

# COBALT HEALTH ANNUAL REPORT 2023/24



[www.cobalthhealth.co.uk](http://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 of the Board of Trustees statement	4
About us	5
Our values	5
Trustees' strategic report	6
Our people	7
Our impact	8, 9
Patient story – A tale of two halves	10, 11
Our objectives	12
Diagnosis – Aims, achievements and the future	13, 14, 15, 16, 17
Patient story – Living with a brain tumour	18
Research – Aims, achievements and the future	19, 20, 21
An update from our Director of Clinical Research	22



Education - Aims, achievements and the future	23, 24, 25
Fundraising Report	26, 27, 28
Celebrating our 60th Anniversary	29
A reflection on our history by our Medical Director, Dr Umesh Udeshi	30, 31
Giving with Confidence	32
Financial overview	33, 34, 35, 36, 37
Structure, governance and management	38
Statement of trustees' responsibilities	39
Independent auditor's report to the members of Cobalt Health	40, 41, 42
Statement of financial activities	43
Balance sheet	44
Cash flow statement	45
Notes to the financial statements	46-65
Trustees, executive and advisers	66
Glossary of terms	67

# CHAIR OF THE BOARD OF TRUSTEES STATEMENT



I was immensely privileged to have been accepted as a Trustee at Cobalt and to have been elected as Chair of the Board a short while later. As the end of my first year at Cobalt approaches I continue to be impressed by what we deliver and how we deliver it.

I have had the good fortune to have had a career working in many parts of the NHS and the Department of Health and the UK independent sector as well as internationally and spent some time looking at comparative systems.

Charities play a role in national healthcare delivery which is distinct and special in the UK and quite unlike anywhere else in the world. In the UK, usually charities play specialist roles in the system, for example the inspiring charity-led hospice provision.

Cobalt supports the NHS in this way, delivering specialist diagnostic scanning to patients, with a specific focus on cancer and dementia, to a high clinical standard. Nimble and flexible with an outstanding ethos of care, Cobalt is recognised as the provider to emulate.

Nowhere is this operational responsiveness better exemplified than in the NHS Targeted Lung Health Check (TLHC) programmes which operate in areas of the country where lung cancer prevalence is highest. These important and high-profile programmes have not been without their challenges as we have learnt to deliver operations much further afield than in previous years.

The TLHC programmes have opened up new areas for research collaboration, such as our involvement with Manchester University NHS Foundation Trust where the results of tests and scans undertaken on our mobile scanning and support units in the field look to forward our understanding of early diagnosis of lung cancer.

I thank our dedicated team of staff and volunteers. In an era of intense competition for high-quality people in the healthcare industry, we are grateful to all staff we employ. Recruiting, training, and retaining the best professionals in the market remains an absolute priority for Cobalt. We are supported by an incredible team of volunteers who assist the charity and help to fundraise, they provide an important link to the community and unquestionably help to define our values and aims.

An important portion of our income is in the form of donations, income from trusts and legacies. The generosity of these benefactors allows us to invest in equipment, people, research and training which would simply not be possible without these funds.

Finally, my thanks to the trustees, all of whom are volunteers. We have an excellent balance of skills on the board including trustees from the disciplines of medicine, law, research, business, digital technology, governance and compliance. I am extremely confident that this impressive group of experts is the right one to provide guidance to our industrious and committed senior management team.

I am grateful to my predecessor Dr Susan Owen, who as a trustee for many years helped steer the organisation through many exciting projects, the uncertainties of Covid-19 and its aftermath.

This year, as we celebrate our 60th Anniversary and we take time to reflect upon our decades of achievements, we will also be reviewing our culture, strengthening the team and building a robust strategy to take the charity forward ensuring that we are ready to respond to the increasing pace of development and identify the opportunities which will bring about the most tangible benefits for patients now and in the future.

Phil Leonard - 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. This year we are celebrating 60 years since Cobalt was established and first started supporting the NHS by raising funds for a cancer treatment centre in Cheltenham. From humble beginnings we have continued to lead successful fundraising campaigns and use our operating surplus over the years for other innovations to assist the NHS to support patients more efficiently and effectively.

Today, 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 160,000 patients at its imaging centres in Cheltenham and Birmingham, and through a fleet of eighteen MRI\*, CT\* and PET/CT\* mobile and relocatable scanners. The charity is a 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 personalised treatment plan facilitated by the best equipment.

Alongside its diagnostic services, Cobalt also funds and participates in research on a local, 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.

## 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.*



INNOVATIVE



CARING



ACCESSIBLE



RESPECTFUL



ETHICAL

\* See glossary of terms page 67



# TRUSTEES' STRATEGIC REPORT

The Cobalt board of trustees present their Strategic Report and the Financial Statements for the year ending 31 March 2024. The charity reports its achievements in 2023/24 against its core activities of diagnosis, research and education.

## Public Benefit

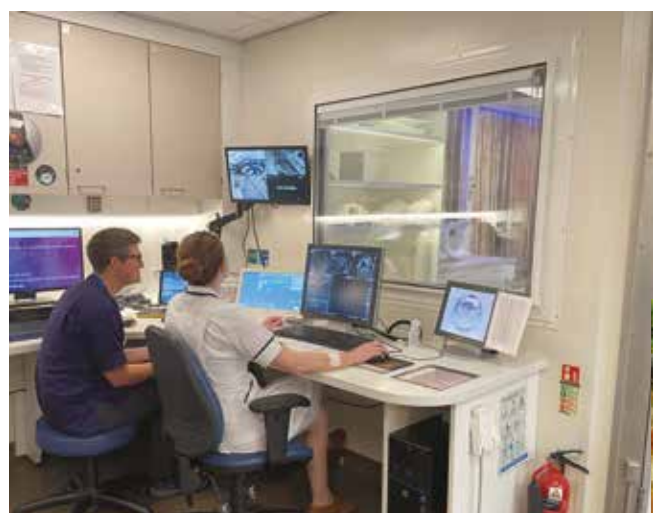
When reviewing the aims and objectives, and planning future activities, the trustees have referred to, and believe they have complied with, the duty in section 17 of the Charities Act 2011. This relates to having due regard to the Charity Commission's published general guidance on public benefit, in 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
- the provision of low-cost and free scans to assist in patients' diagnosis and treatment
- helping the NHS and cancer alliances to take cancer screening into the community

## 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 annually, which details its managed processes, systems and key achievements in this area. Cobalt adheres to Care Quality Commission standards and demonstrates the consistent audit and improvement required to meet the Quality Standard for Imaging (QSI), ISO 9001:2015 Quality Management Systems Standard, the ISO14001:2015 Environmental Standard, and in February 2024 was certified against the ISO45001:2018 Occupational Health and Safety Management Systems Standard.



