract with NHS England to stage (evaluate the extent of) cancer and assess for patient's response to treatment. This year £9.8m was generated through COVID-19 response activities, supporting NHS England with mobile CT scanners where COVID-19 has had the most impact on NHS trusts across the country.

Fundraising Income (£1.0m) (2020 - £1.5m) of which:

- Fundraising Donations and legacies (£930k)
 - The Charity benefitted from legacies receivable of £811k and donations and other gifts totaling £119k.
- Fundraising activities (£85k)
 - Due to the COVID-19 pandemic, unfortunately all 2020/21 fundraising events had to be cancelled, leading to a decrease in fundraised income this year.

Other income (£0.4m) (2020 - £0.2m)

This income is from running the ‘MRI in Practice Course’ online, Furlough receipts, as well as rent receivable and any gains on fixed asset disposals.

Expenditure for 2020/21 totaled £14.9m (2020 - £12.8m).

MRI Services £6.8m (2020 - £7.8m)

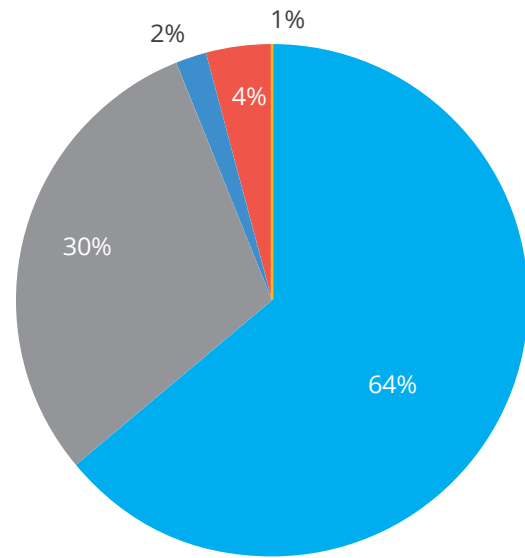
Clinical staffing represents a high proportion of the total costs. The increased demand for CT required a number of the team to transfer to that service, resulting in increased expenditure on agency and bank staff.

PET/CT Services £7.4m (2020 - £3.9m)

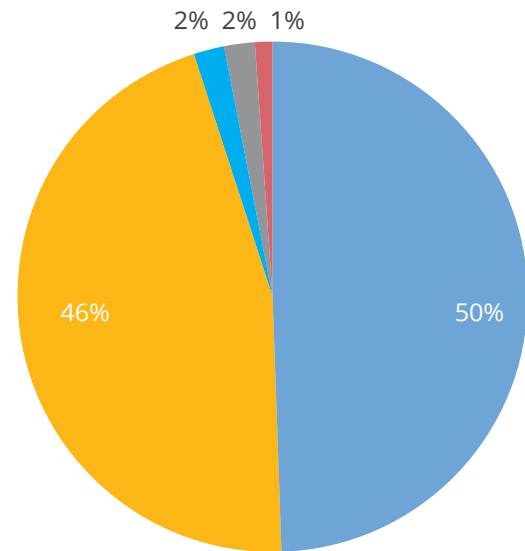
Cobalt saw a record number of PET/CT patients in the year and by providing additional CT services in response to the COVID-19 pandemic. This led to a sharp increase in costs in order to support this service. Staffing makes up 34% of the costs. Other costs include maintenance of the scanners and expenses related to running a mobile fleet.

Raising Funds £0.3m (2020 - £0.4m)

Costs relate to the work of the Charity and volunteers to raise philanthropic funds for Cobalt.



BREAKDOWN OF TOTAL INCOME (£21.7m)



BREAKDOWN OF TOTAL EXPENDITURE (£14.9m)



Charitable Funding, Nurses and Research £0.3m (2020 - £0.6m)

This includes the funding of Cobalt’s Teenagers and Young Adults with Cancer Specialist Nurse, plus two breast cancer and two dementia research nurses.

Training and Education £0.08m (2020 - £0.1m)

Expenditure reduced during the year due to a shift in providing the ‘MRI in Practice’ courses online.

RETAINED FUNDS

Charity Funds £29.6m (2020 - £22.8m)

Restricted Funds £29k (2020 - £29k)

Funds are held at the year end to purchase equipment for a new MRI relocatable unit.

Designated Funds £5.4m (2020 - £2m)

The trustees have allocated funds to address recognised needs for the Charity, these are identified below.

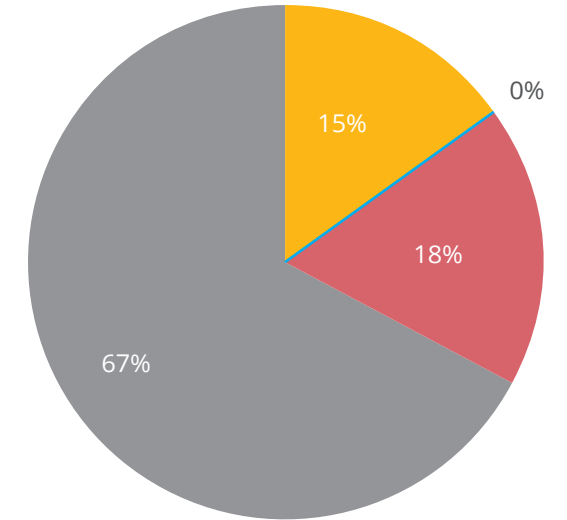
Tangible assets for use £19.7m (2020 - £17m)

The fund represents the net capital value of the property and working assets of the Charity required for its operation.

General Fund and Reserves Policy £4.4m (2020 - £3.7m)

To protect Cobalt’s activities, the Charity’s reserve policy is to maintain a minimum of 3 months and a maximum of 5 months working capital in reserves. At the year-end Cobalt held reserves sufficient for 3.6 months (2020 – 3.4 months).

The Reserves Policy was regularly reviewed and still deemed appropriate



CHARITY FUNDS (£29.6m)



Designated Funds £5.4m (2020 - £2m)

Capital Equipment £3.6m (2020 - £0.4m)

The funds are held for new equipment projects. The £3.6m carried forward has been retained to purchase a new CT mobile unit, relocatable units and PET/CT mobile, all of which are expected to be completed by March/April 2022.

Equipment Replacement Fund £1.1m (2020 - £1.0m)

This fund is reserved to replace and refresh the installed imaging equipment as part of the Equipment Replacement Plan. £1.1m has been set aside to replace an older mobile with a new mobile MRI unit for March/April 2022.

