

COBALT HEALTH ANNUAL REPORT 2022/23



www.cobalthhealth.co.uk

Charity Registration Number: 1090790
Company Number: 04366596



Cobalt

Medical Charity

Diagnosis • Research • Education

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.



CONTENTS

Chair’s statement	4
About us	5
Trustees’ strategic report	8
Our objectives and values	9
Diagnosis – aims, achievements, impact and the future	10 – 13
Research – aims, achievements, impact and the future	14 – 15
Education – aims, achievements, impact and the future	16 – 17
Fundraising	18 – 21
Looking back , a history of impact	22 – 25
Financial overview	27 – 31

Structure, governance and management	32
Statement of trustees’ responsibilities	33
Independent auditors’ report to the trustees of Cobalt Health	34 – 36
Statement of financial activities	37
Balance sheet	38
Cash flow statement	39
Notes to the financial statements	40 – 59
Trustees, executive and and advisers	60
Glossary	61

CHAIR'S STATEMENT



For another year, Cobalt’s level of activity and range of services have both continued to grow. With our dedicated team of radiographers and support staff, we have scanned over 130,000 patients. We have also continued to invest in the very latest imaging technology. The past twelve months have been financially challenging, primarily due to inflationary pressures significantly increasing fuel and operational costs. Despite this, we have been able to achieve a reasonable surplus for the year, ensuring our planned developments and investments into the future growth and development of the Charity can continue.

We have invested £5m in replacing and expanding our range of diagnostic imaging equipment. This included the purchase of a new 1.5 Tesla mobile MRI scanner and a new PET/CT scanner installed at our imaging centre in Cheltenham, one of only a handful of its kind in the UK. The scanner utilises the very latest in digital PET/CT technology, offering shorter scanning times enabling us to perform more scans per day, reducing local waiting times for oncology patients. It has also enabled us to support more research and clinical trials, including those assessing new drugs being developed to treat dementia.

With oncology one of Cobalt’s core strategic areas, we continue to support the NHS. This year the Charity has not only funded scans for oncology patients, but also posts for local breast cancer research nurses and Cobalt’s Teenagers and Young Adults (TYA) Cancer Nurse Specialist (CNS) We have continued to partner with the NHS to provide ultra-low dose CT scanning and to expand the Lung Health Check (LHC) lung cancer screening programmes. These programmes

are designed to identify lung cancer at an earlier and more treatable stage, improving outcomes for patients.

Cobalt could not exist without the dedication and commitment of our team. The Charity has continued to grow, now employing 161 members of staff, and is further strengthened by over 200 volunteers. We continue to invest in people and have expanded our management team in preparation for planned future growth and development of the Charity.

We are very grateful to the many individuals, organisations and trusts who have kindly supported Cobalt and raised funds for our charitable activities. Their help is invaluable in enabling us to continue performing at this level.

I would like to thank my fellow trustees for their insight, direction and work in support of Cobalt. A particular thank you to Professor Gordon Wilcock and our former Chair, Neil Holbrook, for their contribution; both having this year concluded their tenure on our board. We look forward to welcoming new trustees this autumn.

In 2024, Cobalt will celebrate 60 years of supporting the NHS. We will be running a series of events, recognising decades of significant achievement and looking to the future. We are thankful to everyone who has made this possible.

Susan Owen
Chair of the Board of Trustees

ABOUT US

Cobalt Health (Cobalt) is an independent medical charity with a vision to pioneer innovation in medical imaging diagnosis. Cobalt invests in equipment, integrated research and education, to improve outcomes for patients now and in the future. Each year it provides diagnostic imaging for over 130,000 patients at its imaging centres in Cheltenham and Birmingham, and through a fleet of fourteen MRI*, CT* and PET/CT* mobile scanners. The Charity is the leading provider of ultra-low dose CT lung cancer screening services in the UK, working in partnership with the NHS.

Cobalt focuses on offering equipment and services not generally available within the NHS, using the latest technology to deliver superior image quality, improve patient comfort and enable shorter scanning times. The Charity strongly believes that all patients should have

access to a clear diagnosis and appropriate treatment plan facilitated by the best equipment, helping doctors to make a clear diagnosis and appropriate personalised treatment plan.

Alongside its diagnostic services, Cobalt also funds and participates in research on a national and international basis. The Charity is currently supporting many research projects and clinical trials, with the aim of advancing the detection and treatment of cancer, dementia and other long-term conditions. The Charity provides training programmes for medical professionals, including GPs, consultants, physiotherapists and chiropractors; and supports undergraduate radiography students with clinical placements.

Following a period of significant growth, we are taking time to consolidate and ensure we have a strong infrastructure so we are fit for the future.

In 2022 we welcomed our new Head of HR, Rachel Burke.

Rachel said "It is thanks to our dedicated team of staff and volunteers that we have been able to grow and expand our impact both locally and nationally. We are especially proud that we continue to recruit highly skilled radiographers to join our team.

The continued retention and recruitment of good staff who share our values is key to our success. It is important to celebrate and recognise achievements such as service milestones, qualifications and positive

feedback received from service users/stakeholders. Together we will be celebrating Cobalt’s 60th Anniversary in 2024 and the contribution made by every staff member to this significant milestone.

We listen carefully to feedback from employees and act on it. We will shortly be launching Cobalt’s ICARE Fund, money which will enable staff to propose ideas to improve patient experience based on our values."

“Our ICARE values – Innovative, Caring, Accessible, Respectful and Ethical - are central to everything we do as a charity and an employer, and they lead the way we work.”

OUR VALUES

I

C

A

R

E

INNOVATIVE

CARING

ACCESSIBLE

RESPECTFUL

ETHICAL

130,000 PATIENTS SCANNED

A 13% INCREASE COMPARED TO 2021/22



50,000 LUNG HEALTH CHECK
ULTRA-LOW DOSE CT SCANS

88% OF CLAUSTROPHOBIC PATIENTS SCANNED
SUCCESSFULLY BY OUR SPECIALIST
RADIOGRAPHERS LAST YEAR*



59 RESEARCH
PROJECTS AND
TRIALS SUPPORTED

278 ★★★★★

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

FEWER THAN 0.01% OF PATIENTS MADE
A COMPLAINT

12

CT
SCANNERS

10

MRI
SCANNERS

2

PET/CT
SCANNERS

8

MOBILE IMAGING
PATIENT SUPPORT
UNITS

99.6%

99.6% OF PATIENTS** AND 95% OF STAFF** SAID
THEY WOULD RECOMMEND COBALT TO FRIENDS
AND FAMILY WHO NEEDED A SCAN*

* MRI requests to the Imaging Centre in Cheltenham

** Patient experience questionnaires 2021/22 from the Imaging Centre in Cheltenham

*** Annual Staff survey 2022 - 115 employee return rate 69%

TRUSTEES' STRATEGIC REPORT

The Cobalt board of trustees present their Strategic Report and the Financial Statements for the year ending 31 March 2023. The Charity reports its achievements in 2022/23 against its core activities of 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 in 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 to assist in patients' diagnosis and treatment.

Our commitment to quality

Cobalt is committed to exceptional patient care whilst delivering a consistently excellent standard of imaging and reporting. The Charity publishes a Quality Account on an annual basis, which details its managed processes, systems and key achievements in this area. Cobalt fulfils Care Quality Commission standards, and demonstrates the consistent audit and improvement required to meet the Quality Standard for Imaging, ISO 9001:2015 and ISO14001:2015 requirements.

We are currently working towards accreditation and certification against the ISO45001 Health and Safety Standard, with external assessment scheduled to take place during August 2023 and January 2024.



OUR OBJECTIVES

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

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

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

- Number of patients scanned;

- Feedback from patients and referring clinicians about the quality of the service;
- Support provided to oncology and dementia services, including research and clinical trials;
- Investment in up-to-date equipment and aiding the introduction of new diagnostic imaging innovations;
- Effectiveness of the training and education delivered to healthcare professionals;
- Number of research projects and clinical trials supported;
- Number of internal research studies and papers accepted;
- Impact of externally funded research;
- Levels of employee satisfaction;
- Financial performance of the Charity and its ability to fund future activities;



DIAGNOSIS

DIAGNOSIS - AIMS FOR 2022/23

The Charity aims to support NHS services to provide enhanced medical care to people who are sick or injured, using the most up-to-date imaging technology that otherwise would not have been available. Cobalt's diagnostic aims for 2022/23 included:

- Upgrading 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 with virtually no wait.
- Utilising the new digital scanner to expand the Charity's supporting role in research and clinical trials.
- Launching Cobalt's first mobile PET/CT scanner, to support the NHS across England as the demand for PET/CT continues to grow.
- Ensuring a safe and secure environment for staff to continue providing patients with a high quality and caring diagnostic service.

- Monitoring the global development of scanning technology, to ensure that the Charity identifies opportunities to be an early adopter for the benefit of future patients.
- Maximising opportunities to support the NHS in meeting the increasing need for diagnostic imaging in the UK, including monitoring the development of Community Diagnostic Centres; to support the delivery of accessible services where they are required and where they provide a wider benefit.
- Recruiting 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.