# OUR PEOPLE

Patients are at the heart of all we do, however it is our people, our staff, who ensure we deliver that promise. We are committed to the continuous development of a workforce plan to help meet our staffing needs and provide existing staff with opportunities for personal development and progression. This includes the appointment of additional managers to increase support for new contracts and to ensure resilience and scope for succession planning.



The Chief Executive, Peter Sharpe, left the charity on 8th December 2023 after 14 years with Cobalt Health. Malcolm MacKeith, the charity's Finance Director since January 2016, was asked to act as Chief Executive. Malcolm has considerable experience working in the charity sector. His initial role is to work with the Trustees and the management team to shape Cobalt's short- to medium-term strategy with a view of returning the charity to surplus. He is also working closely with our Director of Clinical Operations, Karen Hackling-Searle to bring teams together, increase empowerment and ensure consistency in delivery across the modalities.

Karen Hackling-Searle, our former Head of MRI, who has been working for Cobalt for over 30 years, has taken up a new role, Director of Clinical Operations, with overall responsibility for the operational aspects of all the clinical teams within Cobalt. Karen's dedication to the charity and her impressive breadth of knowledge and experience are unrivalled and we are excited about the next chapter under her clinical leadership.



This year we have appointed a new Head of Fundraising, Louise Cook, an experienced fundraising manager who brings a wealth of successful experience from previous roles in local and national medical charities, in addition to holding an International Advanced Diploma in Fundraising from the Chartered Institute of Fundraising and an MBA from Imperial College. Louise will be recruiting new members to complement the existing team.

# OUR IMPACT

Here are just a few examples of how Cobalt is making a difference:

.....

## Delivering 2,028 days of lung cancer screening for 9 NHS trusts and cancer alliances

In 2023/24 Cobalt supported 9 targeted lung health check services in areas where deaths from smoking-related disease are most prevalent. Investment in the latest technology enables us to provide safer ultra-low radiation dose CT scans. The percentage of attendees scanned who were identified as having lung cancer ranged from 1.0% to 2.0% depending on the area covered by each programme.

.....



## Cobalt funds research nurses

Cobalt funds research nurses who have matched thousands of patients to research trials. For example, our nurses enrolled 1,300 patients in a national breast cancer study into the optimal scanning for diagnosing breast cancer in women with denser breast tissue. The results of this trial will help improve outcomes for patients across the UK. Cobalt's support helped ensure that Gloucestershire was the second highest recruiter nationally, establishing the team as an important contributor to breast cancer research.

.....

## Helping to reduce breast cancer patient deaths

In the past year, 65 very high-risk breast cancer patients were scanned at the ITM Imaging Centre, as part of an ongoing UK-wide programme which prevents around 1,300 deaths per year.

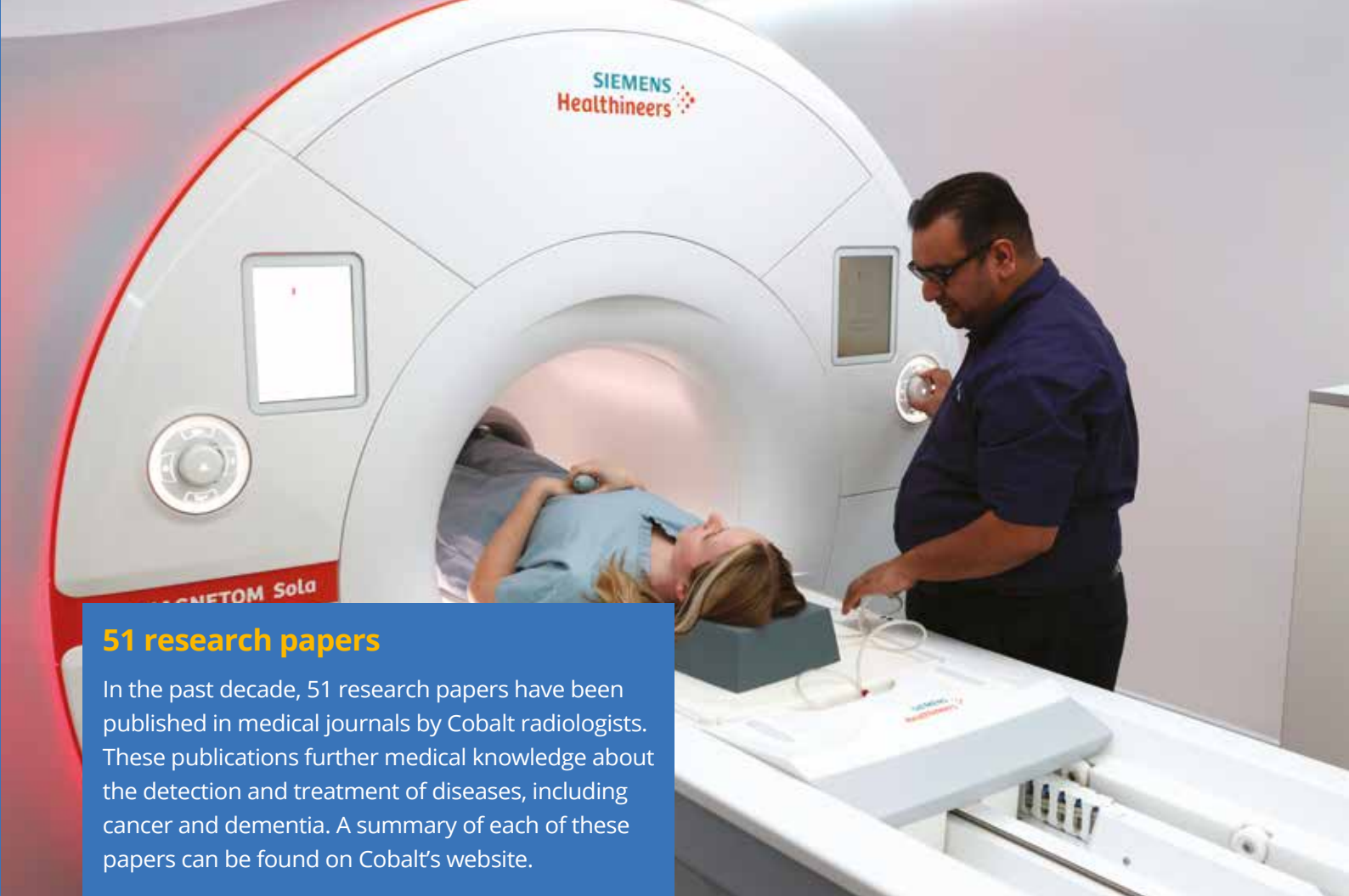
.....