Grants Fund £0.5m (2020 - £0.2m)

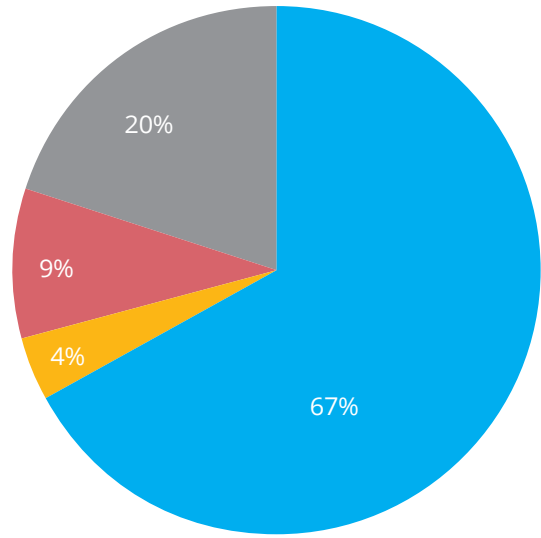
Grants are to support oncology and dementia services and research. The fund will be expended against ongoing research projects, fellowships and research grant awards that will be advertised from time to time on the Charity's website. This fund is expected to support these projects over the next two years.

Property Fund £0.2m (2020 - £0.4m)

This fund is used to upgrade the facilities in the Charity's properties. Funds carried forward are retained for upgrading the Cobalt Imaging Centre reception area and engineering plant within the next financial year.

Investments

The Charity considered it prudent to distribute its cash reserves amongst a number of UK banks. Cash has been held on deposit with differing maturity dates to maintain flexibility and attempt to earn some income in a low interest environment.



DESIGNATED FUNDS (£5.4m)



GRANT MAKING POLICIES

The trustees will continue to identify suitable projects which can be supported by the Charity. In addition to research activities as a non-commercial partner for the National Institute of Health Research support will be given to projects which:

- Significantly improve the quality of diagnosis, detection, treatment and support for patients suffering from cancer and dementia; including supporting pathways for advancing research using imaging techniques
- Support the training and education of medical imaging professionals using advanced MRI and PET/CT equipment, and the use of artificial intelligence in diagnosis

RISK MANAGEMENT

The Charity has a risk management strategy. This involves:

- an annual review by the Board of Trustees of the risks to which the Charity may be exposed
- the assessment of clinical risks by each area is reviewed by the relevant committees
- the establishment of procedures designed to eliminate or minimise such risks; and
- the implementation of such procedures

Details of key risks are recorded in a risk register. The following have been identified as key risks:

Risk	Impact	Mitigation
Coronavirus – restrictions on trading and inability to staff activities due to illness and isolating	Financial and operational losses will impact on income and reputation	Multiple actions - see the COVID-19 response pages in this report. Diversification and retention of reserves to support a loss of income for a number of months
Loss of major contract for diagnostic imaging	The loss of a contract may have a significant impact on income	The Charity has been diversifying its activities into other areas of clinical imaging and means of providing services
Cyber security failure or denial of service attack	Potential loss of data, inability to operate, impact on reputation	Staff undertake annual IT Governance training, including cyber risks. The Charity has updated many critical systems and is improving disaster recovery resources
Loss of a clinical scanner through breakdown or damage	Potential loss of income and key contracts, delay in diagnosis for patients	Cobalt invests in maintenance and service level agreements to repair or compensate for lost time. Contingencies include hiring scanners. Growth offers duplication of scanners and income remains well diversified
Shortage of suitably qualified staff	Increased cost of working and failure to fulfil contracts and grow	Cobalt is employing a recruitment specialist, investing in a recruitment website and is expanding its training programme to attract staff, including working with universities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Cobalt Health (with registered Charity number 1090790) is a company limited by guarantee (with company number 04366596) (also known as 'Cobalt') and has no share capital. In the event of the company being wound up the liability of each member is limited to £1.

The Charity is governed by Articles of Association dated 23 May 2017. Details of trustees, officers and advisers are given on page 57 of these Financial Statements.

Appointment of new trustees

- The Articles of Association allow the board to appoint new trustees, subject to confirmation at the next Annual General Meeting of the Charity.
- The Charity seeks candidates using executive search consultants, adverts and by direct approach
- Trustees are only appointed after interview
- New trustees go through a formal induction process to enable them to become an effective member of the board, this includes time in the Charity, meetings with the senior management team, structured training, including occasional sessions with the Charity's auditor on the responsibilities of trustees.

Committee Structure and Management

The Board of Trustees meets at least five times a year with occasional special meetings being called as required. It decides the general strategy for the work of the Charity and approves all major items of expenditure or funding. The following committees report to the Board of Trustees:

- **Finance Committee** – meets at least 3 times a year with responsibility for oversight of the financial strategy and performance of the Charity, and its administrative affairs, including risk management
- **Clinical Governance Committee** – meets at least 3 times a year and is responsible for oversight of the clinical governance and quality assurance

for all clinical work, to ensure that safe, effective and patient-focused healthcare is provided

- **Personnel Committee** – meets annually to review staff pay and conditions, including those of the senior management, making recommendations to the board of trustees. The committee takes into consideration salary benchmarks in the health and Charity sectors
- **Research Committee** – meets at least 3 times each year to consider projects to support and monitor the effectiveness of research

Day-to-day management of the Charity's work within that general strategy is carried out by the Chief Executive, Mr Peter J Sharpe, and the senior management team.

There is a dormant subsidiary, The Cobalt Unit Appeal Fund Limited (company number 09016631), with an issued share capital of £1 held by the Charity.

Charity Governance Code

The trustees recognise the benefits to be gained from adopting the Charity Governance Code. The trustees self-audit the governance of the Charity against the 7 principles in the code on a cyclical basis.

This last year has required all meetings to be conducted remotely. The trustees have endeavoured to ensure that the standards expected in the code are maintained. One advantage of remote meetings is that it has enabled the Charity to hold more short meetings to respond to the developments and maintain a focus on strategic development. It has also enabled improved attendance and participation from stakeholders.