DIAGNOSIS

ACHIEVEMENTS AND IMPACT IN 2022/23

PET/CT

- Cobalt invested £2.6m in a new Siemens Biograph Vision digital PET/CT scanner including additional patient facilities. The new scanner was launched in October 2022 and provides high resolution images, a reduction of up to 40% in scan times, and reduced radiation exposure for patients. This has resulted in an average wait of only two days from PET/CT request to scan. To support the increased number of patients and to further enhance patient experience, the PET/CT department has also been extended. This investment has significantly improved the cancer pathway for many patients.



PET/CT scanner launch left-right: Peter Sharpe (CEO), Prof Iain Lyburn (Director of Clinical Research), Roisin Dobbin-Stacey (Head of PET/CT and CT), Sylvia Richards (The Clive Richards Foundation), Neil Holbrook (Chair of the Board of Trustees).

- The increased facility and efficiency of the new PET/CT scanner allows more capacity and capability for research activities. See the Research section for further information.
- Investment was also made in advanced equipment for the delivery of isotope infusions into patients,

prior to their PET/CT scans. The new state-of-the-art mobile dispensers improve patient comfort and provide a safer environment for staff.

- Cobalt's first mobile PET/CT operation commenced in 2022, currently supporting oncology patients at St George's Hospital in London.

Educational Events

Cobalt supported presentations and demonstrations at several educational events and conferences throughout the year. This included demonstrations relating to lung cancer screening, featuring the latest mobile CT scanner, at the European Congress of Radiology and the UK Imaging and Oncology Congress. As the largest provider of ultra-low dose CT to support NHS England's Lung Health Check programme, the Charity has worked with its NHS and commercial partners, to assist in the development of lung cancer screening in the UK and across Europe.

Growing our people

Cobalt is pleased to have welcomed 9 employed and 23 bank radiographers in 2022/23, plus a further 14 permanent and 8 casual non-clinical members of staff. These new starters have quickly integrated to become valuable and effective members of the team.

DIAGNOSIS

ACHIEVEMENTS AND IMPACT IN 2022/23

MRI

In January 2023, the Charity added its first Siemens mobile 1.5 Tesla* MRI scanner to the fleet. It is expected that there will be further upgrades to the MRI mobile fleet over the next couple of years, as technology advances and in line with Cobalt's equipment replacement policy.



Cobalt's new Siemens mobile 1.5 Tesla MRI scanner.



Cobalt's new X-ray suite was completed in March 2023, featuring a premium system incorporating the latest technology and advanced features, such as enabling the planning of joint replacements based on the individual patient's anatomy. The system produces higher-quality images, without any increase in radiation dose

L-R Vikki Clegg - MRI Assistant Practitioner, Karen Hackling-Searle, Head of MRI and X-ray, Jane Robinson - District General Manager, Health Systems, Philips UKI and Jonathan Humphris, MRI Operations Manager

Resilience

Over the last two years the Charity has focused on ensuring service resilience by investing in buildings and equipment. Improvements to core IT infrastructure ensures that patient systems are robust, data is secure and that potential disaster recovery timescales are shortened. Developments included increased use of cloud systems, to provide greater flexibility and data security.

Community Based Imaging

Cobalt has been working with the NHS in Gloucestershire and Dudley to support the development of Community Diagnostic Centres (CDCs). These new centres will provide imaging and other services, including MRI and CT scanning within a community. The new centres will also facilitate the training of radiography students.



DIAGNOSIS

THE FUTURE

- Working with the NHS in Gloucestershire to launch a new Community Diagnostic Centre being developed at Gloucester Quays in September 2023. Cobalt has submitted a bid to partner with the NHS in Dudley.
- Continuing to support Targeted Lung Health Check programmes, with the key objective of identifying lung cancer at an early stage and supporting education and research to aid diagnosis and treatment. We would like to thank the Clive Richards Foundation for their generous support, which has enabled Cobalt to support many of these programmes.
- Last year Cobalt celebrated 5 years of collaboration with the University Hospitals Birmingham NHS Foundation Trust and the Institute of Translational Medicine; together supporting a wide range of research through our dedicated MRI facility.
- The Charity is planning to upgrade the MRI scanner at the ITM Imaging Centre in 2023/24, to further expand research capabilities through state-of-the-art imaging.
- Cobalt will continue to invest in the latest technology, to improve the diagnostic capabilities of equipment and patients' experiences. This will include the introduction of the Siemens Healthineers 'Virtual Cockpit'. This system enables remote access to

MRI, CT and PET/CT scanners, facilitating increased support for staff, including a higher level of technical support, training and education, and improved patient safety.



- Following investment in a mobile PET/CT service in 2022, Cobalt will explore the development of a modular PET/CT facility, to enable more NHS hospitals to benefit from this vital imaging service for oncology patients.
- To ensure resilience and scope for succession planning, further development will take place, of the Charity's workforce through training and education, and of the Charity's infrastructure.
- Cobalt is also researching and evaluating possible provision of an advanced cardiac imaging service.

RESEARCH

AIMS FOR 2022/23

Research is a key element of Cobalt's vision to improve outcomes for patients now and in the future.

- Recruiting additional staff to enable Cobalt's clinical teams to have more time to develop internal research programmes.
- Continuing to develop research capability and infrastructure, including appointing a Head of Education, Training and Research.
- Supporting the lung cancer programme at the Royal Brompton Hospital, London by funding a Lung Intervention Research Fellow. The new fellowship aims to further the development of their lung tumour biopsy service.



Cobalt's Research Team: Top L-R Jamie McAllister, Iain Lyburn, Julie Searle Bottom L-R Zoe Wray, Aine McGoven and Ayah Nawwar

- Promoting the Charity's research activities by publishing findings and presenting at conferences, with the aim of encouraging bids from like-minded teams looking at research with a significant scanning element.
- Continuing to support international research into artificial intelligence (AI) to improve the diagnostic accuracy of PET/CT in oncology imaging.

- In September 2022, Dr Rahman, Cobalt's first Lung Intervention Research Fellow at the Royal Brompton Hospital in London, commenced his research supporting the development of the lung tumour biopsy service. He made a good start to the year, publishing research papers, but has since taken up a new external role. Recruitment for a new Research Fellow is underway, through which Cobalt will continue to support the Royal Brompton Lung Cancer Programme.

- Cobalt provides imaging support to research trials across MRI, PET/CT and CT at the imaging centres both in Cheltenham and at the Institute of Translational Medicine (ITM) on the Queen Elizabeth Hospital campus in Birmingham. The Cheltenham team performed 606 research scans in 2022/23, an increase on last year's 465.
- Investment in the latest PET/CT technology has enabled the Charity to support an increasing range of clinical trials relating to the development of new drugs to treat early onset dementia.

- The Research team continues to publish papers and present them at conferences. A catalogue of recent work is available on the Research page of the Cobalt website.
- Work continues developing artificial intelligence (AI) in PET/CT reporting. This research has led to accepted abstracts and an invitation to an international conference to present the findings.



Queen Elizabeth Hospital Birmingham

RESEARCH

ACHIEVEMENTS AND IMPACT IN 2022/23

- The infrastructure of the research team is developing. The Head of Education, Training and Research took up post in the last quarter and a new Director of Clinical Research has been appointed, Professor Iain Lyburn. Together with a Research Fellow in PET/CT, the team will continue to grow, developing radiographer and radiologist research in Cobalt through peer support.
- Cobalt's first Student Radiographer Research Internship was successfully completed in 2022/23. The Research department invited second year radiography students from the University of Gloucestershire to apply to join the research team for the rest of the academic year. The intern, Nicola Wasley, had the opportunity to be involved in a large study undertaking data collection, which has resulted

in inclusion on a published paper. The intern enjoyed their time, gaining research experience and learning from the team. Nicola is delighted to be joining the Cobalt MRI Training Programme in 2023.

An intern for the next academic year, Zaide Nicholas, will assume post in early 2023/24.



Zaide Nicholas, Student Radiographer Intern

RESEARCH

THE FUTURE

- Further expansion of the research team through secondment and fellowship opportunities for internal applicants.
- Supporting dedicated research time for staff, through job planning and recruitment.
- Providing Cobalt's clinical teams with peer mentoring opportunities, and opportunities to undertake training in research methods and good clinical research practice.
- Developing robust systems and processes to enable seamless research support for Cobalt colleagues and external applicants.
- Continuing to promote Cobalt's role in research and innovation through publications, and representation at conferences.
- Building on relationships with local universities and larger organisations to share resources and expertise.





EDUCATION

AIMS FOR 2022/23

- Providing a comprehensive internal training strategy focused on Continuing Professional Development (CPD).
- Continuing to support clinical placements, for undergraduate students studying at the University of Gloucestershire and other academic institutions.
- Expanding on the success of the online education event programme for medical professionals; and re-evaluating the benefit and timing of future classroom courses, including conferences.
- Presenting at national and international conferences, to share experiences of working with the latest technology and innovative services.
- Developing the role of radiographer “super-users” to support training across all imaging modalities.
- Reviewing and expanding the apprenticeship programme.

EDUCATION

ACHIEVEMENTS AND IMPACT IN 2022/23:

- Cobalt entered its third year of clinical placements for radiography students, with the first cohort qualifying at the end of the academic year. Cobalt has for the first time recruited a student from this cohort into the MRI training programme.
- The online education programme for healthcare professionals continued to be popular. Online delivery has enabled the courses to reach greater numbers. There has been limited interest from delegates in returning to ‘in person’ classroom learning.
- The apprentices employed through the government's National Apprenticeship Service continue to flourish, now entering their final stages of training, with completion expected this year.
- During the year, two more radiographers will complete the Cobalt MRI training programme. A further five trainees will start the programme in 2023/24.

