

# COBALT HEALTH ANNUAL REPORT 2021/22



[www.cobalthhealth.co.uk](http://www.cobalthhealth.co.uk)

Charity Registration Number: 1090790  
Company Number: 04366596



**Cobalt**  
Medical Charity  
Diagnosis • Research • Education



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*Front cover image: Prime Minister Rishi Sunak visits a Cobalt mobile CT and integrated patient support unit, supporting the NHS with their lung health check programme, 28th October 2022.*



# CHAIR'S STATEMENT



The trustees are pleased to report on another strong year for Cobalt, one that saw the transition from supporting our colleagues in the NHS during the COVID-19 pandemic to restarting key services, including working with a number of leading NHS trusts to provide critical diagnostic and screening services. We are especially proud of our sector-leading involvement in the provision of lung health checks. Our work is directly improving the lives and life expectancy of people in communities in the UK where these services are most required.

The increased activity, delivered through the commitment of the whole team, has resulted in similarly heightened surpluses over the last 2 years providing the Charity with strong reserves that make Cobalt's finances robust and secure.

Whilst the expectation is that 2022/23 will be a more normal year in terms of income and surplus, and the future will be more challenging, our reserves allow Cobalt to continue to invest in state-of-the-art diagnostic equipment, maintaining our aim to be early adopters in the UK. In 2021/22, Cobalt invested £5m in new medical equipment, with another £3.6m committed at the year end, including the exciting introduction of Cobalt's first mobile PET/CT\* scanner.

Our reserves will allow us to deliver on our ambitions to increase our research funding and grow our education offer, including funding our second Cobalt research fellow in a new partnership with the Royal Brompton Hospital.

Cobalt has grown its staff complement in line with the increase in the demand for its services over the last two years. We will continue to invest in our people to ensure we can continue to provide a high-quality service to more patients. This heightened resilience gives us a firm basis from which to go forward and develop further.

As always, the trustees are very grateful to all our staff, supporters and volunteers for their commitment to Cobalt and our ongoing objectives. It has been particularly heartening to see our fundraising events restart and the volunteers back working with us.

I would like to add my personal thanks to my fellow trustees for their continued support and advice. Their commitment to Cobalt's vision has enabled the Charity to continue to grow and develop, increasing the impact Cobalt is having on patient outcomes.

**Neil Holbrook**

**Chair of the board of trustees**

# ABOUT US

Cobalt Health (Cobalt) is a medical charity, established in 1964 to help people affected by cancer, dementia and other conditions. Each year we provide diagnostic imaging for over 115,000 patients at imaging centres in Cheltenham and Birmingham, and through a fleet of mobile MRI, PET/CT and CT scanners\* supporting NHS hospitals and other medical facilities across the UK.

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

We endeavour to deliver improvements in clinical diagnoses and treatments, mainly relating to cancer and dementia. This is achieved by investing in cutting-edge technology and 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 in Birmingham to deliver specialist research imaging for the Institute of Translational Medicine and the University of Birmingham.

By delivering a diverse training and education programme for medical professionals, we enhance their professional development and support opportunities to share research findings and best practice.

## 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



\* See glossary of terms page 55

# TRUSTEES' STRATEGIC REPORT

The Cobalt board of trustees present their Strategic Report and the Financial Statements for the year ended 31 March 2022. The Charity reports its achievements for 2021/22 against its core activities in diagnosis, research and education.

## Public Benefit

When reviewing the aims and objectives and planning future activities, the trustees 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 continued to work with NHS England to respond to the challenges of the Covid-19 pandemic by supporting hospitals with urgent diagnostic scans through to September 2021.

## Our commitment to quality

Cobalt is committed to exceptional patient care whilst delivering a consistently excellent standard of imaging and reporting. We publish a Quality Account on an annual basis, which details the processes and systems we manage and highlights our achievements in this area; achieving both the standards set by the Care Quality Commission and demonstrating the consistent audit and improvement required to meet the standards of the Quality Standard for Imaging, ISO 9001:2015 and ISO14001:2015. During the year, the Charity worked towards and achieved the ISO14001 standard.





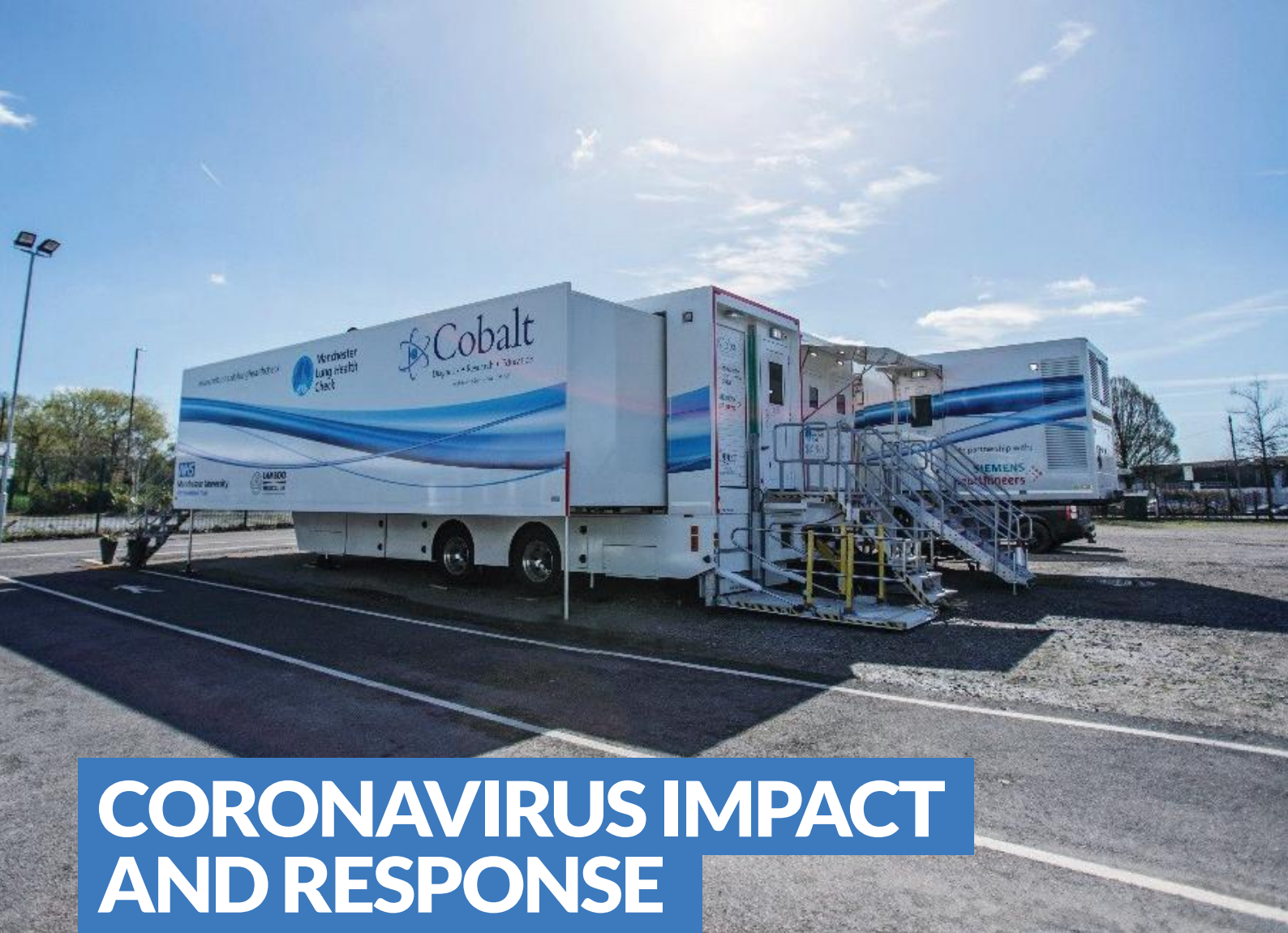


# OUR OBJECTIVES

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.

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

- The number of patients having a diagnostic scan;
- The feedback from patients and referring clinicians as to the quality of the service;
- The support provided to oncology and dementia services, including research and clinical trials;
- The ability to invest in up-to-date equipment and help introduce new diagnostic imaging innovations;
- The effectiveness of the training and education delivered to healthcare professionals;
- The number of research projects and clinical trials supported;
- The number of internal research studies and papers accepted;
- The effectiveness of externally funded research;
- The level of staff satisfaction;
- The financial performance of the Charity and its ability to fund future activities;
- The contribution the Charity made to support the NHS during the Covid-19 pandemic.