The main focus for development remains formalising the process of reviewing the performance of the trustees and the board as a whole. The trustees and advisers listed on page 57 form part of the Trustee's Report

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Cobalt Health for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITOR

Insofar as each of the trustees of the Charity at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

AUDITOR

During the year the charity used its previously appointed auditor, Crowe U.K. LLP, who has been appointed in accordance with Section 485 of the Companies Act 2006. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

The Trustees' Report, comprising the Strategic Report and other information, was approved by the trustees on 16 September 2021 and signed on their behalf by

Neil Holbrook,
Chairman

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF COBALT HEALTH

Opinion

We have audited the financial statements of Cobalt Health (‘the charitable company’) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2021 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 trustee’s 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 the charitable company’s 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. 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 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 our audit

- the information given in the trustees’ report, which includes the directors’ report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors’ report included within the trustees’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors’ report included within the trustees’ report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees’ responsibilities statement set out on page 29, 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

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion. We obtained an understanding of the legal and

regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were UKAS and CQC Regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the completeness and accuracy of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence including that with the Charity Commission, UKAS and CQC and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing

standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

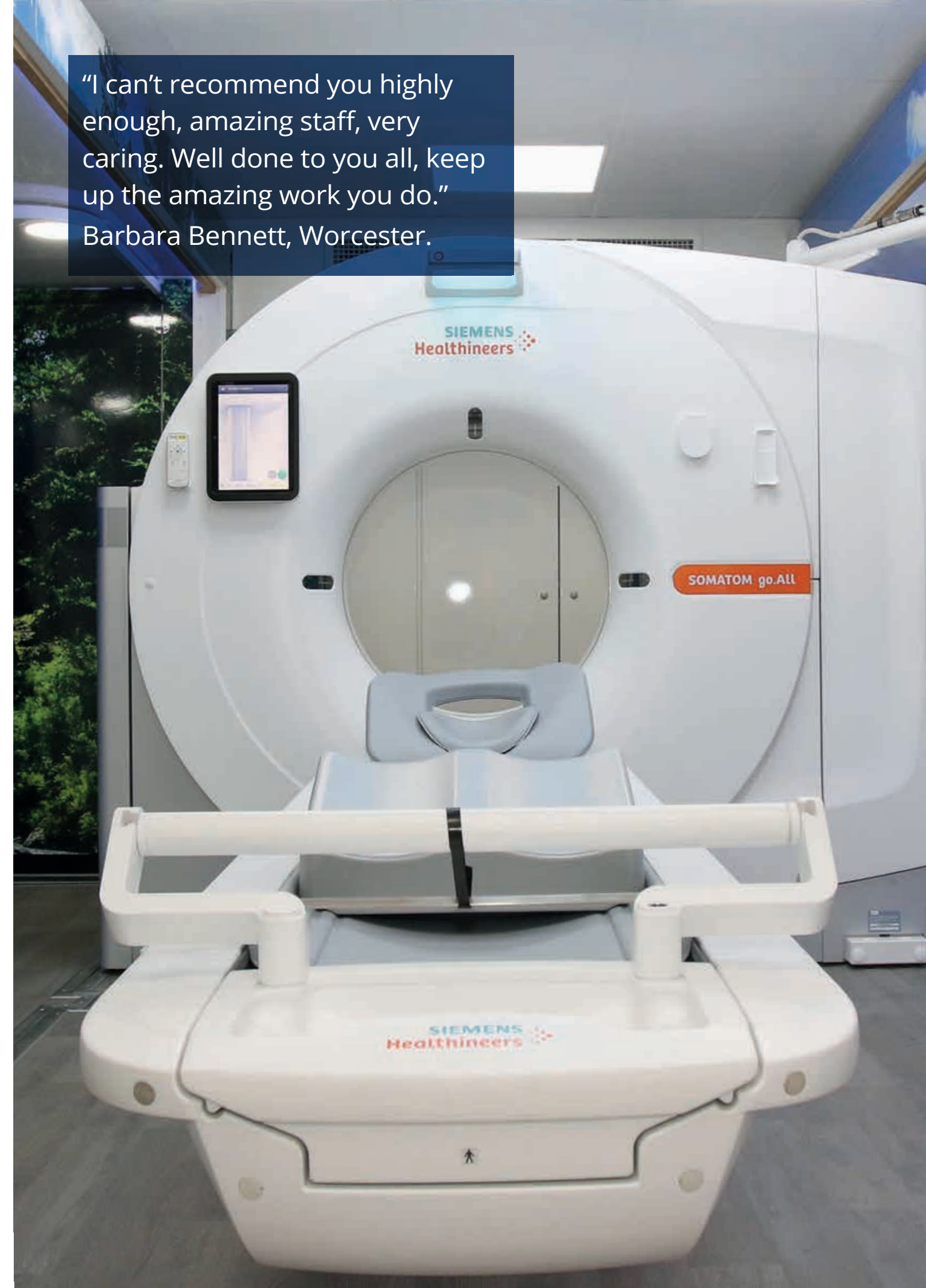
Use of our report

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. 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.

Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
4th Floor,
St James House,
St James' Square,
Cheltenham, GL50 3PR

8 October 2021

"I can't recommend you highly enough, amazing staff, very caring. Well done to you all, keep up the amazing work you do."
Barbara Bennett, Worcester.



STATEMENT OF FINANCIAL ACTIVITIES

(including an Income and Expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds	Restricted Funds	2021 Total Funds	2020 Total Funds
INCOME FROM:		£	£	£	£
Donations and legacies	2	875,828	53,777	929,605	1,086,851
<i>Charitable activities</i>					
Clinical services	3	20,262,609	-	20,262,609	11,984,962
Fundraising activities	4	27,348	57,265	84,613	427,643
Investment income	5	10,452	-	10,452	41,246
Other income	6	387,290	-	387,290	209,235
TOTAL INCOME		21,563,527	111,042	21,674,569	13,749,937
EXPENDITURE ON:					
Fundraising costs	9	281,360	-	281,360	363,974
Charitable activities	9	14,518,369	72,306	14,590,675	12,451,191
TOTAL EXPENDITURE	9	14,799,729	72,306	14,872,035	12,815,165
NET INCOME		6,763,798	38,736	6,802,534	934,772
TRANSFERS BETWEEN FUNDS		38,912	(38,912)	-	-
NET MOVEMENT IN FUNDS		6,802,710	(176)	6,802,534	934,772
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD		22,754,917	29,006	22,783,923	21,849,151
TOTAL FUNDS CARRIED FORWARD	19	29,557,627	28,830	29,586,457	22,783,923

BALANCE SHEET

AS AT 31 MARCH 2021
Company number 04366596

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	11	189,491	144,003
Tangible fixed assets	12	19,763,130	17,039,593
Investments	13	150,001	150,001
TOTAL FIXED ASSETS		20,102,622	17,333,597
CURRENT ASSETS			
Debtors	14	3,790,125	2,466,978
Investments	13	3,032,265	2,050,833
Cash at bank and in hand		6,146,392	3,608,590
TOTAL CURRENT ASSETS		12,968,782	8,126,401
LIABILITIES			
Creditors - amounts falling due within one year	15	(2,334,869)	(2,676,075)
NET CURRENT ASSETS		10,633,913	5,450,326
Creditors - amounts falling due greater than one year	15	(1,150,078)	-
TOTAL NET ASSETS		29,586,457	22,783,923
FUNDS OF THE CHARITY			
Unrestricted Funds:			
Tangible fixed assets held for Charity's use	16	19,763,130	17,039,593
Designated funds	17	5,412,530	2,043,247
General fund	16	4,381,967	3,672,077
TOTAL UNRESTRICTED FUNDS		29,557,627	22,754,917
Restricted funds	18	28,830	29,006
TOTAL CHARITY FUNDS	19	29,586,457	22,783,923