- The Head of Education, Training and Research, Aine McGovern took up the post in the final quarter. With administrative support she is managing student placements and staff training, and promoting opportunities for CPD and further education.



Aine McGovern

- Cobalt were invited to lecture at a number of events, including:
 - Head of PET/CT and CT, Roisin Dobbin-Stacey, presented at several conferences and educational events including the European Congress of Radiology, Lung Health Check educational programmes in Manchester, and the Siemens' CT User Group Meeting.
 - Head of MRI, Karen Hackling-Searle, contributed to an expert panel on patient communication for the British Institute of Radiology.
 - Cobalt's Director of Clinical Research, Professor Iain Lyburn presented at a number of national meetings including the Cambridge Conference on Breast Cancer Imaging, and a local research event hosted by Research4Gloucestershire.

EDUCATION

THE FUTURE

- Developing a Training and Education Strategy for Cobalt, encompassing both internal and external activities, creating programmes for all staff, and simplifying systems to monitor and maintain training records.
- Creating online space to share CPD opportunities and relevant further education courses for all staff, to encourage their development.
- Increasing the number of advanced practice and cross-sectional radiographers, through the development of existing team members, and recruitment of new staff.
- Continuing to present at national and international conferences, sharing Cobalt expertise and experience of working with the latest technologies and imaging techniques.
- Facilitating an ongoing lecture programme for health professionals.



- Supporting local universities with course development, providing guest lecturers and placement opportunities.
- Reviewing and expanding the apprenticeship programme and broadening into degree apprenticeship, to ensure training and succession planning.
- Developing “super-users” in MRI, CT and PET/CT, and advanced practice radiographers, based on the principles outlined by the Health and Care Professionals Council.



Happy volunteers taking a break from selling tea and cake.

FUNDRAISING REPORT

2022/23 was a challenging year for many of our supporters, as the cost-of-living crisis continued to have an impact. We are extremely grateful for all of the support we received throughout the year. The Fundraising Team achieved their set objectives with a total fundraising income achieved during 2022/2023 of £1.0m. This was £107,000 from individual donations, £87,000 from fundraising activities, £117,000 from trusts and foundations, and £664,000 was from legacies.

Cobalt undertakes fundraising to support the objectives and strategic aims of the Charity. Funds raised help us to provide the latest technology, enabling patients in their time of need to receive the earliest and most accurate diagnosis possible.

Our major fundraising appeal successfully raised £303,000 to support the purchase of the new PET/CT scanner for the imaging centre in Cheltenham. Due to the success of this appeal, we were also able to purchase a PET/CT isotope infusion device

at a cost of £57,000, to improve patient comfort and provide a safer environment for staff. The new scanner was officially launched on Friday 2 December by Sylvia Richards, Trustee of The Clive Richards Foundation. The Clive Richards Foundation is a long-term supporter of Cobalt. Clive Richards CBE KSG DL (1937 – 2021) was a former Patron of Cobalt, a keen supporter of our work, and a remarkable philanthropist along with his wife, Sylvia.

We are deeply thankful for the numerous public donations we received throughout this appeal, and would like to recognise the following trusts and foundations for their kind support: The Clive Richards Foundation, E F Bulmer Trust, Garfield Weston Foundation, Gordon Gray Trust, PF Charitable Trust, Philip Smith's Charitable Trust, Summerfield Charitable Trust, The Caron Keating Foundation, The Fieldrose Charitable Trust, The Hobson Charity, The Hospital Saturday Fund, The R V J Cadbury Trust, The Saintbury Trust, W F Trust and Zurich Community Trust.

Our charitable activities in 2022/23 and ongoing include:

- Funding 900 scans for oncology patients in Gloucestershire, including specialist MRI breast scans for 'at risk' women. These scans provide rapid access to the latest technology and hence a faster diagnosis at no cost to the NHS.
- Providing specialist PET/CT scans, free of charge, to support the early diagnosis of dementia – enabling patients to access an appropriate treatment pathway sooner.

- Raising funds to support research and education (primarily in the fields of cancer and dementia), including at the dedicated research imaging centre at the Institute of Translational Medicine in Birmingham, and funding a radiology research fellow at The Royal Brompton Hospital.
- Funding specialist nursing roles for the NHS in Gloucestershire, including Breast Cancer Research Nurses, and a Teenagers and Young Adults with Cancer Nurse Specialist. We are grateful to the following trusts for their support of these roles: The W.E.D Charitable Trust, The Brian Shaw Memorial Trust, The Basil Samuel Charitable Trust, The Gordon Gray Trust, Susanna Peake Charitable Trust and Dent Brocklehurst Family.

CELEBRATION OF VOLUNTEERS

We would like to recognise and thank our extraordinary volunteers who have collectively supported our work for over 30 years. They are at the heart of what we do. Together, volunteers donate over 10,000 hours of their time each year in a wide variety of roles.

Colin Ralph has volunteered for Cobalt for 28 years and currently helps with coin counting from cash donations. Colin said "I help gather in all of the coin collection tins and sort the contents through a specialist coin counting machine. It's a great big contraption that does the job for us and sorts the coins into different denominations. Volunteering is a great means of filling your time. If you are retired you might think, well what am I going to do? I did have my garden, but I didn't feel I could fill my time gardening 12 months of the year! You've got to go out and do something, especially if you are on your own".



I am keen to support Cobalt as it is a unique, innovative medical charity involved in the diagnosis of cancer and dementia, to which I have sadly lost relatives. The work of Cobalt is constantly evolving through research, outreach projects, training, and the acquisition of 'state of the art' equipment. Cobalt is here for people locally but reaches those further afield through its work. Overall, in my opinion it is a very worthwhile cause, and we are extremely fortunate to have it, but for its continuation and development it needs our support.

Lynne, Cobalt Supporter

I was 38 and a new mummy when I was diagnosed with stage 3 cancer. Now, 5 years since diagnosis, and 4 years clear, I am considered one of the lucky ones. Clinical trials are so important as they increase our understanding about breast cancer in many ways.

Dawn Gregson, Senior CT Radiographer at Cobalt.

Make a Will Month

Throughout April each year, local solicitors donate their time and expertise to write or update straightforward wills in return for a donation to Cobalt. We are very grateful for the support of staff from David Gregory Solicitors, Dee & Griffin Solicitors, Sewell Mullings Logie LLP and Willans LLP for this popular scheme.

We would like to thank past supporters who left a gift in their will, and their loved ones, as well as over a hundred more supporters, who have kindly let us know their intention to support Cobalt in this way.

Nailsworth and Woodchester Support Group

This group has been fundraising for Cobalt for 36 years and made a significant donation of £9,238 at a special evening held at the Royal Oak in Woodchester. Donations were raised from a fundraising walk, donations of small change and events organised by the community and Stroud Vintage Transport and Engine Club. To date, the group have raised a staggering £141,000.

Richard Hardwick and John Perkins, of Nailsworth and Woodchester Support Group present Cobalt with their cheque.

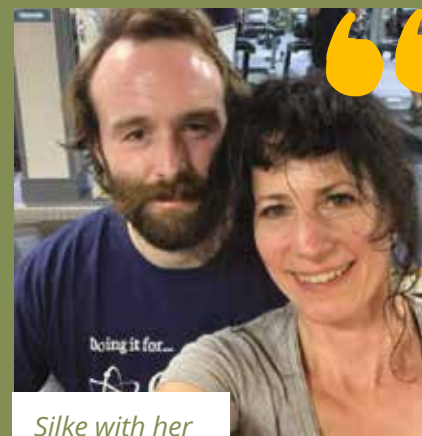


New Charity Partnerships

Staff from Gloucestershire businesses Pure Offices Ltd, Peter Ball & Co, and Shearer Associates have committed to a series of fundraising events in support of Cobalt, as part of their commitment to the local community. For example, Peter Ball & Co are kindly donating £2.50 for every valuation they carry out as well as undertaking a range of fundraising events. Julian Carter of Peter Ball & Co said "We chose Cobalt

as a charity partner as it is very apparent the positive impact that Cobalt have on the local community and beyond."

Local businesses and organisations have generously donated over 40 fantastic lots to bid for the Cobalt Christmas auction, and have raised over £2,000 for the charity. We are very grateful for the support of the local business community.



Silke with her husband Jake.

Breast Cancer Research Trials

I am fortunate to be part of a group of patients, who have access to annual scans due to a family history of cancer. Because of my scans, I feel that everything is being done to keep me safe. I have no doubt, that both, their scans and their research are an absolute lifeline to the community, helping patients, who have already been diagnosed as well as aiding in preventive care by providing imaging to the highest standard.

Silke, Cobalt Patient and Supporter.

Cobalt's Capture a Moment photography competition

350 entries were received for Cobalt's annual photography competition. Entrants were asked to enter their best photo with a £2 donation. The winning entries were showcased in a calendar and in an exhibition, with the money raised helping to fund Cobalt's Teenagers and Young Adults with Cancer Nurse Specialist. Thanks to the following for their support of the competition: Light & Land, Wex Video, Royal Photographic Society, David Broadbent Photography, The Darkroom Cheltenham, Alan Ranger Photography, Digital Camera magazine, University of Gloucestershire, WallSpace, DSCL and USS audio visual.