## Reducing patient anxiety

Our expertise in working with claustrophobic patients and our investment in the latest patient-comfort features have ensured that 89% of patients who told us that they were claustrophobic ahead of their scans, were able to go through with their examination this year.







### 51 research papers

In the past decade, 51 research papers have been published in medical journals by Cobalt radiologists. These publications further medical knowledge about the detection and treatment of diseases, including cancer and dementia. A summary of each of these papers can be found on Cobalt's website.

### Lower-risk interventions for epilepsy patients

Our ITM (Institute of Translational Medicine) Imaging Centre provides dedicated MRI scans for research at the University Hospitals Birmingham NHS Foundation Trust. We scanned 123 epilepsy patients to support a study using MRI as a non-invasive method to guide surgical intervention, to minimise the risk of post-operative memory deficit.

.....

### Identifying lung cancer at an early stage

For example; since the Liverpool programme began 36,000 participants have had a CT scan and 469 (1.3%) have been identified with lung cancer. 80% of the cancers are at stages one and two, with 93% of those patients starting curative treatment.

.....

### Shorter waiting times

Over the past year, our average waiting time (from receipt of referral, to scan), was just 3 days for PET/CT, 4 days for MRI and 8 days for CT. Short waiting times help to reduce anxiety, enable patients to receive their diagnosis and treatment plans sooner, and can mean that less invasive treatment is needed – good news both for patient recovery and NHS costs.

.....

# PATIENT STORY

## A TALE OF TWO

### How one supporter's contribution made a difference 44 years later!

#### Brian's story

On Saturday 13th January 1979, my neighbour, Norman MacPherson, and I did sponsored solo parachute jumps from 2,500 feet at Shobdon Airfield for the Gloucestershire Cobalt Appeal Fund. Norman had never flown before so this was a very interesting introduction! We raised £335 (with inflation, £2,100 today) contributing towards the £100,000 raised through Alan Rosebury's excellent fund-raising endeavours (£600,000 today).

We had responded to the public appeal for support and ended up attending the inauguration of the 3D X-ray Body Scanner by Princess Anne on 18th September 1979.

Little did we realise at the time that about 40 years later we would both have very close relations (my daughter, Suzy, and Norman's daughter-in-law, Sharon) truly benefitting from the use of these wonderful Cheltenham facilities manned by outstanding and caring staff.



#### Suzy's story

When Dad did his parachute jump for 'the new Cobalt Unit' alongside our neighbour in 1979, I was 15. It was the latest thing, doing parachute jumps for charity, so I remember it caused a lot of excitement. I seem to remember too that there was a lot of fundraising locally which reflects how people here really got behind Cobalt even back then. I also remember the excitement of my parents being invited to the opening by Princess Anne and some random story of her trying to run them over, which turns out to be an exaggeration of course!

Fast forward: in March 2023 I was diagnosed with breast cancer and was referred for three scans with Cobalt - a CT scan in Gloucester, two MRIs in Cheltenham and five mammograms using equipment that Cobalt fundraised for within Thirlestaine Breast Centre. I was dealing with the great unknown and on each occasion the team looking after me was always very patient and very kind which is actually what you really really need, beyond their skill which is a given.





# WO HALVES



*Fiona Thornton, Dr Jessica Bailey, Suzy Hillier and Ms Charlotte Kallaway outside the Cobalt owned Thirlestaine Breast Centre building in Cheltenham.*



Each time it was wonderful to know that my family had played a small part in Cobalt's history.

The nostalgia generated by Cobalt's 60th Anniversary is lovely and a time to celebrate its considerable achievements, but I went to a talk by Professor Iain Lyburn about Cobalt's work and was blown away hearing about all the research and cutting-edge technology of the future that we are just so lucky to benefit from here. And that's the point - you literally never know when you will need it and when you do need it you will be beyond grateful for its existence. I only found the lump in my breast after visiting a friend who was in treatment for breast cancer - she made me promise to check myself when I got home. The shock

was immediate, but I went to the GP straightaway and five weeks later I started the journey of chemotherapy, surgery and radiotherapy.

I am now cancer-free for which all thanks to the fantastic Ms Charlotte Kallaway – Breast Surgeon, Dr Jessica Bailey – Consultant Clinical Oncologist and Clinical Lead for Oncology, Fiona Thornton – Breast Care Nurse and the outstanding teams at our incredible Breast Clinic and Oncology Unit in Cheltenham. So please, please check your breasts right now - if you find lump call your GP immediately and insist on a same day appointment. If it's the worst news you will be in the best hands.

# 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
- Effectiveness of externally-funded research
- Levels of employee satisfaction
- Financial performance of the charity and its ability to fund future activities







# DIAGNOSIS

## AIMS FOR 2023/24 WERE:

The charity aims to support NHS services to provide enhanced medical care to people who are sick and injured, using the most up-to-date imaging technology that would not otherwise have been available. The specific aims for 2023/24 included:

- Working with the NHS in Gloucestershire to launch a new Community Diagnostic Centre (CDC) at Gloucester Quays.
- To submit a bid to partner with the NHS in Dudley to support their development of a CDC with the provision of the MRI and CT services.
- 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.
- In 2022 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. In 2023 Cobalt submitted a proposal to upgrade the scanner to provide modern state-of-the-art imaging with the aim of extending the collaboration for another 5 years.
- Work to incorporate the Siemens Healthineers 'Virtual Cockpit' to provide remote access to MRI, CT and PET/CT scanners to facilitate increased support for staff, including a higher level of technical support, training and education, and improved patient safety.
- To explore the development of a modular PET/CT facility (in addition to the mobile PET/CT scanner built in 2022), to increase the scope to use this vital imaging service to benefit 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.
- To research and evaluate the provision of an advanced cardiac imaging service at the Cheltenham Imaging Centre.

# DIAGNOSIS

## ACHIEVEMENTS IN 2023/24 WERE:

- The Community Diagnostic Centre (CDC), pictured right, at Gloucester Quays was officially opened on 5th February 2024. Cobalt is partnering with the local NHS trust to provide modern MRI and CT scanners operating 12 hours a day 7 days a week for the benefit of the local community. Situated away from the acute hospital, it reduces pressure on that site and allows for increased efficiencies and reducing wait times. This also helps take pressure off the acute hospital site. Since it opened over 11,000 patients have been scanned at the CDC.
- The CDC also supports Gloucestershire's Targeted Lung Health Check service and given the wider experience the charity has in this area elsewhere, it is pleasing to be part of the local initiative.