Approved by the Trustees on 16 September 2021
and signed by

NEIL HOLBROOK
Chairman

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	24	<u>6,414,394</u>	<u>3,740,965</u>
Cash flows from investing activities			
Interest receivable and rents from investments		109,857	147,534
Purchase of intangible assets	11	(92,500)	(122,247)
Proceeds from the sale of fixed assets		178,500	32,461
Investment Property	13	-	(150,000)
Purchase of fixed assets	12	<u>(4,420,099)</u>	<u>(3,689,696)</u>
Net cash (used in) investing activities		<u>(4,224,242)</u>	<u>(3,781,948)</u>
Cash flows from financing activities			
Repayments of borrowing		(79,888)	-
Cash inflows from new borrowing		<u>1,408,970</u>	-
Net cash provided by financing activities		<u>1,329,082</u>	-
Change in cash and cash equivalents in the year		<u>3,519,234</u>	<u>(40,983)</u>
Cash and cash equivalents at the beginning of the year		5,659,423	5,700,406
Cash and cash equivalents at the end of the year	25	<u>9,178,657</u>	<u>5,659,423</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1. ACCOUNTING POLICIES

Cobalt Health was incorporated in England and Wales as a company limited by guarantee (registered no. 04366596) and has no share capital. The liability in respect of the guarantee is limited to an amount not exceeding £1 per member of the company. Cobalt Health is registered as a Charity with the Charity Commission England and Wales (registered no. 1090790).

a) Basis of accounting

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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Charities SORP and UK Generally Accepted Accounting Practice.

The financial statements have been prepared under historical cost convention. Cobalt Health meets the definition of a public benefit entity under FRS 102.

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

Under Section 405 of the Companies Act 2006, consolidated accounts have not been prepared as the inclusion of the dormant subsidiary is not material for the purpose of giving a true and fair view. Therefore these financial statements present information on the parent entity as an individual undertaking only.

b) Preparation of the accounts on a going concern basis

At the year end the Charity had £9.18m in the bank

and on deposit. Extensive modelling was undertaken throughout 2020 on the potential and evolving impact of the Corona Virus pandemic on the Charity. As a result, the Trustees sought to protect current cash reserves by borrowing £1.4m against planned purchases of a new mobile CT scanner and an adjacent property in June and July 2020.

In April 2020, Cobalt was contracted to support the NHS England's Covid-19 response, using four mobile CT scanners and support units. The contract has been extended to September 2021. This contract, together with the ongoing activities and the cash balances in hand are sufficient to give Trustees confidence beyond the next 12 months.

Revised budget forecasts and three year projections expect that more normal levels of diagnostic activities will resume over a period of time. Cobalt expects to make a surplus in 2021/22.

The Charity is able to plan expansion to activities over the next two to three years and therefore the Trustees are able to adopt a going concern basis for the preparation of these financial statements.

c) Income

Income, including that from clinical services, is recognised in the period to which it relates, once the Charity has entitlement to the resources and once the Trustees have probability that the resources will be received and when the monetary value can be measured with reliability.

Income from fundraising events is shown gross, with the associated expenditure shown in Fundraising costs. Where the Charity benefits from work carried out by volunteers without charge, no value is placed on this work for accounting purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Donations including donated goods are recognised as income when they have been received and any conditions associated with the donation have been met.

Legacy income is recognised when there is a grant of probate; the executors have established that there are sufficient funds to distribute funds from the estate; the legacy can be valued with reasonable accuracy and any conditions attached to the legacy have been met or are within the control of the Charity. An adjustment is made to include legacy receipts up to two months of the year end which relate to probate notifications for the financial year or earlier.

Interest and investment income, including rental income, is included when receivable and the amount can be measured reliably. Rental income due to the Charity, applicable to operating leases, where substantially all of the benefits and risks of ownership of the asset remain with the Charity is recognised in the Statement of Financial Activities over the lease term.

Government grants receivable are credited to income as these become receivable, except in situations where they related to performance, in which case these are accrued as the Charity earns the right through performance.

d) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered, as soon as there is a legal or constructive obligation committing the Charity to the expenditure.

Expenditure on fundraising are those costs incurred in providing services for which the Charity received a direct income and those incurred in fundraising activity.

Expenditure on charitable activities represents the cost of supporting the Charity's objectives and as laid out in its memorandum and articles of association.

Governance costs are those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory compliance.

Support costs include central functions, principally connected with buildings and administration, which are indirectly incurred in support of the generation of funds and of charitable expenditure, and which are allocated to those headings on an appropriate apportionment.

Employees are entitled to join the Charity's money purchase pension scheme. The associated cost is allocated across the Charity's activities and funds depending on the role of the member of staff.

e) Redundancy payments

It is the Trustees' policy to minimise the impact of organisational change. Redundancy payments only occur when absolutely necessary and are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

f) Intangible assets

The intangible assets of the Charity comprise operational software packages. Once it has been tested and commissioned the software is amortised over the expected useful life of 4 years. Amortisation is charged to 'Charitable activities' in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

g) Tangible fixed assets

Individual fixed assets costing £5,000 or more, and others of a smaller individual value but forming part of a capital expenditure programme, are capitalised at purchase cost.

Depreciation is provided on all tangible fixed assets in use, at rates and bases calculated to write off the cost less estimated residual value of each asset over its expected useful life. No depreciation is charged on land, and the land element is based on 25% of the total cost of the properties.

Freehold buildings - 2% of cost, 10-20% for refurbishment
Medical equipment - 10, 12½ & 20% of cost
Fixtures, fittings and computer equipment - 25% of cost
Motor vehicles - 20% of cost

h) Fixed asset investment

The Charity was bequeathed a 50% share in a freehold property as part of a legacy in 2020. The property is currently generating rental income for the Charity and as such is classified as an investment property. In accordance with FRS 102 this is included on the balance sheet as a 50% share of the estimated market value at 31 March 2020. No depreciation is charged on the property and it is reviewed annually for impairment.

i) Impairment

The carrying amounts of assets are reviewed at each balance sheet date, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. Any loss is written off to the Statement of Financial Activities.

j) Debtors

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

k) Investments

Investments represents cash held on deposit with differing maturity dates to maintain flexibility and to attempt to earn some income in a low interest environment.

l) Creditors

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.

m) Hire purchase

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets. Assets acquired by hire purchase are depreciated over their useful lives.