One of the winning entries used in the 2023 Cobalt Calendar.



TYA Nurse, Megan Willsher, with one of her patients.

Teenagers and Young Adults with Cancer Nurse Specialist

Since I was diagnosed, Meg has been with my family and me every step of the way. She's given extra support by coming along to doctors' appointments and helping me and my parents to understand everything that is going to happen. She is always there to message if I have any questions or need help arranging meetings or getting in touch with health professionals. I'm very grateful for all the help me and my family receive from her.

Maddie, patient, talking about Megan Willsher, Cobalt's Teenagers and Young Adults with Cancer Nurse Specialist.

Our open garden events and community coffee mornings would not be possible without the help of volunteers. During 2022/23 we held two open garden events (each attracting over 600 guests), in conjunction with the Rare Plant Fair at The Old Rectory in Quenington, and at Highnam Court. We also held a pop-up café at Colesbourne Park during snowdrop weekend, and twelve community coffee mornings. Over £18,000 was raised through these activities. Our thanks to David and Lucy Abel Smith, Roger Head DL and Sir Henry Elwes for generously providing their gardens, and all those who held coffee mornings in aid of Cobalt.



The Big Sort and Cobalt Card Programme

Donated cards, upcycled by our volunteers, helped to raise £25,000 for the Charity in 2022/23. Printwaste, who specialise in shredding and recycling, are a key partner in this fundraising project and help to remove any waste including trimmings.

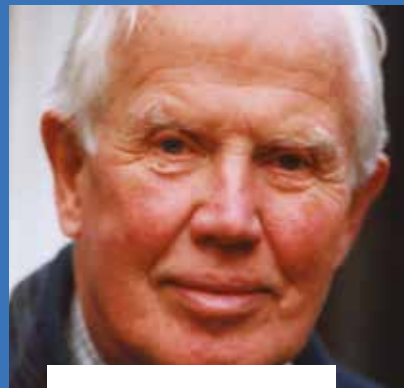
LOOKING BACK, 60 YEARS OF INNOVATION

Cobalt celebrates its 60th Anniversary in 2024. Here we look back on some key milestones through the decades:

1960's

1964

The 'Cobalt Unit Appeal Fund' was established by Dr Fred Hanna who was responsible for Radiotherapy in the County. He remained President of the Charity until 2009.



Dr. Fred Hanna OBE

1970's

1966

The Cobalt Unit (now the Cheltenham Oncology Centre) at Cheltenham General Hospital was established.

1975

A two-storey extension was built with funding from Cobalt – housing additional treatment facilities, operating theatre and radioisotope accommodation.

1978

An appeal raised funds for an X-ray body scanner at the Oncology Centre, and buildings to house it. Opened by HRH Princess Anne.

1980's

1982

Cobalt provided funding for a whole-body X-ray scanner for the diagnosis of cancer and other diseases at the Oncology Centre.

1982

Cobalt established a new headquarters in Cheltenham, Linton House.

1986

Cobalt funded a Cancer Prevention and Early Detection campaign in Gloucestershire, Herefordshire and Worcestershire, operating from Linton House.

1990's

1989

The Gloucestershire breast screening service for women aged 50-64 was launched at Linton House.

The service was provided by the NHS, but supported by Cobalt through accommodation and equipment, including a mobile mammography unit.

1994

A mobile MRI service was launched for patients in Gloucestershire and Herefordshire at a cost of £1.5m.

1995

A second mobile MRI scanner extended services to patients in Worcestershire.

2000's

1996

Cobalt launched Europe's first high-field mobile MRI scanner.

1999

An advanced treatment machine is purchased for the Oncology Centre, following a fundraising campaign by Cobalt.

2000

A second mobile mammography unit was purchased to support the NHS breast cancer screening service.

2003

Cobalt raised funds to support six clinical research projects, including a Research Registrar Physician for the development of bowel cancer screening.

2005

Building work began on a new imaging centre, Linton House Clinic in Cheltenham, funded by the Charity at a cost of £7m for construction and equipment.



LOOKING BACK, 60 YEARS OF INNOVATION

2000's

2010

2020

2006

A new state-of-the-art PET/CT scanner was installed to support NHS oncology patients in Gloucestershire, Worcestershire and Herefordshire.

2007

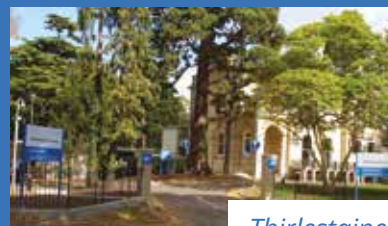
A £5.2m project was launched to provide a new breast cancer clinic for the NHS. £1m was raised by public appeal.

2007

A new mobile digital mammography unit was provided for the NHS breast cancer service.

2009

The Thirlestaine Breast Centre was handed over to the NHS, following Cobalt's £1m appeal.



Thirlestaine Breast Centre

2010

Dr Fred Hanna, Cobalt's founder, sadly passed away.

2010

Mr. Howard Crooks was appointed President of Cobalt.



Howard Crooks

2010

Cobalt took delivery of Europe's first 3.0 Tesla mobile MRI scanner, to support NHS patients across England.



2011

Cobalt launched an appeal to support the purchase of a £1m high-definition CT cardiac scanner for Cheltenham General Hospital.

2012

Digital mammography equipment was provided for Hereford County Hospital.

2014

Cobalt celebrated 50 years of supporting the community.

2015

Following a successful public appeal, a new PET/CT scanner was installed at Cobalt Imaging Centre in Cheltenham, to increase capacity for supporting oncology and dementia patients, and research studies.

2017

Cobalt launched a research imaging centre for the Institute of Translational Medicine at the Queen Elizabeth Hospital in Birmingham, working in partnership with the NHS.

2018

A public appeal supported the purchase of state-of-the-art 3.0 Tesla MRI scanner for Cobalt Imaging Centre in Cheltenham.

2018

Cobalt became the first clinical site in the world to install a Cone Beam CT (CBCT) system.

2019

The first commissioned CT lung cancer screening service was launched, in partnership with the NHS in Manchester.



2020

Cobalt supported NHS England during the COVID-19 pandemic, deploying mobile CT scanners to hospitals across England including the NHS Nightingale field hospitals.

2022

Cobalt becomes the leading provider in NHS England's Targeted Lung Health Check programme, with seven services operating in areas with the highest rates of lung cancer.

2022

£2.6m was invested in a new Siemens Biograph Vision digital PET/CT scanner and the expansion of Cobalt's PET/CT department, to support more NHS patients and research.

2022

Cobalt's first mobile PET/CT service was launched, with a fully integrated PET/CT department, to support NHS hospitals across England.



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 2022/23 was £26.8m (2021/22 – £22.9m).

During the year, the number of scanners deployed increased to 25 (15 CT, 8 MRI and 2 PET/CT scanners), through a combination of acquisition and hiring in units. The Charity continued to maintain support for oncology patients with PET/CT and MRI, alongside research capabilities for ongoing studies. Cobalt provided free MRI, CT and PET/CT scans to help reduce oncology waiting times, improved diagnostic pathways and the early diagnosis of dementia.

The cost of carrying out the charitable activities increased by £6m to £25.9m (2021/22 – £19.9m). This largely reflects the increase in services provided and also some of the inflationary factors that were beginning to impact the operation from late 2021. There was a sharp increase in the cost of operating

the mobile fleet in particular, the cost of agency staff rose, and so did transport and fuel costs. Whilst much of this was anticipated in the planning, costs were on the higher end of this envelope, and the trustees also took the decision to support staff facing inflationary pressures by making a one-off discretionary payment in December 2022 totalling £116k.

The surplus for the year was £0.9m (2021/22 – £2.9m). The Charity invested £5m of the surpluses generated in previous years into new imaging equipment, buildings and plant. This included £2.6m on a new digital PET/CT scanner and associated works at Cobalt Imaging Centre, and £1.1m on a new 1.5 Tesla MRI mobile scanner. A further £1m of capital expenditure was committed at the year-end for an additional CT scanner to support the Lung Health Check screening programmes.

INCOME AND EXPENDITURE

The total income for 2022/23 was £26.8m (2021/22 – £22.9m).

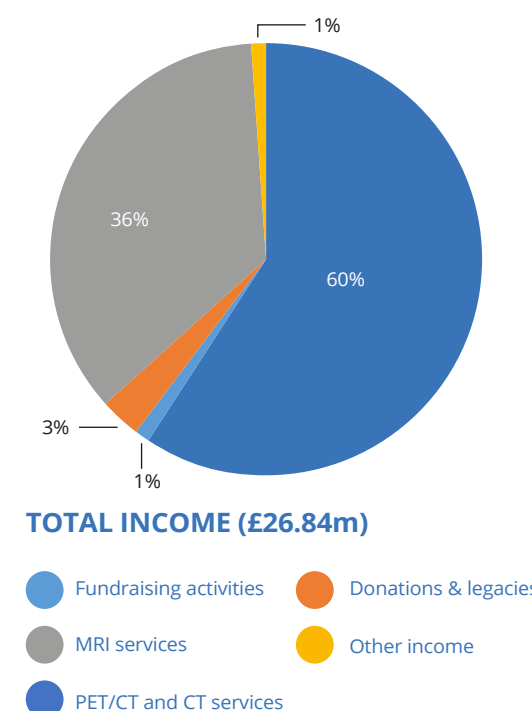
MRI services £9.5m (2021/22 – £8.4m)

MRI services continued to improve on the previous year, with income rebuilding in the imaging centre in Cheltenham, and mobile services operating at 90% capacity, despite the refurbishment of one scanner for several weeks. Cobalt continued to support two NHS Trusts as they develop Community Diagnostic Centres. The Institute of Translational Medicine Imaging Centre at the Queen Elizabeth Hospital in Birmingham met expectations, supporting clinical services and an increasing demand for research work.