# CORONAVIRUS IMPACT AND RESPONSE

All activities and areas of the Charity were risk assessed with appropriate procedures and infrastructure maintained in accordance with the changing guidance for healthcare settings, thus ensuring a safe and secure environment for staff to provide patients with continuing high quality, caring, diagnostic services during the pandemic.

Cobalt continued to work in partnership with NHS England and a large number of NHS trusts in the response to Covid-19 to help maintain key diagnostic services for patients. These services were available for up to 24 hours per day, seven days per week right across England wherever required.

Throughout 2021/22, Cobalt continued to invest in new CT scanners to extend the support provided to the NHS, this also enabled the Charity to maintain a good income stream during the pandemic. The work undertaken to support the NHS through the crisis has resulted in the Charity being in a stronger position to invest and continue to support the NHS in key initiatives, including CT lung cancer screening (lung health checks) and extending its PET/CT services for diagnosing and staging cancer and dementia.

Whilst at the current time all sectors are seeing increases in costs, the financial forecasts, cashflow analysis and reserves provide the trustees with sufficient confidence in Cobalt's finances to be able to support the operations for the next 12 months.

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“Friendly staff. Great Covid precautions.”

Ashley Donlan.

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# DIAGNOSIS

## AIMS FOR 2021/22 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 may not otherwise have been available. The specific aims for 2021/22 included:

- To ensure a safe and secure environment for staff to provide patients with continuing high quality, caring diagnostic services during the pandemic.
- To monitor the global development of diagnostic imaging technology to ensure that the Charity identifies opportunities to be early adopters 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 Centres; delivering accessible services where they are most required.
- To continue to support NHS England's Covid-19 response by providing imaging services where waiting lists 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 (Gloucestershire, Herefordshire and Worcestershire) by investing in the very latest digital PET/CT technology.
- To develop a mobile PET/CT service, to support oncology services across England.
- To work with local medical professionals with the aim of improving patient pathways, enabling faster access to diagnostic imaging and earlier treatment.
- To support lung health checks and the expansion of the national programme, working in partnership with the NHS. Helping to make a difference to people's health in areas of the country with the highest rates of lung cancer.

# DIAGNOSIS

## ACHIEVEMENTS IN 2021/22 WERE:

Cobalt maintained services throughout the pandemic and particularly worked with those most at risk, placing a priority on support for oncology patients and ongoing clinical research trials. Care was taken to heed the latest advice on maintaining a safe working environment for staff and patients.

Cobalt worked closely with NHS England during the pandemic, to provide a rapid mobile CT service to many NHS trusts across the country. Operating seven mobile CT scanners and the ability to deliver a flexible workforce, enabled the Charity to extend services for up to 24 hours per day. This enabled 1,500 patients each week to be safely scanned outside hospitals, many of whom required urgent oncology related imaging.

Cobalt supported two international imaging congresses in 2022, the United Kingdom Imaging and Oncology Congress and the European Congress of Radiology in Vienna. This included displaying the latest mobile CT scanner, in order to promote the use of ultra-low dose CT to support the lung cancer screening programmes in the UK and Europe.

Cobalt continued to develop and promote its specialist patient friendly service for anxious /claustrophobic patients, combining the expertise of our staff with enhanced scanner patient comfort features; to enable almost 90% of these patients to receive a meaningful diagnosis and consequently better ongoing treatment. In 2021 Cobalt became the first imaging centre in the UK to introduce the new Siemens Innovision system, an MRI in bore entertainment system designed to significantly reduce patient anxiety.



"I am very claustrophobic and explained this to the staff who were extremely kind and helpful and able to get me through my scan. Exceptional people."

Peter Howell

We are very grateful for the support we receive from charitable trusts and foundations. The Clive Richards Foundation, in memory of our late Patron, Clive Richards CBE KSG DL generously support our lung health check cancer screening programmes.

Worked with local consultants in Gloucestershire with the aim of reducing the cancer pathway for patients, the Charity integrated the PET/CT scan with a diagnostic CT scan during one visit. This study is currently being written up; early results demonstrate this reduced the diagnostic cancer pathway by up to 2 weeks, reducing patient wait times and anxiety and enabling faster treatment.

“I was very impressed with the way in which my scan was handled and the friendliness and competence of the staff. I don't think it could have gone smoother.”

Brian Watts

Cobalt has become recognised for developing the use of new prostate cancer isotopes (F18 PSMA) for PET/CT, improving the diagnosis of recurrent prostate cancer. Patients are referred from a wide area to access these scans.

In March 2022, Cobalt launched the Charity's first mobile PET/CT service, using the latest Siemens PET/CT technology. This mobile facility is unique in providing a complete and fully integrated PET/CT department to support NHS hospitals across England.

In 12 months, the Charity delivered over 3,500 PET/CT scans for NHS oncology patients from Gloucestershire, Herefordshire, Worcestershire and Swindon. Cobalt is also one of the largest centres in the UK to support the early diagnosis of dementia for the NHS, using PET/CT scanning.

Cobalt is working with the NHS to develop Community Diagnostic Centres (CDCs), in line with NHS England's recommendations and funding initiatives. This includes developing the Charity's first CDC in Gloucestershire.



# DIAGNOSIS

## ACHIEVEMENTS IN 2021/22 WERE:

Cobalt is the leading provider of NHS England's Targeted Lung Health Check Programme. In 2021/22 the service continued to expand in areas of the country with the highest occurrence of lung cancer. During the Covid-19 pandemic, all lung health check services were paused along with other NHS screening services. All seven of the services that Cobalt supported started up again in 2021. The Charity will be launching a new service in Liverpool with Liverpool Heart and Chest Hospital NHS Foundation Trust in September 2022 and in Leeds with the Leeds Teaching Hospitals NHS Trust and Yorkshire Cancer Research in January 2023.

The experience to date is lung cancer screening will detect cancer in 2 in 100 current or former smokers who are referred for a CT scan. These cancers are identified early, allowing more opportunity for successful intervention and treatment. A further 14 individuals present with lung nodules and are subsequently monitored through further CT scans. A number will manifest as having early-stage cancer at a more successfully treatable stage. The benefit of these services is very significant, as it saves those individuals from more drastic intervention and improves their prognosis significantly. It saves the NHS the considerable cost and time of treating late-stage cancer patients. There are considerable benefits for the wider society, as those individuals can contribute economically to their communities for longer.

### For every 100 people who have a baseline lung screening scan



**82** Are likely to have a negative scan

**14** Are likely to have a small lung nodule or other minor finding that will need another scan in 3 months. Almost all will not have lung cancer.

**2** Are likely to be asked to attend hospital for further tests but will not be found to have lung cancer

**2** Are likely to be diagnosed with lung cancer

Source: Balata H, Ruparel M, O'Dowd E, Ledson M, Field JK, Duffy SW, Quaife SL, Sharman A, Janes S, Baldwin D, Booton R, Crosbie PAJ. Analysis of the baseline performance of five UK lung cancer screening programmes. Lung Cancer. 2021 Nov;161:136-140. doi: 10.1016/j.lungcan.2021.09.012. Epub 2021 Sep 20. PMID: 34583222.







To successfully launch Cobalt's first mobile PET/CT scanner to help support the NHS across England as the demand for PET/CT continues to grow.

## DIAGNOSIS

### THE FUTURE

- To ensure a safe and secure environment for staff to provide patients with continuing high quality, caring diagnostic services.
- To monitor the global development of scanning technology to ensure that the Charity identifies opportunities to be early adopters for the benefit of future patients.
- To maximise opportunities to support the NHS with the increasing need for diagnostic imaging in the UK, including monitoring the development of CDCs; to support delivering accessible services where they are required and provide a wider benefit in line with Cobalt's objectives.
- To upgrade the PET/CT scanner in Cheltenham to the latest in digital technology with the aim of reducing scan times and radiation doses, thereby improving patient experience and increasing the number of patients that can be scanned each week.

The new digital scanner will also facilitate the Charity expanding its role in supporting research and clinical trials.