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

n) Bank loan

Bank loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

o) Financial instruments

Cobalt Health only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, cash at bank, cash held on deposit, debtors and creditors (see notes 14 and 15). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

p) Significant estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Useful economic lives of intangible and tangible assets:

The annual amortisation and depreciation charges for the intangible and tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 11 and 12 for the carrying amount of the intangible and tangible assets and notes 1(f) and 1(g) for the useful lives for each class of asset.

Legacies:

Management judgement is applied over the valuation of legacy income where cash is not yet received and evidence of entitlement exists and Cobalt Health is able to measure reliably. As a result,

accrued legacy income is recognised at times, in advance of receiving the cash; see accounting policy 1(c) for further details.

q) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

r) Funds

Restricted funds comprise income funds subject to specific conditions arising from the donor’s wishes or the terms of a particular fundraising initiative. Unrestricted funds are the working capital of the Charity, which is expendable at the discretion of the Trustees.

Designated funds are unrestricted funds which have been designated for specific purposes by the Trustees.

s) Taxation

As a recognised Charity, the company is exempt from Corporation Tax so far as it relates to its charitable objects. It is not exempt from VAT, and irrecoverable VAT is included in the cost of those items to which it relates.

t) Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

u) Registered and Principal Office

Cobalt Health, Linton House Clinic, Thirlestaine Road, Cheltenham, Gloucestershire, GL53 7AS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 2. DONATIONS AND LEGACIES

	2021 £	2020 £
Donations	114,748	127,319
In Memoriam	3,516	12,051
Legacies	811,341	947,481
	929,605	1,086,851

NOTE 3. CHARITABLE ACTIVITIES

	2021 £	2020 £
Clinical services		
MRI Services	6,449,990	7,841,423
PET/CT Services	13,812,619	4,143,539
	20,262,609	11,984,962

NOTE 4. INCOME FROM FUNDRAISING ACTIVITIES

	2021 £	2020 £
Events	18,798	75,816
Card Sales	8,550	24,978
Grant income	57,265	326,849
	84,613	427,643

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5. INVESTMENT INCOME

	2021 £	2020 £
Interest receivable	<u>10,452</u>	<u>41,246</u>

NOTE 6. OTHER INCOME

	2021 £	2020 £
Rent receivable	99,405	106,288
Gain on disposal of fixed assets	166,500	32,461
Delegate Fees, room hire, other income	38,349	70,486
Government grants - furlough receipts	<u>83,036</u>	<u>-</u>
	<u>387,290</u>	<u>209,235</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 7. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COSTS OF KEY MANAGEMENT PERSONNEL

	2021 £	2020 £
Wages and salaries	3,516,191	3,110,041
Social security costs	343,804	303,652
Pension contributions	481,444	444,112
Other employee Benefits	<u>13,387</u>	<u>11,926</u>
	<u>4,354,826</u>	<u>3,869,731</u>

The number of employees whose emoluments for the year fell within each band from £60,000 upwards was:

	2021	2020
£60,000 - £70,000	1	2
£70,000 - £80,000	3	2
£80,000 - £90,000	2	2
£140,000 - £150,000	<u>1</u>	<u>1</u>

In the year contributions of £33,529 (2020 - £32,726) were made to 1 (2020 - 1) higher paid employees’ personal defined contribution schemes.

The total emoluments (including pension costs and employer’s national insurance contributions) of the 8 members of the Senior management Team who have day-to-day influence on the activities of the Charity was £723,600 (2020, 8, £718,931). The 8 are the Chief Executive, Finance Director, Fundraising Director, the HR and Communications Managers, Quality Manager and 2 Clinical Managers.

During the year, redundancy payments amounting to £16,037, were paid to members of staff (2020, £nil).

The average monthly headcount of employees, analysed by function, was:

	2021	2020
MRI Services	60	59
PET/CT Services	32	19
Fundraising	5	5
Administration and Management	17	16
Buildings	<u>3</u>	<u>3</u>
	<u>117</u>	<u>102</u>

The average full-time equivalent number of staff for the year was 86 (2020 - 89). No Trustees received remuneration during the year (2020 - Nil). No Trustees were reimbursed travel expenses during the year (2020 - Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 8. NET INCOME FOR THE FINANCIAL YEAR

Net income is stated after charging/(crediting):	2021	2020
	£	£
Auditor's remuneration:		
Audit	10,300	10,000
Tax advisory	700	1,750
Other services	500	-
Depreciation	1,684,561	1,261,423
Amortisation	47,012	45,305
Surplus on disposal of fixed assets	(166,500)	(32,461)
Operating lease costs	11,544	11,544
Pension contributions	481,444	444,112

NOTE 9. ANALYSIS OF EXPENDITURE

	Direct Costs £	Costs £	Amortisation and Depreciation £	Total 2021 £	Total 2020 £
Raising funds:					
Costs of fundraising and similar activities	178,837	90,241	12,282	281,360	363,974
	178,837	90,241	12,282	281,360	363,974
Charitable activities:					
MRI Services	5,370,066	590,230	864,396	6,824,692	7,769,648
PET/CT and CT Services	5,542,461	1,059,056	768,871	7,370,388	3,912,720
Charitable Funding	233,128	-	83,931*	317,059	662,097
Training and Education	67,730	8,713	2,093	78,536	106,726
	11,213,385	1,657,999	1,719,291	14,590,675	12,451,191
	11,392,222	1,748,240	1,731,573	14,872,035	12,815,165
TOTAL 2020	9,947,531	1,560,905	1,306,729	12,815,165	

* Includes depreciation charged against Cobalt House.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 10. SUPPORT COSTS

	Admin Costs £	Building Costs £	Governance Costs £	Total 2021 £	Total 2020 £
MRI Services	429,189	156,670	4,371	590,230	965,432
PET/CT and CT Services	886,069	163,963	9,024	1,059,056	432,733
Fundraising	69,224	20,312	705	90,241	143,007
Training and Education	-	8,713	-	8,713	19,733
TOTAL 2021	1,384,482	349,658	14,100	1,748,240	1,560,905
TOTAL 2020	1,245,029	301,776	14,100	1,560,905	

Support costs have been allocated on the basis of floor space occupied in respect of building costs and proportionate time spent on administrative matters in respect of administration costs. Governance costs include the cost of the audit and the direct costs of supporting the Trustees.