PET/CT and CT services £16.1m (2021/22 – £13.6m)

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

- A contract with NHS England (NHSE), which includes the staging (evaluating the extent) of cancer and assessing of response to treatment. The replacement of the PET/CT scanner at Cobalt Imaging Centre in Cheltenham with a new



- digital scanner, has increased capacity, resulting in the average number of scans per month rising significantly.
- The provision of CT Lung Health Checks across England. Cobalt has supported several new Lung Health Check programmes this year whilst continuing to support NHS Trusts with their CT capacity.
 - The provision of a PET/CT mobile service, supporting St George’s Hospital in London.

Fundraising income £1.0m (2021/22 – £0.8m) of which:

- Fundraising from donations and legacies £783k (2021/22 – £464k)
 - The Charity benefitted from legacies receivable of £664k and donations and other gifts totalling £119k.
- Fundraising activities £204k (2021/22 – £359k)
 - The general environment for fundraising remains challenging and consequently income from events and other activities remains lower than anticipated.

Other income £0.1m (2021/22 – £0.1m)

This income is primarily from rent receivable, interest on bank holdings, which have benefitted from the rise in rates, and any gains on fixed asset disposals.

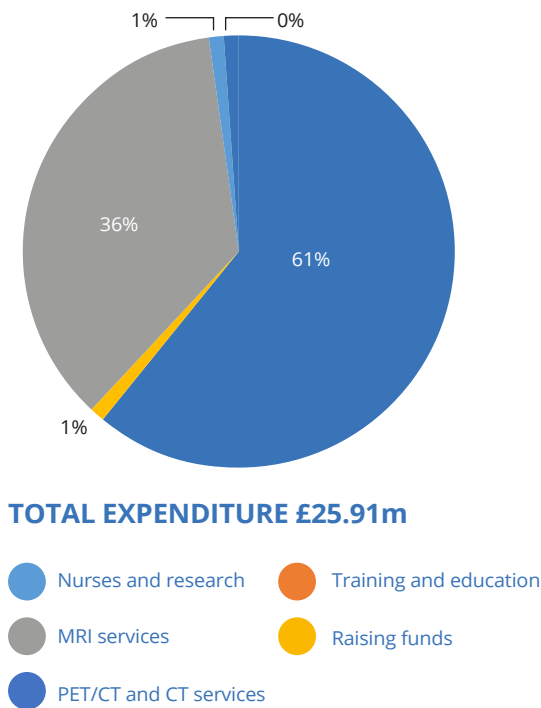
Expenditure for 2022/23 totalled £25.9m (2021/22 – £19.9m).

MRI services £9.4m (2021/22 – £8.0m)

Clinical staffing represents the highest proportion of the total costs, including bank staff shifts and agency staffing. Recruitment and training have been effective in 2022/23 and the reliance on agency staff is reducing. Other cost increases related to hire of scanners, maintenance and mobile MRI transport. Work is being done to minimise the number of mobile moves to help control costs.

PET/CT and CT services £15.8m (2021/22 – £11.2m)

As with the MRI service, although staffing numbers have increased, the expansion of mobile services means that agency and bank staffing costs did increase this year.



The cost of hiring CT equipment to support the additional services was £1.76m. The rise in fuel prices, as well as other inflationary trends, led to significant cost increases including in transport, generator, and water and waste for the mobile services. It is anticipated that a significant portion of this increase in cost will be recovered, through increased pricing as contracts renew, and the use of fuel escalators in later contracts.

Raising funds £0.35m (2021/22 – £0.3m)

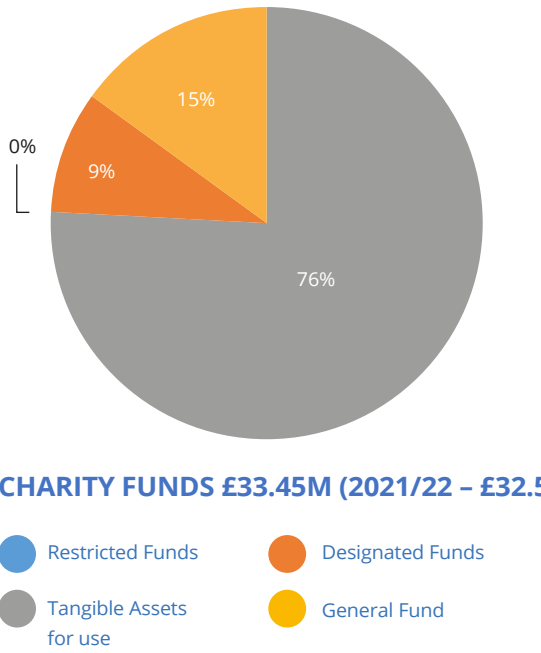
These costs relate to work carried out by the Charity and volunteers to raise philanthropic funds for Cobalt.

Charitable funding, nurses and research £0.3m (2021/22 – £0.4m)

This includes the funding of Cobalt’s Teenagers and Young Adults with Cancer Nurse Specialist, three breast cancer research nurses and a few months of the Royal Brompton research fellowship.

Training and education £0m (2021/22 - £0m)

No income was generated through training and education in 2022/23 as the focus has been on the provision of free online courses for medical professionals. The aim for the newly appointed Head of Education, Training and Research is to increase the number of courses provided. This may generate income in the future.



RETAINED FUNDS

Charity funds £33.5m (2021/22 – £32.5m)

Restricted funds £0k (2021/22 – £166k)

Designated funds £3m (2021/22 – £4.9m).

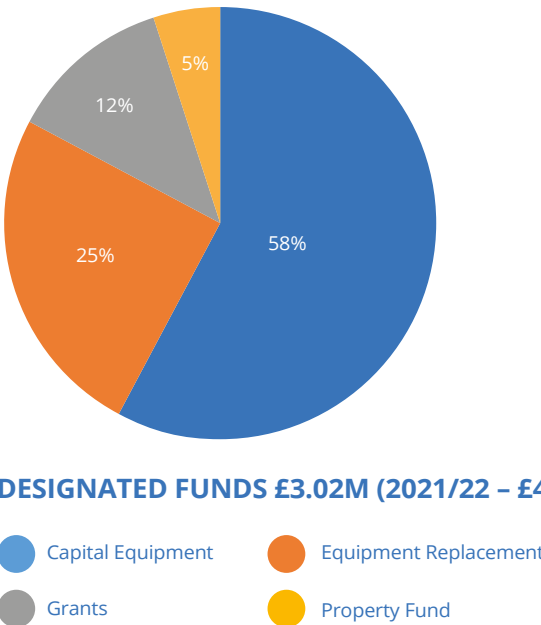
The trustees allocated funds to address recognised needs for the Charity, which are identified below.

Tangible assets for use £25.3m (2021/22 – £22.7m)

This fund represents the net capital value of the property and working assets required for the Charity’s operation.

General fund and reserves policy £5.1m (2021/22 – £4.8m)

To protect Cobalt’s activities, the Charity’s reserves policy is to maintain reserves equivalent to a minimum of 3 months and a maximum of 5 months of working capital. At year-end, Cobalt held reserves sufficient for 2.3 months (2021/22 – 2.7 months). Although this level falls just below the policy, this reduction was due to the reduced surplus, and due to reserving funds for investment in new medical equipment. Cash generation remains strong, and the level of the reserve is not seen as a significant risk at this time. Cobalt aims to increase its reserves in line with the policy. The Reserves Policy is regularly reviewed and is still deemed appropriate.



Designated funds £3m (2021/22 – £4.9m)

Capital equipment fund £1.7m (2021/22 – £3.1m)

These funds are held for new equipment projects. £1.0m has been retained to purchase a new mobile CT scanner, which is expected to be acquired by September 2023. £0.75m is also reserved to install the PET/CT scanner, removed from Cobalt Imaging Centre during the digital upgrade project, into a new relocatable unit. This installation is expected to be completed in early 2024.

Equipment replacement fund £0.75m (2021/22 – £1.2m)

These funds are reserved for replacing and refreshing the installed imaging equipment in line with the Equipment Replacement Plan. £0.75m has been reserved to upgrade the MRI scanner at the Queen Elizabeth Hospital in Birmingham, to enhance the research capability.

Grants fund £0.4m (2021/22 – £0.4m)

Grants are to support oncology services and research. This fund will be expended against ongoing research projects, fellowships and research grant awards,



which will be advertised from time to time on the Charity's website. The grants fund is expected to support these projects over the next two years.

Property fund £0.1m (2021/22 – £0.1m)

This fund is used to upgrade facilities at the Charity's properties. Funds carried forward are retained for upgrading the Cobalt Imaging Centre 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.