- To successfully launch Cobalt's first mobile PET/CT scanner to help support the NHS across England as the demand for PET/CT continues to grow.
- To recruit additional staff to meet the growing demand for Cobalt's services. This will be achieved by investing in training and education support, and working with academic institutions such as the University of Gloucestershire to train new clinical staff.





## RESEARCH AIMS FOR 2021/22 WERE:

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

A recent focus has been to increase internal research within the Charity as well as continuing to support external research projects which are in line with the Charity's core objectives.

## ACHIEVEMENTS AND IMPACT IN 2021/22

- Maintaining services to patients participating in time-sensitive research trials. The percentage of research activity of all scans was increasing post pandemic. At the Cobalt Imaging Centre in Cheltenham, research scans represent over 6% of the total scans for PET/CT and MRI. At the Institute of Translational Medicine Imaging Centre in Birmingham, around 25% of total scans are now research studies.
- Cobalt has been funding a Radiology Research Fellow for 4 years. Dr Ayah Nawaar continues to support Cobalt working with Cobalt's Medical Director Professor Iain Lyburn, with a focus on local, national and international research using PET/CT. This has resulted in the publication of a number of academic papers in 2021/22. Many of which aimed to improve the interpretation of PET/CT images where Covid-19 may or may not be a factor.
- Cobalt is part of an international team developing the use of artificial intelligence in PET/CT to improve diagnostic accuracy. The results to date are promising and the team are presenting their work at international conferences.
- The Charity is currently supporting over forty research projects and clinical trials providing imaging in CT, MRI and PET/CT. The main focus remains the diagnosis and treatment of cancer and dementia. Other projects are supported, including research into the impact of long Covid.

Cobalt continued to support the funding of four NHS research nurses through 2021/22. This funding enabled the two local trusts to recruit patients into clinical trials when many trusts had to reduce activity due to the impact of Covid-19 on their resources.

The trustees are pleased to report that Gloucestershire Health and Care Trust has been able to use the seed funding from Cobalt to build their research-based income streams and make a significant move to towards funding this activity themselves in the future.

We are grateful to charitable trusts, local businesses and individuals who donate to support the valuable work undertaken by these research nurses.



# THE INSTITUTE OF TRANSLATIONAL MEDICINE (ITM) IMAGING CENTRE

## FIVE YEARS ON

The ITM Imaging Centre at Queen Elizabeth Hospital (QEH), Birmingham celebrated its fifth birthday in April 2022. The QEH and University of Birmingham, host a wide range of clinical research projects as many researchers need access to imaging, to help develop more effective targeted treatments with a personalised approach to healthcare.

Access to high quality MRI scanners to support this research was a problem, as the existing scanners were in use full-time to support clinical patients. With the support of the Clive Richards Foundation, Cobalt installed the very latest ultra-high field MRI scanner in a building adjacent to the ITM. This new facility was ring-fenced to support research.

During the Covid-19 pandemic, research slowed down and the imaging centre was repurposed as a safe 'Green Site' (Covid-19 secure site) outside of the QEH. The centre provided urgent support for oncology and vulnerable patients.

Research did not take long to recover at the imaging centre in the form of urgent studies into the long-term implications of Covid-19. One such study aims to understand the impact of long Covid on various organs within the body.

In the last 12 months the imaging centre has supported clinical trials looking at sarcopenia (a progressive skeletal muscle disorder), cardiac disease, stroke, brain tumours and liver disease. The unique technical capabilities and highly skilled team enable researchers to deliver the quality of imaging and patient care needed for any given trial.

The ITM Imaging Centre affords the opportunity to bring together radiographers, clinical scientists, specialist nurses, care assistants and administrative teams collaborating with clinicians and research fellows to deliver the services that would otherwise not exist in this unique setting.



## RESEARCH

### THE FUTURE

- To recruit additional staff enabling Cobalt's clinical teams to have time to develop internal research programmes.
- To continue to develop research capability and infrastructure including the newly appointed Head of Education, Training and Research.
- Cobalt is also supporting the lung cancer programme at the Royal Brompton Hospital, London by funding a Lung Intervention Clinical Fellow. The Royal Brompton and Harefield Hospitals have pioneered a tertiary and quaternary referral service for percutaneous CT guided lung tumour biopsy and ablation, serving patients who have a potential lung cancer diagnosed on lung screening CT. The new fellow will support the development of the lung tumour biopsy service. Their research focus will include:
  - The analysis of outcomes in a “high-risk” lung biopsy cohort.
  - Prospective analysis of cryoablation in patients with emphysema and interstitial lung disease.
  - Prospective analysis of outcomes for patients referred for a “straight to biopsy” pathway.
- To promote the Charity's research activities through publishing findings and presenting at conferences, with the aim of encouraging bids from like-minded teams looking at research with a significant scanning element.
- To continue to support international research into the use of artificial intelligence to improve the diagnostic accuracy of PET/CT in oncology imaging.





# EDUCATION

## ACHIEVEMENTS AND THE FUTURE

### Education: Aims for 2021/22 were:

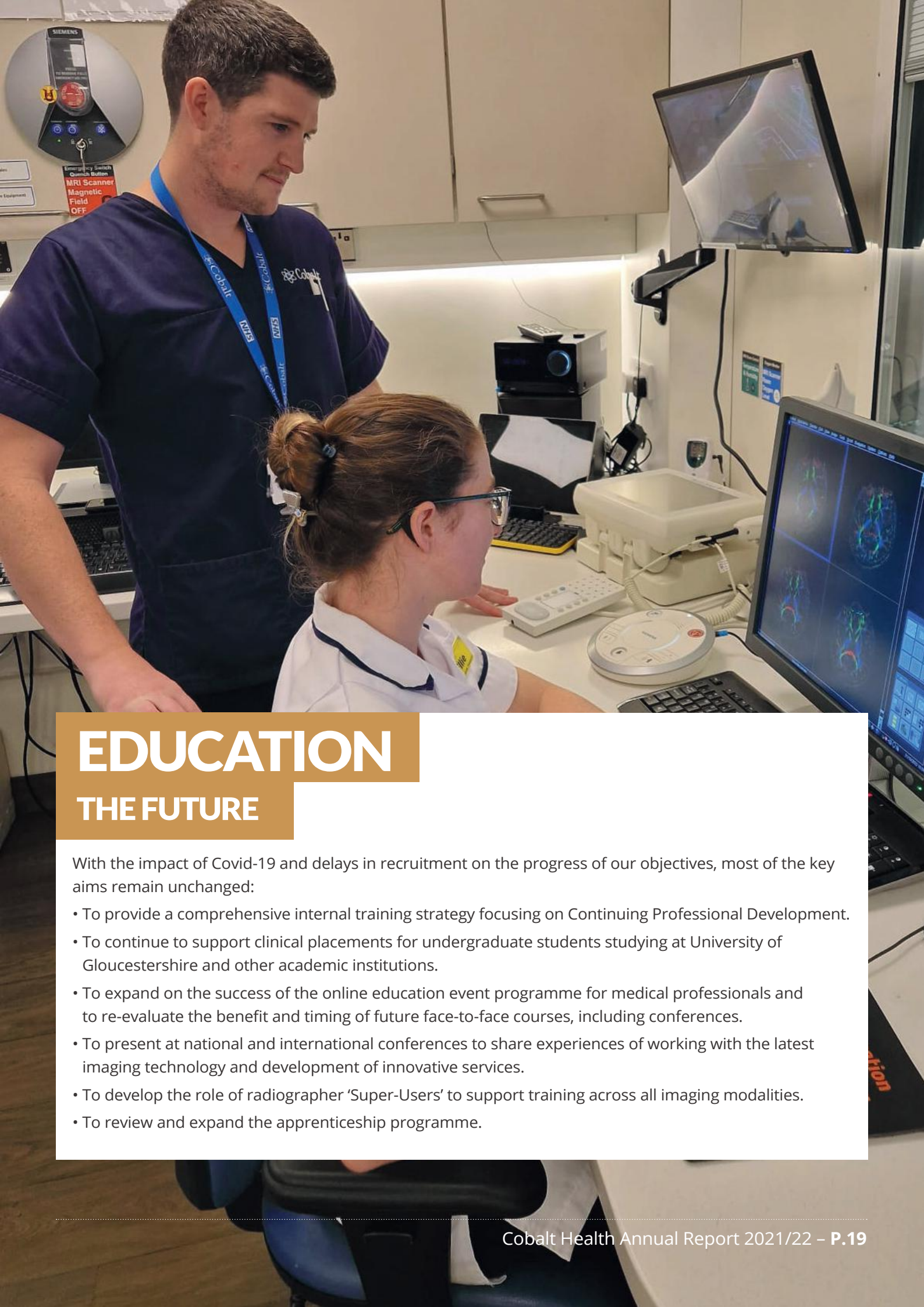
- To appoint a Head of Education, Training and Research to continue to develop a comprehensive internal and external training strategy.
- To develop clinical placements for undergraduate students undertaking the University of Gloucestershire Diagnostic Radiography BSc Hon course.
- To build upon the success of the online education event programme for medical professionals and to evaluate the benefit and timing of future classroom courses, including conferences.