NOTE 11. INTANGIBLE FIXED ASSETS

	Software £
Cost	
At 1 April 2020	254,076
Additions	92,500
Disposals	-
At 31 March 2021	346,576
Amortisation	
At 1 April 2020	110,073
Charge for year	47,012
Disposals	-
At 31 March 2021	157,085
Net Book Value	
At 31 March 2021	189,491
At 31 March 2020	144,003

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 12. FIXED ASSETS

	Freehold Land & Buildings £	Medical Equipment £	IT / Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
<i>At 1 April 2020</i>	10,302,327	17,598,630	578,770	41,714	28,521,441
Additions	1,071,232	3,193,666	114,775	40,426	4,420,099
Disposals	-	(2,454,052)	(67,512)	-	(2,521,564)
At 31 March 2021	11,373,559	18,338,244	626,033	82,140	30,419,976
Depreciation					
<i>At 1 April 2020</i>	2,468,628	8,636,005	340,063	37,152	11,481,848
Charge for year	167,863	1,415,576	94,743	6,379	1,684,561
Eliminated on Disposals	-	(2,454,051)	(55,512)	-	(2,509,563)
At 31 March 2021	2,636,491	7,597,530	379,294	43,531	10,656,846
Net Book Value					
At 31 March 2021	8,737,068	10,740,714	246,739	38,609	19,763,130
<i>At 31 March 2020</i>	7,833,699	8,962,625	238,707	4,562	17,039,593

The net book value of assets held under hire purchase agreements is £667,613 (2020 - £Nil).

A bank loan was taken out in the year and is secured by way of a 1st legal charge over the freehold of Linton Cottage. The aggregate amount secured is £707k.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 13. INVESTMENTS

	2021 £	2020 £
Fixed Assets		
Investment in subsidiary	1	1
Investment property	<u>150,000</u>	<u>150,000</u>
Current Assets		
Current asset investment - notice deposits	<u>3,032,265</u>	<u>2,050,833</u>

The share capital of Cobalt Unit Appeal Fund Ltd consists of one ordinary share of £1 nominal value and is wholly owned by Cobalt Health. The subsidiary is dormant and did not trade during the year. Cobalt Unit Appeal fund Ltd was incorporated in England and Wales (registered no. 09016631) and registered at Linton House Clinic, Thirlestaine Road, Cheltenham, Gloucestershire, GL53 7AS.

The Charity owns a 50% share in a freehold investment property. In accordance with FRS 102 this is included on the balance sheet as a 50% share of the estimated market value at the reporting date.

The Charity has invested £3.0m in a short term deposit with Nationwide.

NOTE 14. DEBTORS

	2021 £	2020 £
Clinical Service fees due	3,275,487	1,597,795
Accrued income	219,347	405,995
Prepayments	294,454	457,858
Other Debtors	<u>837</u>	<u>5,330</u>
	<u>3,790,125</u>	<u>2,466,978</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 15. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,345,550	1,988,067
Bank Loan	44,751	-
Accruals	650,917	519,698
Other creditors	15,454	39,224
HP liability	134,253	-
Taxation and social security	102,571	85,023
Pension liability	41,373	36,146
Deferred income	-	7,917
	<u>2,334,869</u>	<u>2,676,075</u>

The movement in deferred income is set out below:

	Rent received in advance £	Total £
At 1 April 2020	7,917	7,917
Released in the year	(92,275)	(92,275)
Deferred in the year	<u>84,358</u>	<u>84,358</u>
At 31 March 2021	<u>-</u>	<u>-</u>

Rent received in advance is recognised as income in the month to which it relates.

CREDITORS: Amounts falling after one year:

	2021 £	2020 £
Bank Loan 2-5 years	306,863	-
Bank Loan > 5 years	355,713	-
HP liability	<u>487,502</u>	<u>-</u>
	<u>1,150,078</u>	<u>-</u>

A bank loan was taken out in the year and is secured by way of a 1st legal charge over the freehold of Linton Cottage. Interest is charged at 1.75% p.a. over Base Rate. The total term of the loan is 72 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 16. UNRESTRICTED FUNDS - 2021

	Movement in Funds				
	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
General Fund	3,672,077	21,563,527	(15,461,467)	(5,392,170)	4,381,967
Tangible fixed assets held for the Charity's use	<u>17,039,593</u>	<u>-</u>	<u>825,002</u>	<u>1,898,535</u>	<u>19,763,130</u>
Total	<u>20,711,670</u>	<u>21,563,527</u>	<u>(14,636,465)</u>	<u>(3,493,635)</u>	<u>24,145,097</u>

Unrestricted Funds includes a General Fund balance of £4,381,967. This constitutes 3.6 months' working capital requirement. Transfers of £3,493,635 represent fixed asset additions and disposals in the year, as well as transfers to and from the designated funds, see note 17.

UNRESTRICTED FUNDS - 2020

	Movement in Funds				
	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
General Fund	3,364,256	13,364,665	(12,294,191)	(762,653)	3,672,077
Tangible fixed assets held for the Charity's use	<u>14,611,320</u>	<u>-</u>	<u>(81,380)</u>	<u>2,509,653</u>	<u>17,039,593</u>
Total	<u>17,975,576</u>	<u>13,364,665</u>	<u>(12,375,571)</u>	<u>1,747,000</u>	<u>20,711,670</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 17. DESIGNATED FUNDS - 2021

	<i>Balance at 1 April 2020</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Funding of Fixed Assets</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£	£
Capital Equipment Fund	442,000	-	3,622,530	(442,000)	3,622,530
Equipment Replacement Fund	1,000,000	-	100,000	-	1,100,000
Grants Fund	230,247	(163,264)	403,017	-	470,000
Property Fund	371,000	-	194,285	(345,285)	220,000
Total	2,043,247	(163,264)	4,319,832	(787,285)	5,412,530

At the balance sheet date the purposes of the various sub-funds within Designated Funds are as follows:

Capital Equipment Fund
This fund is reserved for new equipment projects. The £442k brought forward has been used to purchase additional support units for CT Lung Screening. The £3.6m carried forward has been retained to purchase a new CT mobile unit, relocatable units and PET mobile, which are expected to take place by March/April 2022.

Equipment Replacement Fund
This fund is reserved to replace and refresh the installed imaging equipment as part of the Equipment Replacement Plan. £1.1m has been set aside to replace Cobalt 9 with a new mobile MRI unit, which is expected to take place by March/April 2022.