*Professor Mark Pietroni, Deputy CEO, Director for Safety and Medical Director at Gloucestershire Hospitals NHS Foundation Trust, which is leading the CDC programme, said:*

*"Seeing the units being craned onto the site in the city centre was exciting as it marked an important step in bringing additional diagnostic services together at Quayside House.*

*The units were swiftly put to good use. We have been working with Cobalt, and together, have been able to significantly increase the number of MRI, and CT scans we can offer.*

*We have worked really hard locally to reduce the number of people waiting for CT, MRI and non-obstetric ultrasound tests.*

*Offering appointments 12 hours a day, seven days a week, means that we are making it easier and quicker for patients to get the tests and scans they need, helping them to get faster diagnoses. This is vital in diagnosing a host of conditions, including cancer, as early as possible, and giving patients the best possible chances of recovering."*

---

Cobalt's initial bids to provide the Dudley CDC were first accepted and then withdrawn due to challenges to the tender process. This highlights an increase in competition to supply imaging services to the NHS. Whilst this is a positive development, it has led to some delays in the procurement processes. Cobalt has continued to support the trust with both mobile MRI and CT services. Cobalt's team have built a good relationship with their team and the quality of the provision has been recognised. Post year- end Cobalt was awarded the contract on the third round of tenders. The award highlighted the quality of the submission and the attention paid to patient experience, safety and flow.

---

In 2022, Cobalt invested £2.6m in a new Siemens Biograph Vision digital PET/CT scanner and the redevelopment of the department. This helped reduce scanning times by up to 40%, (reducing patients' exposure to radiation), enabling more patients to be scanned each day. In 2023/24 the PET/CT department exceeded previous records, undertaking 4,160 NHS patient scans and a further 300 research and private/insured scans. Growth in NHS patients requiring investigations into possible cancer or dementia has been more than 10%. Even so, Cobalt has, with the help of its reporting radiologists and strategic partners, managed to maintain a minimal waiting list, helping patients access or continue their treatment plans in a timely manner.



Cobalt was one of the first sites in the UK to provide patients with access to PET/CT scans using PSMA. This nuclear imaging test (which targets a protein on prostate cancer cells) is key to helping with the diagnosis of prostate cancer. Cobalt, with the help of the NHS England specialist commissioners, managed to secure funding for 123 scans for 2023/24. Discussions with referring consultants from the local NHS trusts have highlighted the value of this tracer. It is particularly helpful for investigating younger patients with the potential of having more aggressive cancers. This year demand continued to outpace funding for the PSMA scans and waiting lists have increased.

During the year £140,000 was invested in applying Deep Resolve to two 1.5T MRI scanners, the one in the imaging centre in Cheltenham and, after a request from the local radiologists, the scanner at Gloucester Community Diagnostic Center. This brings both scanners in line with an upgrade NHS England rolled out across all their scanners of the same specification. This AI-driven tool helps improve image quality, whilst also enabling scan times to be reduced. The image enhancement assists radiologists with their reporting, particularly in areas such as prostate imaging. Reduced scan times improve patient comfort and allow more scans to be performed in a day.

Cobalt's first mobile PET/CT scanner commenced operation in 2022 and continues to provide a service two days a week to St Georges Hospital in London. This is a high-quality scanner producing excellent images and is designed to be used for maximum impact by reducing waiting lists for urgent oncology scans. A review of this contract and other opportunities is underway to increase activity.

Cobalt's new relocatable PET/CT scanner was designed and started construction in December 2023. This £1m unit will house the Siemens Biograph mCT scanner from the Cheltenham clinic. The scanner has been fully refurbished and updated to match the specifications of the latest model. It is due to be delivered in July

2024 and will first go into service with Coventry and Warwickshire NHS Trust to provide a service whilst their department is having a new scanner installed.

---

Cobalt has two mobile MRI units that are now due for replacement under our equipment policy. The trustees recognise that a key objective of the charity is to use the latest technology to support the diagnosis of disease and two proposals have been approved to replace these scanners. Each proposal is based on the outcome of contractual bids.

---

In 2023/24 Cobalt Health supported nine Targeted Lung Health Check (TLHC) services. The service has two key phases: the initial TLHCs and follow up/ surveillance scans. The Manchester programme has demonstrated that for every day of service, one previously undiagnosed cancer will be identified. The majority of these will be stage 1 or 2 cancers, offering a much improved prognosis for those individuals. Two participants will also need to be monitored and/or have another incidental finding that requires urgent treatment. In 2023/24 Cobalt undertook 2,028 days of lung health services. Early diagnosis of lung cancer results in less intrusive treatment, improved prognosis, with many more years of life, continuing economic activity, and reduces the burden on the NHS.

---

The charity is proud to have had a significant role in helping to establish lung health checks in the community, where attendance rates are significantly improved. A measure of success is that TLHC programmes are being rolled out across the country. The TLHC programmes that Cobalt supports are in areas of high incidence of smoking and related lung disease, where early diagnosis of lung cancer and the provision of cessation services have the most impact.

---

The provision of TLHC in the community can be challenging. Changes in the nature of the provision and increasing costs have resulted in the service running at a deficit for 2023/24. The team is focusing on the quality of provision in the existing services, generating efficiencies, and managing the inherent expansion within the areas already served.

---

Cobalt has been pleased to welcome 12 permanent (including 4 trainees) and 11 bank radiographers in 2023/24. The MRI team is now well staffed, with reduced shifts from bank and agency staff. Whilst the CT team has grown, the expansion of services has resulted in Cobalt still relying on support from a core of bank and agency staff. Recruitment in the TLHC areas is ongoing.

---

The trial of remote support for our radiographers in the field from the Cheltenham Imaging Centre was not satisfactory due to insufficient capacity for data flow from host sites. This technology is seen as an important tool for the future, as it will enable experienced radiographers to help support and train less-experienced team members in the field. This will provide technical support and will help with identification and appropriate response for unusual findings that might need to be flagged for immediate review or medical intervention.

---

Cobalt is working with local cardiac consultants to develop a specialist MRI service in Cheltenham. This is expected to start in Autumn 2024, providing an opportunity for our radiographers to develop new skills and will save some patients having to travel to Oxford and Bristol for this service.

---

Cobalt's PET/CT department was selected as the South West Region Team of the Year 2023 at the Society and College of Radiographers (SCoR) Radiography Awards 2023.