Financial viability consideration

As part of the strategic planning process, the trustees review and set annual budgets and three-year financial forecasts based on current information and plans. This review looks at the surpluses and cash

generated across the period, and indicative plans for investment in services, to ensure that these are sustainable. In doing so, the trustees maintain the commitment to replace existing scanners in a timely manner, to ensure that the Charity's services reflect its vision and values.

The post-pandemic period has seen cost increases for Cobalt, particularly in transport, materials, fuel, and staffing. With diagnostic and scanning service contracts often being multi-year, the ability to recover rising costs is constrained by the timing of contract renewals. This has resulted in lower forecast surpluses than those seen in recent years. Cash generation is forecast to remain strong, sufficient to meet the cost of existing projects and planned replacement of equipment.

Based on this assessment and the reserves held, the trustees are confident of the ongoing financial viability of the Charity.

GRANT MAKING POLICIES

The trustees will continue to identify suitable projects for the Charity to support, which:

- Significantly improve the quality of diagnosis, detection, treatment and support for patients suffering from cancer or dementia; including through 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's risk management strategy involves:

- An annual review by the board of trustees of risks the Charity may be exposed to;
- Clinical risks being assessed by each area, and then reviewed by the relevant Committees;
- The establishment of procedures designed to eliminate or minimise such risks; and
- The implementation of such procedures.

The following have been identified as key risks, details of which are recorded in a risk register. Whilst the key risks largely remain consistent, inflationary pressures have also been included which could potentially impact the Charity's short to medium term resources.

Risk	Impact	Mitigation
Loss of major contract for diagnostic imaging.	Potentially significant loss of income.	The Charity is diversifying its activities into other services and areas of clinical imaging – including the recent addition of mobile PET/CT.
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. Cobalt 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. (2022/23 saw rises in critical areas particularly with regards transport and running of remote services.)	Potential reduction in available funds to invest in strategic objectives in the medium term.	Provision in the budget, cost control, diversification of supply, renegotiating contracts, and reassessing services. Working with suppliers to find efficiencies and innovation to reduce running costs.
Shortage of suitably qualified staff. (The recruitment market remains challenging with demand for imaging increasing.)	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. Recruitment support has been increased. Benefits will be reviewed in 2023/24.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Cobalt Health (registered charity number 1090790) is a company limited by guarantee (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 60 of these Financial Statements.

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

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, advertisement 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 spending time in the Charity, meetings with the senior management team, and structured training, including occasional sessions with the Charity's auditor on the responsibilities of trustees. From 2022, the trustees also have access to a training portal, with links to key resources and current updates.

Committee Structure and Management

The board of trustees meets five times per year, with occasional special meetings being called as required. The board 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 four times per year.
- Responsible for oversight of the financial strategy and performance of the Charity, and its

administrative affairs, including risk management.

- Clinical Governance Committee – meets four times per year.
- Responsible for oversight of the clinical governance and quality assurance for all clinical work, ensuring that safe, effective and patient-focused healthcare is provided.
- People Committee – meets four times per year.
- Reviews staff pay and conditions, including those of the senior management, making recommendations to the board of trustees. Takes into consideration salary benchmarks in the health and charity sectors.
- Research Committee – meets three times per year.
- Considers projects to support and monitor the effectiveness of Cobalt's research activities.
- Nominations Committee – meets as required.
- Supports the recruitment and appraisal process for trustees and the assessment of board effectiveness. The committee also supports the recruitment of the CEO and key members of the executive management team.

Day-to-day management of the Charity's work, in accordance with the general strategy set out by the board, is carried out by the Chief Executive, Mr Peter J Sharpe, and the Charity's Senior Management Team.

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 seven principles in the code on a cyclical basis.

This process has helped to establish a focus on areas where some improvements can be made, including meeting the challenge, that many charities face, of increasing diversity on the board of trustees. A nominations committee has been established, and the board is recruiting new trustees for 2023/24 with the help of a specialist agency to expand the pool of potential candidates.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Cobalt Health for the purposes of company law) are responsible for preparing the Annual Report, including the financial statements, in accordance with applicable law and UK Generally Accepted Accounting Practice (UK 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 Charity's 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 a 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 Annual Report, comprising strategic report and other information, was approved by the trustees on 14th September 2023.

and signed on their behalf by

Dr. Susan Owen, Chair of the Board of Trustees

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF COBALT HEALTH

Opinion

We have audited the financial statements of Cobalt Heath (‘the charitable company’) for the year ended 31 March 2023 which comprise Statement of Financial Activities, Balance Sheet, 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on 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 33, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company’s ability to continue as a going concern, disclosing,

as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF COBALT HEALTH

performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS102) 2019. 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 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
St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

6th October 2023

COBALT HEALTH

STATEMENT OF FINANCIAL ACTIVITIES

(including an Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds	Restricted Funds	2023 Total Funds	2022 Total Funds
		£	£	£	£
INCOME FROM:					
Donations and legacies	2	716,889	65,725	782,614	464,724
<i>Charitable activities</i>					
Clinical services	3	25,674,613	-	25,674,613	21,934,585
Fundraising activities	4	87,387	117,018	204,405	359,156
Investment income	5	67,197	-	67,197	13,512
Other income	6	114,045	-	114,045	112,201
TOTAL INCOME		26,660,131	182,743	26,842,874	22,884,178
EXPENDITURE ON:					
Fundraising costs	9	345,062	-	345,062	292,304
Charitable activities	9	25,543,286	40,732	25,584,018	19,660,113
TOTAL EXPENDITURE	9	25,888,348	40,732	25,929,080	19,952,417
NET INCOME		771,783	142,011	913,794	2,931,761
TRANSFERS BETWEEN FUNDS		307,373	(307,373)	-	-
NET MOVEMENT IN FUNDS		1,079,156	(165,362)	913,794	2,931,761
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD		32,352,718	165,500	32,518,218	29,586,457
TOTAL FUNDS CARRIED FORWARD	19	33,431,874	138	33,432,012	32,518,218

BALANCE SHEET

AS AT 31 MARCH 2023

Company number 04366596

	Note	2023 £	2022 £
FIXED ASSETS			
Intangible assets	11	104,082	169,577
Tangible fixed assets	12	25,293,206	22,730,795
Investments	13	150,001	150,001
TOTAL FIXED ASSETS		25,547,289	23,050,373
CURRENT ASSETS			
Debtors	14	4,417,477	3,984,521
Investments	13	3,095,910	3,045,102
Cash at bank and in hand		4,729,476	5,929,071
TOTAL CURRENT ASSETS		12,242,863	12,958,694
LIABILITIES			
Creditors - amounts falling due within one year	15	(4,155,194)	(2,547,228)
NET CURRENT ASSETS		8,087,669	10,411,466
Creditors - amounts falling due greater than one year	15	(202,946)	(943,621)
TOTAL NET ASSETS		33,432,012	32,518,218
FUNDS OF THE CHARITY			
Unrestricted Funds:			
Tangible fixed assets held for Charity's use	16	25,293,206	22,730,795
Designated funds	17	3,018,109	4,855,786
General fund	16	5,120,559	4,766,137
TOTAL UNRESTRICTED FUNDS		33,431,874	32,352,718
Restricted funds	18	138	165,500
TOTAL CHARITY FUNDS	19	33,432,012	32,518,218

Approved by the Trustees on 14th September 2023
and signed by

Dr. Susan Owen, Chair

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	24	3,852,378	5,082,737
Cash flows from investing activities			
Interest receivable and rents from investments	5,6	176,469	116,779
Purchase of intangible assets		-	(47,235)
Proceeds from the sale of fixed assets		180	1,480
Purchase of fixed assets	12	(4,975,647)	(5,192,481)
Net cash (used in) investing activities		(4,798,998)	(5,121,457)
Cash flows from financing activities			
Repayments of borrowing - HP		(139,534)	(134,253)
Repayments of borrowing - Bank loan		(62,633)	(31,511)
Net cash provided by financing activities		(202,167)	(165,764)
Change in cash and cash equivalents in the year		(1,148,787)	(204,484)
Cash and cash equivalents at the beginning of the year		8,974,173	9,178,657
Cash and cash equivalents at the end of the year	25	7,825,386	8,974,173

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 £7.8m in the bank and on deposit. The Charity is able to meet its planned capital expenditure for 2023/24 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 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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, 5-10% for refurbishment

Medical equipment - 10, 12½ & 20% of cost

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

value at 31 March 2023. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 2023
NOTE 2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	107,035	157,266
In Memoriam	11,571	9,890
Legacies	664,008	297,568
	<u>782,614</u>	<u>464,724</u>

£65,725 of donations and legacies were restricted (2022 - £133,477).

NOTE 3. CHARITABLE ACTIVITIES

	2023	2022
	£	£
Clinical services		
MRI Services	9,549,984	8,382,099
PET/CT and CT Services	16,124,629	13,552,486
	<u>25,674,613</u>	<u>21,934,585</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023
NOTE 4. INCOME FROM FUNDRAISING ACTIVITIES

	2023	2022
	£	£
Events	60,558	36,185
Card Sales	26,829	19,261
Grant income	117,018	303,710
	<u>204,405</u>	<u>359,156</u>

£117,018 of income from fundraising activities were restricted (2022 - £303,710).