### Education: Achievements and impact in 2021/22 were:

- A new post, Head of Education, Training and Research has been recruited to commence in January 2023. In order to support the expansion

of the research programme, the post will also lead on research, working with Professor Iain Lyburn, Cobalt's Medical Director.

- Clinical placements for undergraduate students studying at the University of Gloucestershire were successfully launched.
- Cobalt expanded the MRI training programme for radiographers.
- The face-to-face educational programme was restricted due to the Covid-19 pandemic; however, online educational events were developed with 6 events delivered to 259 medical professionals.
- Cobalt now has three members of support staff recruited through the government's National Apprenticeship Service. Each apprentice has successfully integrated with their teams and have made a positive impact on the Charity.



# EDUCATION

## THE FUTURE

With the impact of Covid-19 and delays in recruitment on the progress of our objectives, most of the key aims remain unchanged:

- To provide a comprehensive internal training strategy focusing on Continuing Professional Development.
- To continue to support clinical placements for undergraduate students studying at University of Gloucestershire and other academic institutions.
- To expand on the success of the online education event programme for medical professionals and to re-evaluate the benefit and timing of future face-to-face courses, including conferences.
- To present at national and international conferences to share experiences of working with the latest imaging technology and development of innovative services.
- To develop the role of radiographer 'Super-Users' to support training across all imaging modalities.
- To review and expand the apprenticeship programme.





# FUNDRAISING REPORT



*Photo: The Cobalt Woodchester and Nailsworth Supporters Group at the Steam and Country Extravaganza Show.*

The total income achieved during 2021/2022 was the targeted £0.8m. This came from individual donations (£167k), fundraising activities (£359k) and bequests (£298k). We are 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.

Cobalt undertakes fundraising to support the objectives of the Charity. Funds raised help to provide the latest technology, enabling patients to have the earliest and most accurate diagnosis. We fund over 700 oncology scans including specialist breast MRI scans for 'at risk' women. These scans provide rapid access to the latest technology and hence a faster diagnosis at no charge to the NHS. Cobalt continues to fund free specialist PET/CT scans to support the early diagnosis of dementia – enabling the potential to access an appropriate treatment pathway sooner. We also raise funds to support two specialist dementia research nurses.

Cobalt has supported breast cancer services since the NHS screening programme was launched in 1990. Today the Charity provides funding for two breast cancer research nurses and access to imaging which has enabled the local NHS to participate in important research projects including the national BRAID trial. This trial is determining whether additional imaging using different techniques is helpful in diagnosing breast cancer for women with dense breast tissue (which has twice the risk of breast cancer).

Since 2011 the Charity has contributed funding to support the role of a cancer nurse specialist for teenagers and young adults. Megan Willsher, Cobalt's Teenagers and Young Adults with Cancer Specialist Nurse says, 'My role ensures these patients are supported throughout their cancer journey and beyond, helping them to move forward with their life, as they would have without the intrusion of cancer.' A new photography competition, 'Capture a Moment for Cobalt' was launched to help raise funds for this role. The winning images were collated to form a beautiful calendar to raise further funds.

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Volunteers are important to the work of the charity and offer their time and expertise to support in various ways.

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*Joe Gregg, under 16 photography competition winner with Kirsty Bradbury, Cobalt's Community Fundraising Officer and Principle of Chipping Camden School, John Sanderson.*



*Highnam Court Open Garden and Rare Plant Fair in aid of Cobalt.*

55 Cobalt volunteers helped at the Steam and Country Extravaganza this year. Since 1992, the Woodchester and Nailsworth Supporter Group has raised over £132,000 for Cobalt.

The Fundraising Team achieved their set objectives in 2021/2022. Fundraising continues to support the key strategic aims of the Charity. In October 2021, an appeal was launched to raise funds to contribute to a new £2million PET/CT scanner.

*Volunteer Jackie Russell receiving Fred Hannah Award for outstanding volunteer contribution from Cobalt President, Howard Crooks. Jackie made over 11,000 upcycled Cobalt Christmas cards at home during lockdown.*



Each year, in April partner solicitors volunteer their time to write simple wills in return for a donation to the Charity.



## 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 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 are 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. We want to ensure that everyone who supports us has the best possible experience and that our donors are confident of the difference they are making.

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

# FINANCIAL OVERVIEW

Total income for the year was £22.9m (2021 – £21.7m).

The first half of the year saw continued support for NHS England in their response to the impact from Covid-19 with mobile CT and other imaging activities continuing to pick up after the pandemic. There was a full return of mobile MRI and CT operations, including supporting the NHS to relaunch their lung health check services. The number of mobile and relocatable CT scanners in service increased to twelve through acquisition and hiring in units, with another nine MRI scanners. The Charity continued to support oncology patients with PET/CT and MRI, whilst maintaining research capabilities for ongoing studies. Cobalt continued to provide free MRI, CT and PET/CT scans to help reduce oncology waiting times, improved diagnostic pathways and the early diagnosis of dementia.

With the increased number of scanners the cost of delivery of the charitable activities increased by £5m to £19.9m (2021 - £14.9m). At the same time the margin was reduced due to additional costs of operating and staffing all the services.

The surplus for the year was £2.9m (2021 - £6.8m). The Charity invested the surpluses from 2021 and 2022 in both renewing old equipment and adding new imaging equipment. During the year, £5.0m of medical equipment was acquired and £0.2m was spent on engineering plant upgrades at the imaging centre in Cheltenham. A further £3.6m of capital expenditure had been committed to at the year end, including replacing the PET/CT scanner at the imaging centre with a new digital scanner.

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## INCOME AND EXPENDITURE

The total income for 2021/22 was £22.9m (2021 - £21.7m).

### MRI Services (£8.4m) (2021 - £6.4m)

MRI services improved through the year and were closer to pre-Covid-19 levels. The mobile services ran at 80% of capacity (2021 – 60%) and were enhanced by additional hired units, supporting NHS trusts to develop potential Community Diagnostic Centres. The income from the imaging centre in Cheltenham also increased, despite NHS referrals not yet fully recovering. The research imaging centre, based at the Queen Elizabeth Hospital in Birmingham, supported urgent NHS scans and enabled the return of research activity.

### PET/CT and CT Services (£13.6m) (2021 - £13.8m)

PET/CT and CT income is derived from three primary sources;

- a PET/CT contract with NHS England (NHSE) to stage (evaluate the extent of) cancer and assess for patient's response to treatment;
- the provision of CT scanners that continued to support the NHSE Covid-19 response until the end of September 2021;
- the provision of CT lung health checks across England.

During the year the number of diagnostic imaging scanners deployed increased through both acquisition and hiring in additional scanners.



### Fundraising Income (£0.8m) (2021 - £1.0m) of which:

- Fundraising donations and legacies (£465k) (2021 - £930k)
  - The Charity benefitted from legacies receivable of £298k and donations and other gifts totalling £167k.
- Fundraising activities (£359k) (2021 - £85k)
  - A number of fundraising events were reinstated or introduced in 2021/22, leading to an increase in fundraised income in the year.

### Other income (£0.1m) (2021 - £0.4m)

This income is primarily from rent receivable and gains on fixed asset disposals.

### Expenditure for 2021/22 totaled £20m (2021 - £14.9m).

### MRI Services £8.0m (2021 - £6.8m)

Clinical staffing represents the highest proportion of the total costs. The increase in services has been partially met by increased recruitment. There remains a significant cost for bank and agency staff to support the services. Other increases in costs related to scanner hire, maintenance and mobile MRI and CT transport.