Grants Fund
Grants are to support oncology and dementia services and research. This includes, but is not limited to, projects with the 2gether Trust, and fellowships. £163k of this fund has been spent during the year. Going forward, the fund will be expended against ongoing research projects, fellowships and research grant awards that will be advertised from time to time on the Charity’s website. This fund is expected to support these projects over the next two years.

Property Fund
This fund is used to upgrade the facilities in the Charity’s properties. Funds were expended in the year on the purchase and conversion of Linton Cottage. Funds carried forward are retained for upgrading the Cheltenham Imaging Centre reception area, and buildings plant within the next financial year.

DESIGNATED FUNDS - 2020

	<i>Balance at 1 April 2019</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Funding of Fixed Assets</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£
Capital Equipment Fund	1,000,000	-	834,435	(1,392,435)	442,000
Equipment Replacement Fund	2,240,000	-	-	(1,240,000)	1,000,000
Grants Fund	318,360	(88,113)	-	-	230,247
Property Fund	95,000	-	276,000	-	371,000
Total	3,653,360	(88,113)	1,110,435	(2,632,435)	2,043,247

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 18. RESTRICTED FUNDS - 2021

	<i>Balance at 1 April 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Funding of Fixed Assets</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£	£
Breast Cancer Research Nurses Fund	23,905	5,300	(29,205)	-	-
TYA Nurse Fund	5,101	16,947	(22,048)	-	-
Cancer General Fund	-	688	(688)	-	-
Dementia Research Nurses Fund	-	19,777	(19,777)	-	-
Equipment Fund	-	67,742	-	(38,912)	28,830
Research Fund	-	588	(588)	-	-
TOTAL	29,006	111,042	(72,306)	(38,912)	28,830

Restricted funds held totalled £28,830 at the balance sheet date. In the year restricted funds were used for specifically allocated initiatives and equipment purchases.

Breast Cancer Research Nurses Fund
To fund breast cancer research nurses. In addition 50% of card sales (£4.2k) has also been attributed to this project in the year.

TYA Nurse Fund
The fund is used to support the work of a local Teenage and Young Adult specialist cancer nurse post. Cobalt has undertaken to fund 50% of this post until 2024 when it will be reviewed.

Cancer General Fund
The fund is used to support the Charity’s work providing free scans for oncology patients.

Dementia Research Nurses Fund
The fund is used to help fund research into Dementia. Cobalt has been aiding research into the benefit of scanning patients to improve early diagnosis. In addition 50% of card sales (£4.2k) has also been attributed to this project in the year.

Equipment Fund
The fund was used to support the purchase of a new mobile CT scanner used to support the Covid-19 response.

Research Fund
The fund was used to support Cobalt’s research activities in the year.

RESTRICTED FUNDS - 2020

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Funding of Fixed Assets</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£
Breast Cancer Equipment Fund	212,184	15,000	(227,184)	-	-
Breast Cancer Research Nurses Fund	-	69,272	(45,367)	-	23,905
TYA Nurse Fund	6,103	28,397	(29,399)	-	5,101
Cancer Education Fund	-	120	(120)	-	-
Cancer General Fund	-	4,665	(4,665)	-	-
Dementia Research Nurses Fund	1,928	37,800	(39,728)	-	-
Equipment Fund	-	229,993	(4,993)	(225,000)	-
Research Fund	-	25	(25)	-	-
TOTAL	220,215	385,272	(351,481)	(225,000)	29,006

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 19. ANALYSIS OF NET ASSETS - 2021

	Intangible Assets £	Fixed Assets £	Net Current Assets £	Creditors due greater than one year £	Total
Unrestricted Funds					
General Fund	189,491	150,001	5,192,553	(1,150,078)	4,381,967
Tangible Fixed Assets held for Charity use	-	19,763,130	-	-	19,763,130
Total Unrestricted Funds	189,491	19,913,131	5,192,553	(1,150,078)	24,145,097
Designated Funds					
Capital Equipment Fund	-	-	3,622,530	-	3,622,530
Grants Fund	-	-	470,000	-	470,000
Equipment Replacement Fund	-	-	1,100,000	-	1,100,000
Property Fund	-	-	220,000	-	220,000
Total Designated Funds	-	-	5,412,530	-	5,412,530
Restricted Funds	-	-	28,830	-	28,830
Total Funds	189,491	19,913,131	10,633,913	(1,150,078)	29,586,457

ANALYSIS OF NET ASSETS - 2020

	Intangible Assets £	Fixed Assets £	Net Current Assets £	Total £
Unrestricted Funds				
General Fund	144,003	150,001	3,378,073	3,672,077
Tangible Fixed Assets held for Charity use	-	17,039,593	-	17,039,593
Total Unrestricted Funds	144,003	17,189,594	3,378,073	20,711,670
Designated Funds				
Capital Equipment Fund	-	-	442,000	442,000
Grants Fund	-	-	230,247	230,247
Equipment Replacement Fund	-	-	1,000,000	1,000,000
Property Fund	-	-	371,000	371,000
Total Designated Funds	-	-	2,043,247	2,043,247
Restricted Funds	-	-	29,006	29,006
Total Funds	144,003	17,189,594	5,450,326	22,783,923

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 20. CAPITAL COMMITMENTS

	2021 £	2020 £
Future capital expenditure not otherwise included in the financial statements at the balance sheet date:		
Expenditure contracted for	3,624,249	1,083,052
Expenditure approved, but not contracted for	-	1,030,000

NOTE 21. RELATED PARTY TRANSACTIONS

Members of the Board of Trustees are not entitled to, and did not receive, any remuneration during the year in relation to their services as Trustees.

There have been no transactions with the Charity's wholly-owned subsidiary company The Cobalt Unit Appeal Fund Ltd.

There have been no related party transactions in the 2021 or 2020 financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 22. LIABILITIES UNDER OPERATING LEASES

At 31 March 2021, the Charity had total commitments under non-cancellable operating leases in respect of equipment as follows:

	2021 £	2020 £
Within one year	11,544	11,544
Between one and five years	<u>9,876</u>	<u>21,420</u>
Total	<u>21,420</u>	<u>32,964</u>

NOTE 23. ASSETS RECEIVABLE UNDER OPERATING LEASES

At 31 March 2021, the Charity had assets receivable under non-cancellable operating leases in respect of rental income of Cobalt House as follows:

	2021 £	2020 £
Within one year	98,067	96,800
Between one and five years	<u>239,601</u>	<u>337,667</u>
Total	<u>337,668</u>	<u>434,467</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 24. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	6,802,534	934,772
Adjustments for:		
Depreciation and amortisation charges	1,731,573	1,306,728
Dividends, interest and rent from investments	(109,857)	(147,534)
(Surplus) on sale of fixed assets	(166,500)	(32,461)
(Increase) in debtors	(1,323,147)	(104,124)
(Decrease)/ Increase in creditors	<u>(520,209)</u>	<u>1,783,584</u>
Net cash provided by operating activities	<u>6,414,394</u>	<u>3,740,965</u>