NOTE 5. INVESTMENT INCOME

	2023	2022
	£	£
Interest receivable	67,197	13,512

NOTE 6. OTHER INCOME

	2023	2022
	£	£
Rent receivable	109,272	103,267
Gain on disposal of fixed assets	-	1,480
Delegate Fees, room hire, other income	4,773	7,454
	<u>114,045</u>	<u>112,201</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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

	2023	2022
	£	£
Wages and salaries	5,631,252	4,261,294
Social security costs	606,517	430,728
Pension contributions	671,523	553,631
Other employee benefits	23,717	18,436
	<u>6,933,009</u>	<u>5,264,089</u>

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

	2023	2022
£60,000 - £69,999	6	5
£70,000 - £79,999	6	-
£80,000 - £89,999	4	5
£90,000 - £99,999	1	-
£100,000 - £109,999	1	-
£150,000 - £159,999	<u>1</u>	<u>1</u>

In the year contributions of £43,351 (2022 - £38,248) were made to 1 (2022 – 1) higher paid employees’ personal defined contribution schemes.

The total emoluments (including pension costs and employer's national insurance contributions) of the 9 members of the Senior management Team who have day-to-day influence on the activities of the Charity was £830,075 (2022 - 8, £757,938). The 9 are the Chief Executive, Finance Director, Fundraising Director, Human Resources Manager, Communications Manager, Education, Training and Research Manager, Quality Manager and 2 Clinical Managers.

During the year, redundancy payments amounting to £nil, were paid to members of staff (2022 - £35,875).

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

	2023	2022
MRI Services	67	57
PET/CT Services	65	46
Fundraising	6	5
Administration and Management	19	19
Buildings	<u>4</u>	<u>4</u>
	<u>161</u>	<u>131</u>

The average full-time equivalent number of staff for the year was 113 (2022 - 102). No Trustees received remuneration during the year (2022 - Nil). No Trustees were reimbursed travel expenses during the year (2022 - Nil)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 8. NET INCOME FOR THE FINANCIAL YEAR

Net income is stated after charging/(crediting):	2023	2022
	£	£
Auditor's remuneration:		
Audit	15,180	13,800
Tax advisory	12,504	1,138
Other services	240	-
Depreciation	2,388,570	1,974,083
Amortisation	65,495	67,149
Deficit/(Surplus) on disposal of fixed assets	24,487	(1,480)
Impairment	-	250,733
Operating lease costs	9,876	11,544
Pension contributions	<u>671,523</u>	<u>553,631</u>

NOTE 9. ANALYSIS OF EXPENDITURE

	Direct Costs	Support Costs	Amortisation and Depreciation	Total 2023	Total 2022
	£	£	£	£	£
Raising funds:					
Costs of fundraising and similar activities	214,298	115,845	14,919	345,062	292,304
	<u>214,298</u>	<u>115,845</u>	<u>14,919</u>	<u>345,062</u>	<u>292,304</u>
Charitable activities:					
MRI Services	7,685,326	758,273	986,178	9,429,777	8,043,691
PET/CT and CT Services	13,106,957	1,357,742	1,361,230	15,825,929	11,231,850
Charitable Funding	224,023	-	89,508	313,531	371,657
Training and Education	1,202	11,349	2,230	14,781	12,915
	<u>21,017,508</u>	<u>2,127,364</u>	<u>2,439,146</u>	<u>25,584,018</u>	<u>19,660,113</u>
TOTAL 2023	<u>21,231,806</u>	<u>2,243,209</u>	<u>2,454,065</u>	<u>25,929,080</u>	<u>19,952,417</u>
TOTAL 2022	<u>16,065,459</u>	<u>1,845,726</u>	<u>2,041,232</u>	<u>19,952,417</u>	

* Includes depreciation charged against Cobalt House.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023
NOTE 10. SUPPORT COSTS

	Admin Costs £	Building Costs £	Governance Costs £	Total 2023 £	Total 2022 £
MRI Services	548,571	204,060	5,642	758,273	622,674
PET-CT and CT Services	1,132,533	213,561	11,648	1,357,742	1,118,691
Fundraising	88,479	26,456	910	115,845	95,246
Training and Education	-	11,349	-	11,349	9,115
TOTAL 2023	1,769,583	455,426	18,200	2,243,209	1,845,726
<i>TOTAL 2022</i>	<i>1,465,861</i>	<i>365,765</i>	<i>14,100</i>	<i>1,845,726</i>	

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	
<i>At 1 April 2022</i>	277,497
Additions	-
Disposals	(15,516)
At 31 March 2023	261,981
Amortisation	
<i>At 1 April 2022</i>	107,920
Charge for year	65,495
Disposals	(15,516)
At 31 March 2023	157,899
Net Book Value	
At 31 March 2023	104,082
<i>At 31 March 2022</i>	<i>169,577</i>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023
NOTE 12. FIXED ASSETS

	Freehold Land & Buildings £	Medical Equipment £	IT / Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
<i>At 1 April 2022</i>	11,381,743	23,295,014	602,677	50,201	35,329,635
Additions	36,089	4,916,403	-	23,155	4,975,647
Disposals	(94,820)	(1,837,005)	-	-	(1,931,825)
At 31 March 2023	11,323,012	26,374,412	602,677	73,356	38,373,457
Depreciation and Impairment					
<i>At 1 April 2022</i>	2,898,297	9,421,848	257,063	21,632	12,598,840
Charge for year	179,016	2,080,667	118,028	10,859	2,388,570
Eliminated on Disposals	(94,820)	(1,812,339)	-	-	(1,907,159)
At 31 March 2023	2,982,493	9,690,176	375,091	32,491	13,080,251
Net Book Value					
At 31 March 2023	8,340,519	16,684,236	227,586	40,865	25,293,206
<i>At 31 March 2022</i>	<i>8,483,446</i>	<i>13,873,166</i>	<i>345,614</i>	<i>28,569</i>	<i>22,730,795</i>

The net book value of assets held under hire purchase agreements is £525,819 (2022 - £596,716).

A bank loan was taken out in 2020 year and is secured by way of a first legal charge over the freehold of Linton Cottage. The aggregate amount secured is £707k. The loan was repaid in April 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023
NOTE 13. INVESTMENTS

	2023	2022
	£	£
Fixed Assets		
Investment in subsidiary	1	1
Investment property	150,000	150,000
Total	150,001	150,001
Current Assets		
Current asset investment - notice deposits	3,095,910	3,045,102

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

	2023	2022
	£	£
Clinical Service fees due	3,359,717	3,417,832
Accrued income	490,148	254,052
Prepayments	567,612	312,637
	4,417,477	3,984,521

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023
NOTE 15. CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	2,309,164	1,198,722
Bank Loan	613,183	80,163
Accruals	821,413	720,291
Other creditors	16,529	18,067
HP liability	145,023	139,534
Taxation and social security	166,315	133,070
Pension liability	56,757	51,885
Deferred income	26,810	205,496
	4,155,194	2,547,228

The movement in deferred income is set out below:

	Rent and fees received in advance	Total
	£	£
At 1 April 2022	205,496	205,496
Released in the year	(205,496)	(205,496)
Deferred in the year	26,810	26,810
At 31 March 2023	26,810	26,810

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

CREDITORS: Amounts falling after one year:

	2023	2022
	£	£
Bank Loan 2-5 years	-	320,652
Bank Loan > 5 years	-	275,001
HP liability	202,946	347,968
	202,946	943,621

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 loan was repaid in April 2023 and is shown due within one year above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 16. UNRESTRICTED FUNDS - 2023

	Movement in Funds				
	Balance at 1 April 2022	Income	Expenditure	Transfers	Balance at 31 March 2023
	£	£	£	£	£
General Fund	4,766,137	26,660,131	(25,313,744)	(991,965)	5,120,559
Tangible fixed assets held for the Charity's use	22,730,795	-	(481,410)	3,043,821	25,293,206
Total	27,496,932	26,660,131	(25,795,154)	2,051,856	30,413,765

Unrestricted Funds includes a General Fund balance of £5,120,559. This constitutes 2.4 months’ working capital requirement. Transfers of £2,051,856 represent fixed asset additions and disposals in the year, as well as transfers to and from the designated funds, see note 17.

UNRESTRICTED FUNDS - 2022

	Movement in Funds				
	Balance at 1 April 2021	Income	Expenditure	Transfers	Balance at 31 March 2022
	£	£	£	£	£
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	19,763,130	-	(398,937)	3,366,602	22,730,795
Total	24,145,097	22,446,991	(19,797,388)	702,232	27,496,932

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 17. DESIGNATED FUNDS - 2023

	Balance at 1 April 2022	Expenditure	Transfers	Funding of Fixed Assets	Balance at 31 March 2023
	£	£	£	£	£
Capital Equipment Fund	3,144,974	-	1,756,109	(3,144,974)	1,756,109
Equipment Replacement Fund	1,228,548	-	750,000	(1,228,548)	750,000
Grants Fund	372,000	(57,930)	57,930	-	372,000
Property Fund	110,264	(35,264)	65,000	-	140,000
Total	4,855,786	(93,194)	2,629,039	(4,373,522)	3,018,109

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 £3.1m brought forward has been used to purchase a new PET/CT scanner and additional take up rooms in Cheltenham, and a CT mobile unit. The £1.75m carried forward has been retained to purchase a new CT scanner and a PET/CT relocatable unit. The CT scanner is expected to be in place by September 2023, and the PET/CT relocatable during 2024.