### PET/CT and CT Services £11.2m (2021 - £7.4m)

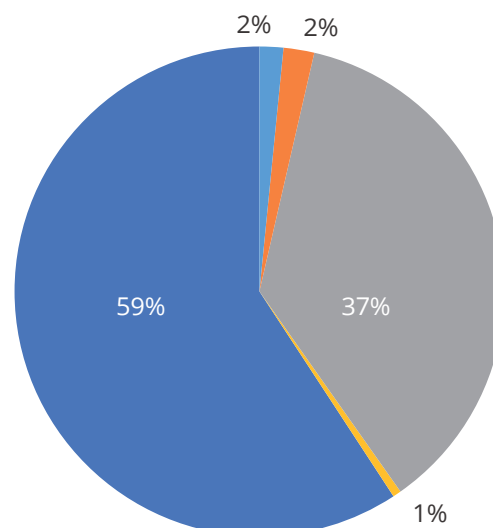
As with the MRI service, although staffing numbers have increased, the expansion of services means that there was an increase in agency and bank staff costs in the year. The cost of hiring CT equipment to support the additional services was £860k. The rise in oil prices has led to a significant increase in transport and generator expenses.

### Raising Funds £0.3m (2021 - £0.3m)

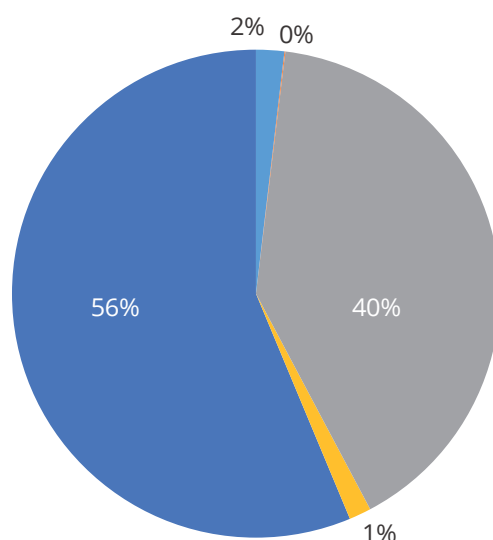
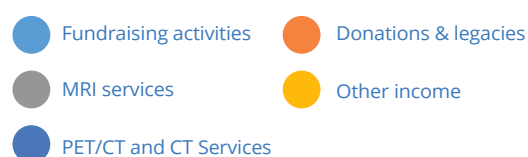
Costs relate to the work of the Charity and volunteers to raise philanthropic funds for Cobalt.

### Charitable Funding, Nurses and Research £0.4m (2021 - £0.3m)

This includes the funding of Cobalt's Teenagers and Young Adults with Cancer Specialist Nurse, two breast cancer and two dementia research nurses. The increase in 2021/22 was largely due to increased funding for Cobalt's Research Fellow, who moved to be fully employed by Cobalt during the year.



BREAKDOWN OF TOTAL INCOME (£22.9m)



BREAKDOWN OF TOTAL EXPENDITURE (£20m)



### **Training and Education £0m (2021 - £0.1m)**

No income was generated in the year as the focus for recent training and education activity has been on the provision of free online courses for medical professionals at negligible cost to the Charity. The aim for the newly appointed Head of Education, Training and Research is to increase the number of courses provided. This may generate a small contribution in the future.

### **RETAINED FUNDS**

#### **Charity Funds £32.5m (2021 - £29.6m)**

#### **Restricted Funds £166k (2021 - £29k)**

Funds are held at the year end to purchase the replacement PET/CT scanner at the imaging centre in Cheltenham.

#### **Designated Funds £4.9m (2021 - £5.4m).**

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

#### **Tangible assets for use £27.5m (2021 - £19.7m)**

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 £4.8m (2021 - £4.4m)**

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 2.9 months (2021 – 3.6 months). The reduction is partially due to reserving funds for investment in new medical equipment.

The Reserves Policy is regularly reviewed and is still deemed appropriate.

### **Designated Funds £4.9m (2021 - £5.4m)**

#### **Capital Equipment £3.1m (2021 - £3.6m)**

The funds are held for new equipment projects. The £3.1m carried forward has been retained to replace the static PET/CT scanner and to expand the current PET/CT department to include additional isotope uptake rooms, as well as purchase new CT support units. These projects are expected to be completed by September 2022.

#### **Equipment Replacement Fund £1.2m (2021 - £1.1m)**

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 during 2022 and replace the X-ray machine at the imaging centre in Cheltenham.

#### **Grants Fund £0.4m (2021 - £0.5m)**

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 £0.1m (2021 - £0.2m)**

This fund is used to upgrade the facilities in the Charity's properties. Funds carried forward are retained for upgrading the imaging centre in Cheltenham reception area 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.

# GRANT MAKING POLICIES

The trustees will continue to identify suitable projects which can be supported by the Charity. 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, CT 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
- the implementation of such procedures

Details of key risks are recorded in a risk register. The following have been identified as key risks. Whilst these largely remain consistent, inflationary pressures have been included as this will have a potential impact on the Charity's short to medium term resources.

Risk	Impact	Mitigation
Loss of major contract for diagnostic imaging	The loss of a contract may have a significant impact on income	The Charity is diversifying its activities into other areas of clinical imaging and means of providing services – including the addition of Mobile PET/CT in 2022
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 continues to invest in critical systems, technical support and remote 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 comprehensive maintenance and service level agreements to repair or compensate for lost time. Growth enables duplication of scanners and increased diversification
Impact of inflation and cost drivers on surpluses	Potential to reduce the capacity to invest in strategic objectives in the medium term	Provision in the budget, cost control, diversification of supply, renegotiating contracts, and reassessing services, strong reserves.
Shortage of suitably qualified staff	Increased cost of working and failure to fulfil contracts and grow	Cobalt has launched a recruitment website and offers more training and flexible work opportunities to attract staff
Pandemic/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 – maintaining awareness of infection levels, observing best clinical practice, diversification of activities and retention of reserves to support a loss of income for a number of months



# 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 54 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 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 a minimum of 3 times a year and is responsible for oversight of the financial strategy and performance of the Charity, and its administrative affairs, including risk management.
- Clinical Governance Committee – meets 4 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.

- People Committee – meets 4 times a year 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, commercial and charity sectors.
- Research Committee – meets 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 Charity's 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 principles in the code on a cyclical basis.

In 2022 Cobalt recruited two new trustees. The Board employed an external agency to widen the reach and was pleased with the more diverse range of candidates applying for the roles. The Board will continue to use a mix of in person and online meetings, to help maintain the improved participation seen during the pandemic and access to experts in the various fields.

The trustees continue to endeavor to ensure that the standards expected in the code are maintained.

The trustees and advisers listed on page 54 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 15th September 2022 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 2022 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 2022 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



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COBALT HEALTH

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 28, 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](http://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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COBALT HEALTH

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  
Gloucestershire GL50 3PR

8th November 2022



## STATEMENT OF FINANCIAL ACTIVITIES

(including an Income and Expenditure account)  
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
<b>INCOME FROM:</b>					
Donations and legacies	2	331,247	133,477	464,724	929,605
<i>Charitable activities</i>					
Clinical services	3	21,934,585	-	21,934,585	20,262,609
Fundraising activities	4	55,446	303,710	359,156	84,613
Investment income	5	13,512	-	13,512	10,452
Other income	6	<u>112,201</u>	<u>-</u>	<u>112,201</u>	<u>387,290</u>
<b>TOTAL INCOME</b>		<u>22,446,991</u>	<u>437,187</u>	<u>22,884,178</u>	<u>21,674,569</u>
<b>EXPENDITURE ON:</b>					
Fundraising costs	9	292,304	-	292,304	281,360
Charitable activities	9	<u>19,621,238</u>	<u>38,875</u>	<u>19,660,113</u>	<u>14,590,675</u>
<b>TOTAL EXPENDITURE</b>	9	<u>19,913,542</u>	<u>38,875</u>	<u>19,952,417</u>	<u>14,872,035</u>
<b>NET INCOME</b>		2,533,449	398,312	2,931,761	6,802,534
<b>TRANSFERS BETWEEN FUNDS</b>		261,642	(261,642)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>2,795,091</u>	<u>136,670</u>	<u>2,931,761</u>	<u>6,802,534</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<u>29,557,627</u>	<u>28,830</u>	<u>29,586,457</u>	<u>22,783,923</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	19	<u>32,352,718</u>	<u>165,500</u>	<u>32,518,218</u>	<u>29,586,457</u>