NOTE 25. ANALYSIS OF CHANGES IN NET CASH/DEBT

	2020 £	Cashflows £	2021 £
Cash at bank and in hand	3,608,590	2,537,802	6,146,392
Current asset investments:			
Notice deposits	<u>2,050,833</u>	<u>981,432</u>	<u>3,032,265</u>
Total	<u>5,659,423</u>	<u>3,519,234</u>	<u>9,178,657</u>
Loans falling due within one year	-	(44,751)	(44,751)
Loans falling due after more than one year	-	(662,576)	(662,576)
Hire purchase obligations	<u>-</u>	<u>(621,755)</u>	<u>(621,755)</u>
Total	<u>5,659,423</u>	<u>2,190,152</u>	<u>7,849,575</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 26. 2020 STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds	Restricted Funds	2020 Total Funds
		£	£	£
INCOME FROM:				
Donations and legacies	2	1,028,428	58,423	1,086,851
Charitable activities:				
Clinical services	3	11,984,962	-	11,984,962
Fundraising activities	4	100,794	326,849	427,643
Investment income	5	41,246	-	41,246
Other income	6	209,235	-	209,235
TOTAL INCOME		13,364,665	385,272	13,749,937
EXPENDITURE ON:				
Fundraising costs	9	363,974	-	363,974
Charitable activities	9	12,099,710	351,481	12,451,191
TOTAL EXPENDITURE	9	12,463,684	351,481	12,815,165
NET INCOME		900,981	33,791	934,772
TRANSFERS BETWEEN FUNDS		225,000	(225,000)	-
NET MOVEMENT IN FUNDS		1,125,981	(191,209)	934,772
RECONCILIATION OF FUNDS				
TOTAL FUNDS BROUGHT FORWARD		21,628,936	220,215	21,849,151
TOTAL FUNDS CARRIED FORWARD	19	22,754,917	29,006	22,783,923

TRUSTEES AND ADVISERS

PATRON	Clive Richards CBE KSG DL (until April 2021)
TRUSTEES AND DIRECTORS	Neil Holbrook (Chairman) Ruth Goddard Dr Susan Owen John Parker Dr Janet Ropner Dr Valerie Udale Prof Gordon Wilcock Michael Yeates (resigned 04/06/2020)
CHIEF EXECUTIVE OFFICER	Peter J Sharpe
COMPANY SECRETARY	Malcolm J MacKeith
MEDICAL DIRECTOR	Prof Iain Lyburn
PRESIDENT	Howard Crooks
REGISTERED AND PRINCIPAL OFFICE	Linton House Clinic Thirlestaine Road, Cheltenham, Gloucestershire GL53 7AS
INDEPENDENT AUDITOR	Crowe U.K. LLP 4th Floor, St. James House, St. James' Square, Cheltenham GL50 3PR
BANKERS	National Westminster Bank Plc 21 Eastgate Street, Gloucester GL1 2NH Lloyds Bank PLC Montpellier Cheltenham, Business Centre PO Box 1000 BX1 1LT Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW
SOLICITORS	Willans LLP 28 Imperial Square Cheltenham Gloucestershire GL50 1RH

Cobalt Health was incorporated in England and Wales (registered no. 04366596) and has no share capital. Cobalt Health is registered as a Charity with the Charity Commission England and Wales (registered no.1090790).



In Memory of Cobalt Patron, Clive Richards CBE KSG DL 1937 – 2021

It was with great sadness, in April 2021, that we learned of the death of Clive Richards at the age of 83. Clive was Cobalt's Patron and together with his wife Sylvia, a dedicated supporter of Cobalt.

Clive grew up in Birmingham and had a successful career in the City of London. He was a philanthropist and with his wife, Sylvia founded The Clive and Sylvia Richards Charity in 1986 of which he was Chairman. The focus of the Charity is to support education, healthcare, heritage, arts, religious institutions and overseas education. In 2000 Clive was awarded the OBE for charitable services and in the New Year's Honours List in 2020 was awarded a Commander of the British Empire for services to Charity and to the community in Herefordshire.

The Clive and Sylvia Richards Charity first supported Cobalt in 2013 with a campaign to fund digital breast screening equipment for the Hereford County Hospital and went on to generously donate towards many research and diagnostic scanning projects, including the ITM Imaging Centre at the Queen Elizabeth Hospital in Birmingham. In recent years the Charity also generously supported lung cancer screening programmes in Manchester, Hull, Newcastle and Gateshead. Clive lived his life to the absolute fullest and through his work his legacy lives on. He will be greatly missed.

GLOSSARY OF TERMS

CT

Computerised Tomography uses X-ray and a computer to generate detailed images of the inside of the body. A CT scanner consists of a X-ray tube that rotates around the body (in less than a second) and a series of detectors which collect the information from the X-rays; a computer then builds an image from the information received.

PET/CT

Positron Emission Tomography/Computerised Tomography, is a combination of two imaging technologies. A PET scan measures important body functions, such as blood flow, oxygen use and sugar (glucose) metabolism, to help doctors evaluate how well organs and tissues are functioning. Cancer cells, for example, use glucose differently to normal cells and for that reason look different on the pictures produced by the scan, this therefore enables doctors to diagnose and monitor cancer. The CT scan provides structural information of the body and by combining PET and CT this creates both a functional and structural image.

MRI

Magnetic Resonance Imaging is a non-invasive medical test that helps doctors diagnose and treat medical conditions. The MRI scanner uses a powerful magnetic field, radio frequency pulses and a computer to produce detailed pictures of organs, soft tissues and virtually all other internal body structures. Detailed MR images allow doctors to better evaluate various parts of the body and determine the presence of certain diseases that may not be assessed adequately with other imaging methods, such as X-ray.

Tesla

Tesla is the measurement of the magnetic field strength of an MRI magnet. In general terms a more powerful magnet can produce a more detailed image. The majority of the hospitals in the UK have a 1.5 Tesla scanner. Cobalt introduced one of the first 3.0 Tesla clinical service in the UK and currently operates the only mobile 3.0 Tesla service in Europe. 1 Tesla is equivalent to 20,000 times the Earth's magnetic field



www.cobalthhealth.co.uk

Charity REGISTRATION NUMBER: 1090790

COMPANY NUMBER: 04366596

Cobalt Health trading as Cobalt



Cobalt

Medical Charity

Diagnosis • Research • Education