---





# DIAGNOSIS

## THE FUTURE

- To focus the Targeted Lung Health Check activity to support those programmes that best meet Cobalt's three key objectives of improved diagnosis, education and research to improve understanding, techniques and shared practice.
- Work continues with the Institute of Translational Medicine at the QE Hospital Birmingham on a project to upgrade the scanner, effectively making it as-new, increasing the diagnostic and research capability and extending its potential operational life by up to ten years. This aims to continue facilitating the use of research concepts to support clinical activity/decision making.
- Cobalt will continue to evaluate tools which establish visual and audio links to remote/mobile scanners so that senior radiographers can support their colleagues by being able to shadow the operation of the scanner, with the intention of providing higher levels of technical support, training and education, and improved patient safety through live interpretation of unexpected findings.
- With PET/CT referrals for oncology and dementia scans continuing to grow at 10% per annum, Cobalt is working with NHS colleagues in Worcestershire to explore the provision of a PET/CT service in the county. This aims to reduce the travel time for many patients, including those travelling from Herefordshire. It will help patients closer to Birmingham access a PET/CT service with shorter wait times.
- With the support of Cobalt's NHS England Specialist Commissioner, we have secured 300 PSMA doses for 2024/25 (123 in 2023/24). The production of the PSMA tracer is not straightforward and can fail. The aim is to work with referrers and our radiologists to ensure that we use our resources to the maximum benefit for patients showing signs of prostate cancer to help with their diagnosis and ongoing treatment.
- There is the potential for Amyloid PET/CT imaging to be used to assess and monitor patients being given new treatments to slow the progression of dementia. Experience in undertaking Amyloid-based research trials has resulted in Cobalt being invited to participate in NHSE-led discussions, and both to monitor and prepare to be part of a national rollout, should NICE approve these treatments.
- To keep monitoring the potential for further cancer screening programmes that will need the support of diagnostic imaging.
- To work with local consultants to start a specialist cardiac MRI service in Cheltenham, with the medium-term target of being recognised by NHS Specialist commissioners so that particularly ill patients will not need to travel to Oxford and Bristol for this service.
- To deliver the Dudley CDC project in a timely manner and to work closely with the local trust team to continue to deliver an excellent facility and service.



## PATIENT STORY

# Living with a brain tumour

Charles Bishop, 36, shares his journey of living with a brain tumour diagnosis and how Cobalt has played a significant role in his life. This is his story.

"About 11 years ago, I was having a kick around with friends when I suddenly felt overwhelmingly dizzy. I thought nothing of it until two weeks later when it happened again," Charles recalls.

After seeking medical help, Charles underwent numerous blood tests, ECG heart monitors, and scans. "The hospital discovered a grade 3 oligodendroglioma on the front right side of my brain. I started having multiple absent seizures daily, so I knew something very serious was happening." Six months later, Charles endured an operation, six rounds of chemotherapy, and radiotherapy.

"I hate hospitals and anything clinical, so places like Sue Ryder, Cobalt, and Maggie's are a great comfort. Sometimes, if Cobalt isn't available, I rearrange for a date they can accommodate,"

Charles explains, "When I visited for the very first time, I felt anxious because I was being seen by many different departments and healthcare professionals. Life becomes a whirlwind when starting a journey like this. However, much to my surprise and relief, I arrived at a very welcoming, almost office-type premises. I was put at ease immediately."

"The staff at Cobalt are incredible; nothing is too much trouble, and you are treated with respect and dignity."

Charles speaks highly of his young daughter: "She has amazed me with how resilient, brave, and quite frankly awesome she has been, coping with this situation."

"My prognosis has not been positive since the start, and as a family, we have accepted this. However, I have far exceeded any predictions. I firmly believe this is at least in part due to the kindness and professionalism of Cobalt, the NHS, and Sue Ryder hospice," Charles concludes.

*"She has amazed me with how resilient, brave, and quite frankly awesome she has been, coping with this situation."*



# RESEARCH

## AIMS FOR 2023/24 WERE:

Research is a key element of Cobalt's vision to improve outcomes for patients now and in the future. Research is proven to improve patient outcomes, benefit the health system overall, and leads to a happier workforce (NIHR, 2023). It provides opportunity for staff engagement and development and helps increase staff recruitment rates and staff retention.

- Further expand the research team through secondment and fellowship opportunities for internal applicants.
- Support dedicated research time for staff, through job planning and recruitment.
- Provide Cobalt's clinical teams with peer mentoring opportunities, and opportunities to undertake training in research methods and good clinical research practice.



- Develop robust systems and processes to enable seamless research support for Cobalt colleagues and external applicants.
- Promote Cobalt's role in research and innovation through publications, and representation at conferences.
- Build relationships with local universities and larger organisations to share resources and expertise.

# RESEARCH

## ACHIEVEMENTS IN 2023/24 WERE:

- The charity's research team continued to publish papers and present them at conferences. A catalogue of recent work is available on the Research page of the Cobalt website.
- Cobalt continued to employ a research fellow, Dr Ayah Nawwar, a Consultant Nuclear Medical Physician, who works collaboratively with our Director of Clinical Research Prof Iain Lyburn on PET/CT imaging projects. They have co-authored many papers in 2023/24 and helped with the development of new patient pathways, including reducing the oesophageal cancer diagnostic time, accelerating treatment. They continue to work on developing Artificial Intelligence (AI) in PET/CT reporting. This research has led to accepted abstracts and

invitations to present their findings at international conferences.

- This year Cobalt supported 45 trials and performed 453 research scans. The charity is committed to continuing to support clinical trials that involve diagnostic imaging, especially those related to oncology and dementia studies. These are important in the development of innovative treatments and provide the team with experience of different technical challenges. The recently published review of commercial clinical trials in the UK by Lord O'Shaughnessy highlighted the risks of not supporting trials. This will remain a core aspect of Cobalt's ongoing support for research.
- Cobalt's experience in providing PET/CT imaging for



national and international dementia studies has led to the charity being approached to be involved in an NHS England forum on the potential requirement for a national programme of Amyloid scanning related to new treatments. This expertise gained by our research and clinical teams enables Cobalt to be involved in such discussions and be well positioned for the future.