# COBALT HEALTH

## BALANCE SHEET

AS AT 31 MARCH 2022

Company number 04366596

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Intangible assets	11	169,577	189,491
Tangible fixed assets	12	22,730,795	19,763,130
Investments	13	<u>150,001</u>	<u>150,001</u>
<b>TOTAL FIXED ASSETS</b>		<u>23,050,373</u>	<u>20,102,622</u>
<b>CURRENT ASSETS</b>			
Debtors	14	3,984,521	3,790,125
Investments	13	3,045,102	3,032,265
Cash at bank and in hand		<u>5,929,071</u>	<u>6,146,392</u>
<b>TOTAL CURRENT ASSETS</b>		<u>12,958,694</u>	<u>12,968,782</u>
<b>LIABILITIES</b>			
Creditors - amounts falling due within one year	15	<u>(2,547,228)</u>	<u>(2,334,869)</u>
<b>NET CURRENT ASSETS</b>		<u>10,411,466</u>	<u>10,633,913</u>
Creditors - amounts falling due greater than one year	15	<u>(943,621)</u>	<u>(1,150,078)</u>
<b>TOTAL NET ASSETS</b>		<u>32,518,218</u>	<u>29,586,457</u>
<b>FUNDS OF THE CHARITY</b>			
<b>Unrestricted Funds:</b>			
Tangible fixed assets held for Charity's use	16	22,730,795	19,763,130
Designated funds	17	4,855,786	5,412,530
General fund	16	<u>4,766,137</u>	<u>4,381,967</u>
<b>TOTAL UNRESTRICTED FUNDS</b>		32,352,718	29,557,627
Restricted funds	18	<u>165,500</u>	<u>28,830</u>
<b>TOTAL CHARITY FUNDS</b>	19	<u>32,518,218</u>	<u>29,586,457</u>

Approved by the Trustees on 15th September 2022  
and signed by

NEIL HOLBROOK  
Chairman

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	24	<u>5,082,737</u>	<u>6,414,394</u>
<b>Cash flows from investing activities</b>			
Interest receivable and rents from investments		116,779	109,857
Purchase of intangible assets	11	(47,235)	(92,500)
Proceeds from the sale of fixed assets		1,480	178,500
Purchase of fixed assets	12	<u>(5,192,481)</u>	<u>(4,420,099)</u>
<b>Net cash (used in) investing activities</b>		<u>(5,121,457)</u>	<u>(4,224,242)</u>
<b>Cash flows from financing activities</b>			
Repayments of borrowing - HP		(134,253)	(79,888)
Repayments of borrowing - Bank loan		(31,511)	-
Cash inflows from new borrowing		<u>-</u>	<u>1,408,970</u>
<b>Net cash (used by)/provided by financing activities</b>		<u>(165,764)</u>	<u>1,329,082</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(204,484)</u>	<u>3,519,234</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>9,178,657</b>	<b>5,659,423</b>
<b>Cash and cash equivalents at the end of the year</b>	25	<u><b>8,974,173</b></u>	<u><b>9,178,657</b></u>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### 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) 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 £8.97m in the bank and on deposit. The Charity is able to meet its planned capital expenditure for 2022/23 and thereby help underpin future income generation.

The Charity prepares an annual budget and three year projections. These have factored in anticipated increases in expenditure. Whilst recognising the challenges, the Charity expects to make a surplus over the next three years.

On this basis 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.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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.

### **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

## NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

**Fixtures, fittings and computer equipment** - 13% and 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 2022. 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.

### **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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### **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 2022

### NOTE 2. DONATIONS AND LEGACIES

	2022 £	2021 £
Donations	157,266	114,748
In Memoriam	9,890	3,516
Legacies	<u>297,568</u>	<u>811,341</u>
	<u>464,724</u>	<u>929,605</u>

£133,477 of donations and legacies were restricted.

### NOTE 3. CHARITABLE ACTIVITIES

	2022 £	2021 £
<i>Clinical services</i>		
MRI Services	8,382,099	6,449,990
PET/CT and CT Services	<u>13,552,486</u>	<u>13,812,619</u>
	<u>21,934,585</u>	<u>20,262,609</u>

### NOTE 4. INCOME FROM FUNDRAISING ACTIVITIES

	2022 £	2021 £
Events	36,185	18,798
Card Sales	19,261	8,550
Grant income	<u>303,710</u>	<u>57,265</u>
	<u>359,156</u>	<u>84,613</u>

### NOTE 5. INVESTMENT INCOME

	2022 £	2021 £
Interest receivable	<u>13,512</u>	<u>10,452</u>

### NOTE 6. OTHER INCOME

	2022 £	2021 £
Rent receivable	103,267	99,405
Gain on disposal of fixed assets	1,480	166,500
Delegate Fees, room hire, other income	7,454	38,349
Government grants - furlough receipts	<u>-</u>	<u>83,036</u>
	<u>112,201</u>	<u>387,290</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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

	2022 £	2021 £
Wages and salaries	4,261,294	3,516,191
Social security costs	430,728	343,804
Pension contributions	553,631	481,444
Other employee benefits	18,436	13,387
	<u>5,264,089</u>	<u>4,354,826</u>

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

	2022	2021
£60,000 - £69,999	5	1
£70,000 - £79,999	-	3
£80,000 - £89,999	5	2
£140,000 - £149,999	<u>1</u>	<u>1</u>

In the year contributions of £38,248 (2021 - £33,529) were made to 1 (2021 - 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 £757,938 (2021, 8, £723,600). The 8 are the Chief Executive, Finance Director, Fundraising Director, Human Resources Manager, Communications Manager, Quality Manager and 2 Clinical Managers.

During the year, redundancy payments amounting to £35,875, were paid to members of staff (2021, £16,037).

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

	2022	2021
MRI Services	57	60
PET/CT and CT Services	46	32
Fundraising	5	5
Administration and Management	19	17
Buildings	<u>4</u>	<u>3</u>
	<u>131</u>	<u>117</u>

The average full-time equivalent number of staff for the year was 102 (2021 - 86). No Trustees received remuneration during the year (2021 - Nil). No Trustees were reimbursed travel expenses during the year (2021 - Nil).



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 8. NET INCOME FOR THE FINANCIAL YEAR

Net income is stated after charging/(crediting):	:	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Auditor's remuneration:			
Audit		<b>13,800</b>	<b>10,300</b>
Tax advisory		<b>1,138</b>	<b>700</b>
Other services		<b>-</b>	<b>500</b>
Depreciation		<b>1,974,083</b>	<b>1,684,561</b>
Amortisation		<b>67,149</b>	<b>47,012</b>
Surplus on disposal of fixed assets		<b>(1,480)</b>	<b>(166,500)</b>
Impairment		<b>250,733</b>	<b>-</b>
Operating lease costs		<b>11,544</b>	<b>11,544</b>
Pension contributions		<b>553,631</b>	<b>481,444</b>

### NOTE 9. ANALYSIS OF EXPENDITURE

	Direct Costs £	Support Costs £	Amortisation and Depreciation £	Total 2022 £	Total 2021 £
<b>Raising funds:</b>					
Costs of fundraising and similar activities	<b>182,359</b>	<b>95,246</b>	<b>14,699</b>	<b>292,304</b>	<b>281,360</b>
	<b>182,359</b>	<b>95,246</b>	<b>14,699</b>	<b>292,304</b>	<b>281,360</b>
<b>Charitable activities:</b>					
MRI Services	<b>6,464,008</b>	<b>622,674</b>	<b>957,009</b>	<b>8,043,691</b>	<b>6,824,692</b>
PET-CT and CT Services	<b>9,136,578</b>	<b>1,118,691</b>	<b>976,581</b>	<b>11,231,850</b>	<b>7,370,388</b>
Charitable Funding	<b>280,973</b>	<b>-</b>	<b>90,684*</b>	<b>371,657</b>	<b>317,059</b>
Training and Education	<b>1,541</b>	<b>9,115</b>	<b>2,259</b>	<b>12,915</b>	<b>78,536</b>
	<b>15,883,100</b>	<b>1,750,480</b>	<b>2,026,533</b>	<b>19,660,113</b>	<b>14,590,675</b>
	<b>16,065,459</b>	<b>1,845,726</b>	<b>2,041,232</b>	<b>19,952,417</b>	<b>14,872,035</b>
<b>TOTAL 2021</b>	<b>11,392,222</b>	<b>1,748,240</b>	<b>1,731,573</b>	<b>14,872,035</b>	