Equipment Replacement Fund

This fund is reserved to replace and refresh the installed imaging equipment as part of the Equipment Replacement Plan. £750k has been set aside to upgrade the ITM Imaging Centre in Birmingham.

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. £58k 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 bathroom refurbishments. Funds carried forward are retained for upgrading the Cheltenham Imaging Centre reception area within the next financial year.

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
Total	5,412,530	(116,154)	3,323,786	(3,764,376)	4,855,786

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 18. RESTRICTED FUNDS - 2023

	<i>Balance at 1 April 2022</i>	Income	Expenditure	Funding of Fixed Assets	Balance at 31 March 2023
	£	£	£	£	£
Breast Cancer Research Nurses Fund	-	1,127	(1,127)	-	-
TYA Nurse Fund	-	31,783	(31,645)	-	138
Cancer General Fund	-	1,034	(1,034)	-	-
Dementia Research Fund	6,000	583	(6,583)	-	-
Equipment Fund	159,500	147,873	-	(307,373)	-
Research Fund	-	343	(343)	-	-
TOTAL	<u>165,500</u>	<u>182,743</u>	<u>(40,732)</u>	<u>(307,373)</u>	<u>138</u>

Restricted funds held totalled £138 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 Teenage and Young Adult specialist cancer nurse post. Cobalt has undertaken to fund 50% of this post until 2024 when it will be reviewed.

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

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.

Equipment Fund
The fund was used to support the purchase of a new PET/CT scanner. In addition 50% of card sales (£13.4k) has also been aiributed to this project in the year.

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

RESTRICTED FUNDS - 2022

	<i>Balance at 1 April 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Funding of Fixed Assets</i>	<i>Balance at 31 March 2022</i>
	£	£	£	£	£
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 Nurses Fund	-	7,549	(1,549)	-	6,000
Equipment Fund	28,830	392,312	-	(261,642)	159,500
Research Fund	-	390	(390)	-	-
TOTAL	<u>28,830</u>	<u>437,187</u>	<u>(38,875)</u>	<u>(261,642)</u>	<u>165,500</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 19. ANALYSIS OF NET ASSETS - 2023

	Intangible Assets	Fixed Assets	Net Current Assets	Creditors due greater than one year	Total
	£	£	£	£	£
Unrestricted Funds					
General Fund	104,082	150,001	5,069,422	(202,946)	5,120,559
Tangible Fixed Assets held for Charity use	-	25,293,206	-	-	25,293,206
Total Unrestricted Funds	<u>104,082</u>	<u>25,443,207</u>	<u>5,069,422</u>	<u>(202,946)</u>	<u>30,413,765</u>
Designated Funds					
Capital Equipment Fund	-	-	1,756,109	-	1,756,109
Grants Fund	-	-	372,000	-	372,000
Equipment Replacement Fund	-	-	750,000	-	750,000
Property Fund	-	-	140,000	-	140,000
Total Designated Funds	<u>-</u>	<u>-</u>	<u>3,018,109</u>	<u>-</u>	<u>3,018,109</u>
Restricted Funds	<u>-</u>	<u>-</u>	<u>138</u>	<u>-</u>	<u>138</u>
Total Funds	<u>104,082</u>	<u>25,443,207</u>	<u>8,087,669</u>	<u>(202,946)</u>	<u>33,432,012</u>

ANALYSIS OF NET ASSETS - 2022

	<i>Intangible Assets</i>	<i>Fixed Assets</i>	<i>Net Current Assets</i>	<i>Creditors due greater than one year</i>	<i>Total</i>
	£	£	£	£	£
<i>Unrestricted Funds</i>					
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
<i>Total Unrestricted Funds</i>	<u>169,577</u>	<u>22,880,796</u>	<u>5,390,180</u>	<u>(943,621)</u>	<u>27,496,932</u>
<i>Designated Funds</i>					
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
<i>Total Designated Funds</i>	<u>-</u>	<u>-</u>	<u>4,855,786</u>	<u>-</u>	<u>4,855,786</u>
<i>Restricted Funds</i>	<u>-</u>	<u>-</u>	<u>165,500</u>	<u>-</u>	<u>165,500</u>
<i>Total Funds</i>	<u>169,577</u>	<u>22,880,796</u>	<u>10,411,466</u>	<u>(943,621)</u>	<u>32,518,218</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 20. CAPITAL COMMITMENTS

	2023	2022
	£	£
Future capital expenditure not otherwise included in the financial statements at the balance sheet date:		
Expenditure contracted for	900,856	2,455,016

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 £2,730 (2022 - £nil).

NOTE 22. LIABILITIES UNDER OPERATING LEASES

At 31 March 2023, the Charity had total commitments under non-cancellable operating leases in respect of equipment as follows:

	2023	2022
	£	£
Within one year	11,706	9,876
Between one and five years	38,998	-
Total	50,704	9,876

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 23. ASSETS RECEIVABLE UNDER OPERATING LEASES

At 31 March 2023, the Charity had assets receivable under non-cancellable operating leases in respect of rental income of Cobalt House as follows:

	2023	2022
	£	£
Within one year	101,956	99,992
Between one and five years	37,653	139,609
Total	139,609	239,601

NOTE 24. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2023	2022
Net income for the reporting period (as per the statement of financial activities)	913,794	2,931,761
Adjustments for:		
Depreciation and amortisation charges	2,454,065	2,041,232
Impairment	-	250,733
Dividends, interest and rent from investments	(176,469)	(116,779)
Deficit/(Surplus) on sale of fixed assets	24,487	(1,480)
Increase in debtors	(432,956)	(194,396)
Increase in creditors	1,069,457	171,666
Net cash provided by operating activities	3,852,378	5,082,737

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 25. ANALYSIS OF CHANGES IN NET CASH/DEBT

	2022	Cashflows	Other non-cash changes	2023
	£	£	£	£
Cash at bank and in hand	5,929,071	(1,199,595)	-	4,729,476
Current asset investments:				
Notice deposits	3,045,102	50,808	-	3,095,910
Total	8,974,173	(1,148,787)	-	7,825,386
Loans falling due within one year	(80,163)	80,163	(613,183)	(613,183)
Loans falling due after more than one year	(595,653)	(17,530)	613,183	-
Hire purchase obligations	(487,502)	139,534	-	(347,968)
Total	7,810,855	(946,620)	-	(6,864,235)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 26. 2022 STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds	Restricted Funds	2022 Total Funds
		£	£	£
INCOME FROM:				
Donations and legacies	2	331,247	133,477	464,724
Charitable activities:				
Clinical services	3	21,934,585	-	21,934,585
Fundraising activities	4	55,446	303,710	359,156
Investment income	5	13,512	-	13,512
Other income	6	112,201	-	112,201
TOTAL INCOME		22,446,991	437,187	22,884,178
EXPENDITURE ON:				
Fundraising costs	9	292,304	-	292,304
Charitable activities	9	19,621,238	38,875	19,660,113
TOTAL EXPENDITURE	9	19,913,542	38,875	19,952,417
NET INCOME		2,533,449	398,312	2,931,761
TRANSFERS BETWEEN FUNDS		261,642	(261,642)	-
NET MOVEMENT IN FUNDS		2,795,091	136,670	2,931,761
RECONCILIATION OF FUNDS				
TOTAL FUNDS BROUGHT FORWARD		29,557,627	28,830	29,586,457
TOTAL FUNDS CARRIED FORWARD	19	32,352,718	165,500	32,518,218

TRUSTEES, EXECUTIVE AND ADVISERS

Trustees and Directors	Dr Susan Owen (Chair from 30th June 2023) Neil Holbrook (Chair to 29th June 2023 - resigned) Ruth Goddard Claire Morris (appointed 23rd June 2022) Dr Janet Ropner Pamela Sissons (appointed 23rd June 2022) Dr Valerie Udale Prof Gordon Wilcock (resigned 30th January 2023)
Chief Executive Officer	Peter J Sharpe
Company Secretary	Malcolm J MacKeith
Medical Director	Dr Umesh Udeshi
Director of Clinical Research	Prof Iain Lyburn
President	Howard Crooks
Registered and Principal Office	Linton House Clinic, Thirlestaine Road, Cheltenham, Gloucestershire, GL53 7AS
Independent Auditor	Crowe U.K. LLP, 4th Floor, St James House, St James' Square, Cheltenham, GL50 3PR
Bankers	National Westminster Bank Plc, 21 Eastgate Street, Gloucester, GL1 2NH Lloyds Bank Plc, Montpellier Cheltenham Business Centre, PO Box 1000, BX1 1LT Nationwide Building Society, Kings Park Road, Moulton Park, Northampton, NN3 6NW
Solicitors	Willans LLP, 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.
Tesla	Tesla is the unit of measurement for the magnetic field strength of an MRI magnet. In general terms, a more powerful magnet can produce a more detailed image. 1 Tesla is equivalent to 20,000 times the Earth's magnetic field. The majority of hospitals in the UK have a 1.5 Tesla scanner. Cobalt introduced one of the first 3.0 Tesla clinical service in the UK, and now has a mobile 3.0 Tesla scanner, in addition to the permanent one installed in Cobalt Imaging Centre.



www.cobalthhealth.co.uk

Charity Registration Number: 1090790

Company Number: 04366596

Cobalt Health trading as Cobalt



Cobalt

Medical Charity

Diagnosis • Research • Education