- Cobalt continues to support the funding for research nurses at Thirlestaine Breast Centre for Gloucestershire Hospitals NHS Foundation Trust. They have successfully recruited over 1,300 participants to breast research trials from the county and are performing well against larger research centres. This provides local patients with access to trials not uniformly available across the UK.
- Professor Iain Lyburn, Cobalt's Director of Clinical Research, gave updates at the Symposium Mammographicum conference in Glasgow on behalf of national research teams for two major breast cancer trials.
- Cobalt has been invited to join the Gloucestershire research consortium, Research4Gloucestershire. The forum has been introduced to create links between all the interested parties in health research in the county, universities, the various NHS research teams, private providers and colleges.
- Members of the Cobalt team undertook our first radiographer-led research projects, including one on how technology helps with scanning claustrophobic patients, an area where we have developed great expertise. They were invited to present their findings at the 2024 United Kingdom Imaging and Oncology congress.
- Cobalt was also invited to exhibit at the Translational Research Symposium in Birmingham to showcase its research capabilities at both the Imaging Centres at the Institute of Translational Medicine in Birmingham and Cheltenham.





# RESEARCH

## THE FUTURE

Cobalt's Research Committee has reviewed and refreshed the research strategy, with a focus on ensuring that all activity will demonstrate a potential impact on patient care and/or service delivery. There will be clear research interests, in line with Cobalt's strategy. We aim to:

- Support further radiographer-led research to improve patient experience.
- Explore the benefits of AI in the operation of scanners and the interpretation of images. This will require dedicated research time for staff through integrated job planning and recruitment, including opportunities for internal secondments and fellowships.
- Continue to develop opportunities for Cobalt staff to undertake training in research methods, good research practice and peer mentoring opportunities, to assist staff in the presentation and promotion of their results.
- Continue to employ a Research Fellow to support internal and external research collaborations. To consider the benefit of employing a second fellow to expand the range of activity.
- Ensure that Cobalt's role in research and innovation is recognised through publications, and representation at conferences.
- Build on relationships with local universities, research centres and hospital trusts to share resources and expertise, and provide opportunities for collaborative research, with access to funding through an external application process.
- Establish a project team to build a research database of existing scans and to consider what data should be included in future, and how best to achieve this in order to maximise the benefit of this information.
- Develop relationships with experts with complementary skills, e.g. Statisticians, IT, Physicists, and Ethics experts, etc who can advise in the design of internal research projects, help train staff, assist in the design of projects and evaluate applications.



## AN UPDATE FROM OUR DIRECTOR OF CLINICAL RESEARCH PROFESSOR IAIN LYBURN

The research landscape is becoming increasingly exciting; a large component of our activity involves medical imaging (scanning). Techniques have advanced greatly over the past couple of decades. The significant developments have seen increases in speed and the switch to digital imaging from physical 'hard copy' akin to the changes we have all seen with our own photography with the advent of smart phone cameras.

Major advances have occurred in image resolution (detail) – we are seeing smaller structures/disease earlier. It is also much quicker now to take the images. For example a CT scan of the head previously took 10 minutes; now a whole-body CT scan from the top of the head to the feet may take as little as 40 seconds.

We are also able to see and share images much more efficiently. We used to take spools of film of our holiday snaps to be developed at our local pharmacy and then wait for physical photographs – now with our phone cameras, there is an almost instantaneous result we can send on to friends and family in multiple locations worldwide. A similar phenomenon has occurred in scanning – images can quickly be made available to many people in several places. There is also less likelihood of the original image being damaged or lost.

These marked changes have caused a meteoric rise in scanning activity in healthcare. Through research there is an opportunity to harness this information and use it to improve diagnosis and treatment. Cobalt is playing an increasing role within multiple areas. A couple of recent highlights are:

- Funding breast cancer research nurses based at Thirlestaine Breast Centre has revolutionised Gloucestershire NHS Hospitals impact on breast cancer research. Over the past 2 years the department has recruited over 1,300 patients and has been the highest or second highest contributor to high-profile UK national trials.
- Teams at Cobalt are working with international partners on the impact of artificial intelligence (AI) on reporting scans and extracting information which could influence potential treatment options. This work has resulted in presentations at major medical conferences in Europe and North America.

Thank you for your interest in and support of research. The UK and Cobalt 'punch above their weight' and look forward to continuing to do so. The research team are extremely grateful for the support of Cobalt donors, the fundraising team and the board.



# EDUCATION

## AIMS FOR 2023/24 WERE:

- Develop 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.
- Create online space to share CPD opportunities and relevant further education courses for all staff, to encourage their development.
- Increase the number of advanced practice and cross-sectional radiographers, through the development of existing team members, and recruitment of new staff.
- Continue to present at national and international conferences, sharing Cobalt expertise and experience of working with the latest technologies and imaging techniques.
- Facilitate an ongoing lecture programme for health professionals.
- Support local universities with course development, providing guest lecturers and placement opportunities.
- Review and expand the apprenticeship programme and broaden into degree apprenticeship, to ensure training and succession planning.
- Develop “super-users” in MRI, CT and PET/ CT.





# EDUCATION

## ACHIEVEMENTS IN 2023/24 WERE:

- Cobalt welcomed clinical placements for radiography students for the fourth year and we value the perspective, ideas, passion and energy the students bring in return.
- The internal team benefitted from educational events and courses, through the University of Gloucestershire and, the Society of Radiographers, alongside training and mentoring by more experienced members of staff. This has increased employee engagement, particularly with research activities.
- A programme of 'lunch and learn' events was launched for clinical staff.



- A day conference was hosted in February for trustees, employees and programme partners/suppliers involved in the Targeted Lung Health Check programmes, celebrating successes and sharing key findings, featuring keynote speaker, Prof Richard Booton, Programme Director for Manchester Targeted Lung Health Check Programme.

- Cobalt Learn was launched in January 2024. This online learning platform provides a one-stop training site for Cobalt's team. It covers most of the mandatory training requirements for the services. There has been excellent engagement from staff, with a significant improvement in completion rates. Future developments will include more personal development, staff welfare, HR and management courses.
- Cobalt is grateful to our team of consultants who have continued to provide a very well-received education programme for referrers and staff. The online approach has worked well and remains the preferred means of access. There is now an increasing demand for in-person training, as this is seen to create more interaction and a richer learning experience.
- A record five radiographers completed the MRI training programme in 2023/24. Retention of the trainees over the life of the programme has been excellent and they continue to demonstrate their quality.
- Cobalt has been invited to lecture at a number of events during the year, including as guest lecturers at the University of Gloucestershire.

- Two members of the support team completed their apprenticeships, with one becoming Gloucestershire Apprentice of the Year. He has moved on to higher qualifications, while the other is using the experience gained at Cobalt to switch to train to become a paramedic. Two new apprentices are expected to be recruited this year.