\* Includes depreciation charged against Cobalt House.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 10. SUPPORT COSTS

	Admin Costs £	Building Costs £	Governance Costs £	Total 2022 £	Total 2021 £
MRI Services	454,417	163,886	4,371	622,674	590,230
PET-CT and CT Services	938,151	171,516	9,024	1,118,691	1,059,056
Fundraising	73,293	21,248	705	95,246	90,241
Training and Education	-	9,115	-	9,115	8,713
<b>TOTAL 2022</b>	<b>1,465,861</b>	<b>365,765</b>	<b>14,100</b>	<b>1,845,726</b>	<b>1,748,240</b>
<b>TOTAL 2021</b>	<b>1,384,482</b>	<b>349,658</b>	<b>14,100</b>	<b>1,748,240</b>	

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 2021	346,576
Additions	47,235
Disposals	(116,314)
<b>At 31 March 2022</b>	<b>277,497</b>
Amortisation	
At 1 April 2021	157,085
Charge for year	67,149
Disposals	(116,314)
<b>At 31 March 2022</b>	<b>107,920</b>
Net Book Value	
At 31 March 2022	169,577
At 31 March 2021	189,491

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 12. FIXED ASSETS

	Freehold Land & Buildings £	Medical Equipment £	IT / Fixtures & Fittings £	Motor Vehicles £
<b>Cost</b>				
<i>At 1 April 2021</i>	11,373,559	18,338,244	626,033	82,140
<b>Additions</b>	8,184	4,973,996	210,301	-
<b>Disposals</b>	-	(17,226)	(233,657)	(31,939)
<b>At 31 March 2022</b>	<u>11,381,743</u>	<u>23,295,014</u>	<u>602,677</u>	<u>50,201</u>
<b>Depreciation and Impairment</b>				
<i>At 1 April 2021</i>	2,636,491	7,597,530	379,294	43,531
<b>Charge for year</b>	181,367	1,671,250	111,426	10,040
<b>Eliminated on Disposals</b>	-	(17,226)	(233,657)	(31,939)
<b>Impairment</b>	80,439	170,294	-	-
<b>At 31 March 2022</b>	<u>2,898,297</u>	<u>9,421,848</u>	<u>257,063</u>	<u>21,632</u>
<b>Net Book Value</b>				
<b>At 31 March 2022</b>	<u>8,483,446</u>	<u>13,873,166</u>	<u>345,614</u>	<u>28,569</u>
<i>At 31 March 2021</i>	<u>8,737,068</u>	<u>10,740,714</u>	<u>246,739</u>	<u>38,609</u>

The net book value of assets held under hire purchase agreements is £596,716 (2021 - £667,613).

A bank loan was taken out in the previous year and is secured by way of a first 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 2022

### NOTE 13. INVESTMENTS

	2022 £	2021 £
<b>Fixed Assets</b>		
Investment in subsidiary	1	1
Investment property	<u>150,000</u>	<u>150,000</u>
<b>Current Assets</b>		
Current asset investment - notice deposits	<u>3,045,102</u>	<u>3,032,265</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 £3m in a short term deposit with Nationwide.

### NOTE 14. DEBTORS

	2022 £	2021 £
Clinical Service fees due	3,417,832	3,275,487
Accrued income	254,052	219,347
Prepayments	312,637	294,454
Other Debtors	<u>-</u>	<u>837</u>
	<u>3,984,521</u>	<u>3,790,125</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	1,198,722	1,345,550
Bank Loan	80,163	44,751
Accruals	720,291	650,917
Other creditors	18,067	15,454
HP liability	139,534	134,253
Taxation and social security	133,070	102,571
Pension liability	51,885	41,373
Deferred income	205,496	-
	<u>2,547,228</u>	<u>2,334,869</u>

The movement in deferred income is set out below:

	Rent and fees received in advance £	Total £
At 1 April 2021	-	-
Released in the year	-	-
Deferred in the year	<u>205,496</u>	<u>205,496</u>
At 31 March 2022	<u>205,496</u>	<u>205,496</u>

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

#### CREDITORS: Amounts falling after one year:

	2022 £	2021 £
Bank Loan 2-5 years	320,652	306,863
Bank Loan > 5 years	275,001	355,713
HP liability	<u>347,968</u>	<u>487,502</u>
	<u>943,621</u>	<u>1,150,078</u>

A bank loan was taken out in the previous 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 initial term of the loan is 72 months.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 16. UNRESTRICTED FUNDS - 2022

	<i>Balance at 1 April 2021</i>	<i>Movement in Funds</i>			<i>Balance at 31 March 2022</i>
	£	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	£
		£	£	£	
General Fund	4,381,967	22,446,991	(19,398,451)	(2,664,370)	4,766,137
Tangible fixed assets held for the Charity's use	<u>19,763,130</u>	<u>-</u>	<u>(398,937)</u>	<u>3,366,602</u>	<u>22,730,795</u>
<b>Total</b>	<u>24,145,097</u>	<u>22,446,991</u>	<u>(19,797,388)</u>	<u>702,232</u>	<u>27,496,932</u>

Unrestricted Funds includes a General Fund balance of £4,766,137. This constitutes 2.9 months' working capital requirement. Transfers of £702,232 represent fixed asset additions and disposals in the year, as well as transfers to and from the designated funds, see note 17.

### UNRESTRICTED FUNDS - 2021

	<i>Balance at 1 April 2020</i>	<i>Movement in Funds</i>			<i>Balance at 31 March 2021</i>
	£	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	£
		£	£	£	
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>
<b>Total</b>	<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>



## NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 17. DESIGNATED FUNDS - 2022

	Balance at 1 April 2021	Expenditure	Transfers	Funding of Fixed Assets	Balance at 31 March 2022
	£	£	£	£	£
Capital Equipment Fund	3,622,530	-	3,144,974	(3,622,530)	3,144,974
Equipment Replacement Fund	1,100,000	-	128,548	-	1,228,548
Grants Fund	470,000	(116,154)	-	18,154	372,000
Property Fund	220,000	-	50,264	(160,000)	110,264
<b>Total</b>	<b>5,412,530</b>	<b>(116,154)</b>	<b>3,323,786</b>	<b>(3,764,376)</b>	<b>4,855,786</b>

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 £3.6m brought forward has been used to purchase a new CT mobile unit, relocatable units and PET mobile. The £3.1m carried forward has been retained to purchase a new PET/CT scanner and additional take up rooms in Cheltenham, and a CT mobile unit. These are expected to be in place by October 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 the formerly disposed of MRI scanner Cobalt 9 with a new mobile MRI unit in January 2023, and a modern digital X-ray unit, which is expected to be installed by November 2022.

#### Grants Fund

Grants are to support oncology and dementia services and research. This includes, but is not limited to, projects with the NHS Trusts, and funding research fellowships. £116k 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 and equipment. Funds were expended in the year on buildings plant and imaging software upgrade. Funds carried forward are retained for upgrading the Cheltenham Imaging Centre reception area, and buildings plant within the next financial year.

### DESIGNATED FUNDS - 2021

	Balance at 1 April 2020	Expenditure	Transfers	Funding of Fixed Assets	Balance at 31 March 2021
	£	£	£	£	£
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
<b>Total</b>	<b>2,043,247</b>	<b>(163,264)</b>	<b>4,319,832</b>	<b>(787,285)</b>	<b>5,412,530</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 18. RESTRICTED FUNDS - 2022

	Balance at 1 April 2021	Income	Expenditure	Funding of Fixed Assets	Balance at 31 March 2022
	£	£	£	£	£
Breast Cancer Research Nurses Fund	-	22,155	(22,155)	-	-
TYA Nurse Fund	-	13,503	(13,503)	-	-
Cancer General Fund	-	1,278	(1,278)	-	-
Dementia Research Fund	-	7,549	(1,549)	-	6,000
Equipment Fund	28,830	392,312	-	(261,642)	159,500
Research Fund	-	390	(390)	-	-
<b>TOTAL</b>	<b>28,830</b>	<b>437,187</b>	<b>(38,875)</b>	<b>(261,642)</b>	<b>165,500</b>

Restricted funds held totalled £165,500 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.