# EDUCATION

## THE FUTURE

Develop a Training and Education Strategy for Cobalt, encompassing both internal and external activities, including creating programmes for all staff and simplifying systems to monitor and maintain training records. Activities will include:

- Creating online space to share CPD opportunities and relevant further education courses for all staff to encourage their development.
- Expanding the training facilitator roles to support CT and PET/CT and the training of staff across modalities.
- Expanding the range of courses on the Cobalt Learn platform to cover personal development including leadership, staff welfare and appraisal skills.
- Supporting the project for remote staff working on scanners in the field to maximise the training opportunities.
- Developing the programme of bite-size lectures and speakers for delivery at national exhibitions.
- Recommencing face-to-face classroom training for health professionals alongside the online activity, assessing the scope to restart Cobalt's previously successful oncology and dementia conferences.
- Actively contributing to the development of future radiographers by supporting local universities with placement opportunities and the provision of guest lecturers.



# FUNDRAISING REPORT



*Happy volunteers running the pop up cafe at a Cobalt open garden event'*

The Fundraising Team achieved their set objectives with a total fundraising income achieved during 2023/24 of £0.6m. This was £100k from individual donations, £82k from fundraising activities, £9k from In Memoriam, £17k from trusts and foundations with special thanks to Wotton-Under-Edge Town Council, Masonic Charitable Foundation, Renishaw Plc, Pink Ribbon Foundation, The Fieldrose Charitable Trust, The Gordon Gray Trust and Zurich Community Trust (UK) Ltd. £345k was from legacies.

## Our charitable activities in 2023/24 and ongoing include:

- Funding 635 oncology scans, including specialist breast MRI scans for 'at risk' women in Gloucestershire. These scans provide rapid access to technology which would otherwise be unavailable and enable a faster diagnosis at no cost to the NHS.
- Raising funds to support research and education (primarily in the fields of cancer and dementia), including the provision of a dedicated research

imaging centre and service 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 for the many donations we received as part of The Big Give (match funding) campaign to support this work.

Cobalt has provided funding for Megan Willsher, a Teenagers and Young Adults with Cancer Nurse Specialist, since 2011, to support around 35 young patients per year. She makes sure that they have support from the moment they are diagnosed, and cares for them through every step of their treatment, and for up to two years afterwards, aiding their recovery and enabling them to live as full lives as possible.



*Megan Willsher'*





*You only get one chance at being young, those few crucial years will shape the person you become – your relationships and career, your confidence and wellbeing, your ability to pursue your dreams...cancer can throw all of that off track. Suddenly your life has been turned upside down. You are scared and living from one appointment to the next*

**A young cancer patient.**



## CELEBRATING OUR VOLUNTEERS

Since April 2023 Cobalt has gained 14 new volunteers, who help with events, card making, collecting tins, collecting cards to upcycle, proofreading and by sitting on Cobalt's Clinical Governance Committee as a lay person. They have joined our team of over 150 enthusiastic, dedicated and loyal volunteers who help the charity with fundraising, public engagement and governance. They are all ambassadors, raising awareness of Cobalt in their communities.



*Our wonderful volunteers at their 2023 thank you event*



*Highnam Court - image credit: John Bishop*

### Open Gardens 2023

The Old Rectory in Quenington and Highnam Court in Gloucester kindly opened their garden gates for Cobalt and The Rare Plant Fair. This wonderful partnership with The Rare Plant Fair brings many keen gardeners to enjoy the gardens, the plant fair and Cobalt's pop-up café which serves light lunches and delicious homemade cakes. 2023 saw 1,580 visitors attend these wonderful events, raising £10,000 and gaining over 130 new supporters.

## Make a Will Month

During April each year, partner solicitors donate their time and expertise to support Cobalt. Through the scheme they write or update wills, in return for a voluntary donation to Cobalt. We are very grateful for the support of teams from Davis Gregory Solicitors, Dee & Griffin Solicitors, Sewell Mullings Logie, Langley Wellington LLP and Willans LLP for their participation in this important programme.

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



## Nailsworth and Woodchester Support Group

This exceptional group have been fundraising for Cobalt for 37 years. We were so grateful to receive a donation from the group of £11,657. The group organise fundraising events, including a group country walk and through supporting the Stroud Vintage Transport and Engine Club summer rally.

## Stuart Robins

Stuart completed the London Marathon 2024 in memory of his cousin, Tracey, and raised over £3,300. What a great achievement!

## Our new partnership with Commercial Foundation

We are delighted to announce a new partnership with Commercial Foundation, a fantastic organisation which helps local young adults who have previously experienced barriers to work get their lives back on track. They run a 12-week employability programme, helping their volunteers develop skills, build confidence and self-esteem, with real-life, on-the-job work experience.

The Foundation's volunteers run a digital print studio, which we now employ to print the inserts we use to make Cobalt cards. This partnership means that cards not only provide the charity with important funds, great public awareness and create a weekly social activity for over one hundred volunteers, they now improve the lives of local young people!



## Capture a Moment Photography Competition

*A winning entry from last years calendar*



Cobalt's 2023 Capture a Moment photography competition produced another fabulous calendar, with stunning images of landscapes, architecture and even a steam train. We particularly enjoyed the photo of a Highland cow pictured in a buttercup meadow on Minchinhampton Common in Gloucestershire. The competition has created a community of support for Cobalt and our sponsors provide over £1,000 of prizes.

## Cobalt cards

Over 35 sites in Gloucestershire and Worcestershire host a Cobalt card box, including shops, hospitals, dental practices, GP surgeries, physiotherapy practices, sports clubs and schools.

The volunteer-led programme engages over 100 volunteers and raised over £32,000 in 2023/24.

## Celebrating our



In 1964 Dr Fred Hanna, Howard Crooks and a committee of medics established the Cobalt Unit Appeal Fund, to raise money to build a centre for cancer treatment in Cheltenham. The unit would benefit local patients who were having to travel long distances when they felt most unwell. Two years later the Cobalt Unit was established (now known as the Oncology Centre) at Cheltenham General Hospital.

From humble beginnings in a small room within the Cobalt Unit, they continued to raise funds for other innovative equipment and buildings to assist the local NHS to support patients more efficiently and effectively. Fundraising projects included an appeal for a whole body X-ray scanner and a public cancer and smoking cessation awareness campaign.

In 1989 the charity established the Gloucestershire breast screening service at Linton House, a property purchased from Cheltenham College. Linton House then became the charity headquarters and investment was made into several mobile MRI scanning and mammography screening units. The charity's reach extended into the three counties, Gloucestershire, Herefordshire and Worcestershire. In 2005 building work began on a new Imaging Centre adjacent to Linton House and was completed the following year. Cobalt acquired another building in 2018 which accommodates the local NHS breast screening service.