#### TYA Nurse Fund

The fund is used to support the work of a local Teenagers and Young Adults with Cancer Nurse Specialist. 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 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. £6k has been carried forward for a specific diagnostic project.

#### Equipment Fund

The fund was used to support the purchase of a new mobile CT scanner. Funds carried forward of £159,500 are restricted for the new PET/CT scanner.

#### Research Fund

The fund was used to support Cobalt's research activities in the year.

### RESTRICTED FUNDS - 2021

	Balance at 1 April 2020	Income	Expenditure	Funding of Fixed Assets	Balance at 31 March 2021
	£	£	£	£	£
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)	-	-
<b>TOTAL</b>	<b>29,006</b>	<b>111,042</b>	<b>(72,306)</b>	<b>(38,912)</b>	<b>28,830</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 19. ANALYSIS OF NET ASSETS - 2022

	Intangible Assets £	Fixed Assets £	Net Current Assets £	Creditors due greater than one year £	Total £
<b>Unrestricted Funds</b>					
General Fund	169,577	150,001	5,390,180	(943,621)	4,766,137
Tangible Fixed Assets held for Charity use	-	22,730,795	-	-	22,730,795
<b>Total Unrestricted Funds</b>	<b>169,577</b>	<b>22,880,796</b>	<b>5,390,180</b>	<b>(943,621)</b>	<b>27,496,932</b>
<b>Designated Funds</b>					
Capital Equipment Fund	-	-	3,144,974	-	3,144,974
Grants Fund	-	-	372,000	-	372,000
Equipment Replacement Fund	-	-	1,228,548	-	1,228,548
Property Fund	-	-	110,264	-	110,264
<b>Total Designated Funds</b>	<b>-</b>	<b>-</b>	<b>4,855,786</b>	<b>-</b>	<b>4,855,786</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>	<b>165,500</b>	<b>-</b>	<b>165,500</b>
<b>Total Funds</b>	<b>169,577</b>	<b>22,880,796</b>	<b>10,411,466</b>	<b>(943,621)</b>	<b>32,518,218</b>

### ANALYSIS OF NET ASSETS - 2021

	Intangible Assets £	Fixed Assets £	Net Current Assets £	Creditors due greater than one year £	Total £
<b>Unrestricted Funds</b>					
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
<b>Total Unrestricted Funds</b>	<b>189,491</b>	<b>19,913,131</b>	<b>5,192,553</b>	<b>(1,150,078)</b>	<b>24,145,097</b>
<b>Designated Funds</b>					
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
<b>Total Designated Funds</b>	<b>-</b>	<b>-</b>	<b>5,412,530</b>	<b>-</b>	<b>5,412,530</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>	<b>28,830</b>	<b>-</b>	<b>28,830</b>
<b>Total Funds</b>	<b>189,491</b>	<b>19,913,131</b>	<b>10,633,913</b>	<b>(1,150,078)</b>	<b>29,586,457</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 20. CAPITAL COMMITMENTS

	2022 £	2021 £
Future capital expenditure not otherwise included in the financial statements at the balance sheet date:		
Expenditure contracted for	<u>2,455,016</u>	<u>3,624,249</u>

### 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.

During the year, Phoenix MRC Limited, of which Susan Owen (Trustee) is a Director and shareholder, provided a staff survey to Cobalt for £nil (2021 - no service).

### NOTE 22. LIABILITIES UNDER OPERATING LEASES

At 31 March 2022, the Charity had total commitments under non-cancellable operating leases in respect of equipment as follows:

	2022 £	2021 £
Within one year	9,876	11,544
Between one and five years	<u>-</u>	<u>9,876</u>
<b>Total</b>	<u>9,876</u>	<u>21,420</u>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 23. ASSETS RECEIVABLE UNDER OPERATING LEASES

At 31 March 2022, the Charity had assets receivable under non-cancellable operating leases in respect of rental income of Cobalt House as follows:

	2022 £	2021 £
Within one year	99,992	98,067
Between one and five years	<u>139,609</u>	<u>239,601</u>
<b>Total</b>	<u><b>239,601</b></u>	<u><b>337,668</b></u>

### NOTE 24. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2022 £	2021 £
<b>Net income for the reporting period</b> (as per the statement of financial activities)	<b>2,931,761</b>	<b>6,802,534</b>
<b>Adjustments for:</b>		
Depreciation and amortisation charges	2,041,232	1,731,573
Impairment	250,733	-
Dividends, interest and rent from investments	(116,779)	(109,857)
(Surplus) on sale of fixed assets	(1,480)	(166,500)
(Increase) in debtors	(194,396)	(1,323,147)
Increase/(Decrease) in creditors	<u>171,666</u>	<u>(520,209)</u>
<b>Net cash provided by operating activities</b>	<u><b>5,082,737</b></u>	<u><b>6,414,394</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 25. ANALYSIS OF CHANGES IN NET CASH/DEBT

	2021 £	Cashflows £	Other non- cash changes £	2022 £
Cash at bank and in hand	6,146,392	(217,321)	-	5,929,071
Current asset investments:				
Notice deposits	<u>3,032,265</u>	<u>12,837</u>	-	<u>3,045,102</u>
<b>Total</b>	<u>9,178,657</u>	<u>(204,484)</u>	-	<u>8,974,173</u>
Loans falling due within one year	(44,751)	44,751	(80,163)	(80,163)
Loans falling due after more than one year	(662,576)	(13,240)	80,163	(595,653)
Hire purchase obligations	<u>(621,755)</u>	<u>134,253</u>	-	<u>(487,502)</u>
<b>Total</b>	<u>7,849,575</u>	<u>(38,720)</u>	-	<u>7,810,855</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 26. 2021 STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
<b>INCOME FROM:</b>				
Donations and legacies	2	875,828	53,777	929,605
Charitable activities:				
Clinical services	3	20,262,609	-	20,262,609
Fundraising activities	4	27,348	57,265	84,613
Investment income	5	10,452	-	10,452
Other income	6	<u>387,290</u>	<u>-</u>	<u>387,290</u>
<b>TOTAL INCOME</b>		<u>21,563,527</u>	<u>111,042</u>	<u>21,674,569</u>
<b>EXPENDITURE ON:</b>				
Fundraising costs	9	281,360	-	281,360
Charitable activities	9	<u>14,518,369</u>	<u>72,306</u>	<u>14,590,675</u>
<b>TOTAL EXPENDITURE</b>	9	<u>14,799,729</u>	<u>72,306</u>	<u>14,872,035</u>
<b>NET INCOME</b>		6,763,798	38,736	6,802,534
<b>TRANSFERS BETWEEN FUNDS</b>		38,912	(38,912)	-
<b>NET MOVEMENT IN FUNDS</b>		<u>6,802,710</u>	<u>(176)</u>	<u>6,802,534</u>
<b>RECONCILIATION OF FUNDS</b>				
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<u>22,754,917</u>	<u>29,006</u>	<u>22,783,923</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	19	<u>29,557,627</u>	<u>28,830</u>	<u>29,586,457</u>

# TRUSTEES AND ADVISERS

## Trustees and Directors

Neil Holbrook (Chairman)

Ruth Goddard

Claire Morris

(appointed 23/06/2022)

Dr Susan Owen

John Parker

(resigned 16/11/2021)

Dr Janet Ropner

Pamela Sissons

(appointed 23/06/2022)

Dr Valerie Udale

Prof Gordon Wilcock

## Chief Executive Officer

Peter J Sharpe

## Company Secretary

Malcolm J MacKeith

## Medical Director

Prof Iain Lyburn (resigned 31/10/2022)

Dr Umesh Udeshi (appointed 01/11/2022)

## Director of Clinical Research

Prof Iain Lyburn (appointed 01/11/2022)

## 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

Willians LLP,

34 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 a registered charity with the Charity Commission England and Wales (registered no. 1090790)



# 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.



[www.cobalthhealth.co.uk](http://www.cobalthhealth.co.uk)

Charity Registration Number: 1090790

Company Number: 04366596

Cobalt Health trading as Cobalt



# Cobalt

Medical Charity

Diagnosis • Research • Education