Today, the Cobalt Imaging Centre houses two high-spec MRI scanners and a PET/CT scanner. The mobile fleet now comprises seven mobile MRI scanners, a mobile PET/CT scanner and nine mobile CT scanners, which travel around the whole of the UK.

We continue to invest fundraised money, and any surplus created by delivering services, in projects which make a tangible difference to patients, through advancements in imaging technology, research trials and supporting education for medical professionals.



*Dr. Fred Hanna OBE*



*Cobalt Imaging Centre, Cheltenham*



*Thirlestaine  
Breast Centre*



*Cobalt's 3.0  
Tesla mobile  
MRI scanner*









# A reflection on our history

by our Medical Director, Dr Umesh Udeshi

As Medical Director for Cobalt, I work closely with the clinical teams and am involved in the clinical governance of the charity, to ensure we maintain an exceptionally high quality of service provision. I am actively involved in various in-house committees and available to help and support the day-to-day delivery of services.

In the 60th anniversary year of Cobalt, I thought I would write a few personal reflections on my 30 years of involvement with the charity. I remember my first experience was in the early 90s when 'Mobile Number 1' came to Spire South Bank Hospital in Worcester, where I was working as a radiologist. The mobile used to visit every Saturday (as this was the only day the car park had space) and we booked patients from 8 am to 8 pm. Prior to that, Worcester patients had to travel to Somerset or to Birmingham for MRI scans.

Following that successful partnership, and with the charity's investment in more mobile scanners, Cobalt

provided mobile MRI at all three NHS hospitals in Worcester, Hereford and Gloucester for many years, until the hospitals were able to buy their own scanners, some of which continue to this day.

Cobalt raised funds to provide mammography machines in Worcestershire and Herefordshire and of course bought and refurbished the building that houses the Thirlestaine Breast Centre in Cheltenham.

When the Cobalt Imaging Centre in Cheltenham was built, I started to report on MRI scans there too, which I still do. It is a pleasure to work in such a well-equipped, friendly environment where the patient is always the most important consideration. The staff are friendly and professional.

I truly believe that without Cobalt, the local hospitals in the three counties would not have had access to advanced imaging for several more years than they did. Thank you, Cobalt!



## GIVING WITH CONFIDENCE

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

No complaints have been received during the year. Any complaints received 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 is approved by them, to make sure our fundraising activities are compliant with all relevant rules and regulations, remain ethical and deliver the highest possible standards. We want to ensure that everyone who supports us has the best possible experience and that our donors are confident of the difference they are making.

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

# FINANCIAL OVERVIEW

Total income for the year was £25.4m (2023 – £26.8m).

During the year the number of scanners deployed totalled 23 through a combination of acquisition and hiring in units (14 CT, 7 MRI and 2 PET/CT scanners). The charity continued to maintain support for oncology patients with PET/CT and MRI, whilst maintaining 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 providing the charitable activities increased by £1m to £26.9m (2023 - £25.9m). This

largely reflects the increase in services and in the cost of operating the Targeted Lung Health Check (TLHC) services in the community. During the year the charity incurred some reorganisation costs and associated professional fees.

The deficit for the year was £1.56m (2023 – surplus £0.9m). The charity invested £1.6m of the surpluses generated in previous years in new imaging equipment, buildings and interiors. This included £0.9m on a new Somatom go.All CT scanner to support the TLHC programmes. A further £0.7m of capital expenditure was committed at the year-end to complete the build of a new PET/CT relocatable unit.

## INCOME AND EXPENDITURE

The total income for 2023/24 was £25.4m (2023 - £26.8m).

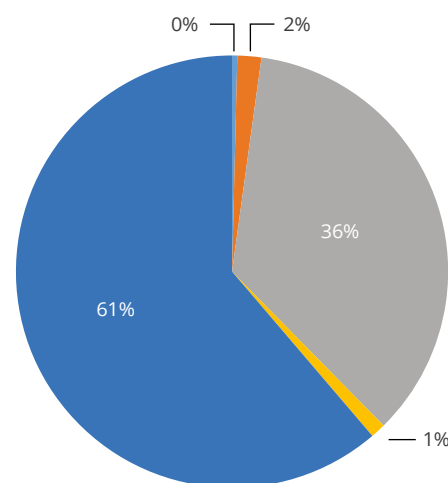
### MRI Services £9.0m (2023 - £9.5m)

Patient numbers attending the Cheltenham Imaging Centre continued to increase, with income rising by 13%. Mobile income was derived from Cobalt's own scanners, and whilst mobile income declined by £850k, the net income for the additional services was marginal. The income includes a relocatable scanner supporting the Gloucester CDC and a mobile unit supporting the Dudley CDC. The scanner supporting research and clinical activities at the Institute of Translational Medicine at the Queen Elizabeth Hospital Birmingham continued to operate 7 days a week.

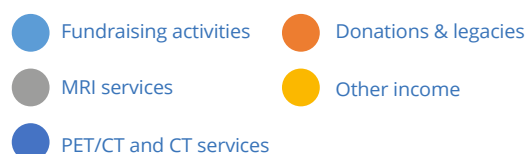
### PET/CT and CT Services £15.5m (2023 - £16.1m)

PET/CT and CT income is derived from the following:

- A PET/CT contract with NHS England (NHSE) to stage (evaluate the extent of) cancer and assess for patient's response to treatment.
- The digital scanner in Cheltenham has increased capacity, resulting in the average number of scans a month rising and income increasing by 10%.



### BREAKDOWN OF TOTAL INCOME (£25.36m)





- The provision of CT Targeted Lung Health Checks in community sites across England. Previously most of the activity was supporting checks for large cohorts of patients in an area over a number of days or weeks. 2023/24 saw change in the pattern of activity, with trusts undertaking more follow-up scans with much shorter stays and reduced utilisation of the CT scanners. Whilst income has held up reasonably well due to more scanners being deployed, the cost of the provision has increased significantly.
- Two CT scanners were supporting CDC developments centres, one at the Gloucester Quays CDC and the other an interim service in Dudley (the Dudley service was tendered for the continuation of this services and following a successful bid, this was awarded to Cobalt post year-end).
- The provision of PET/CT mobile services at St. George's Hospital, London. The utilisation of the scanner in 2023/24 has been disappointing at circa 40%. This is expected to improve in 2024/25.

#### Fundraising Income £0.6m (2023 - £1m) of which:

- Fundraising Donations and legacies £454k (2023 - £783k)
  - The charity benefitted from legacies receivable of £345k and donations and other gifts totalling £108k.
- Fundraising activities £99k (2023 - £204k)
  - The general environment for fundraising remains challenging and consequently income for events and other activities remains lower than anticipated.

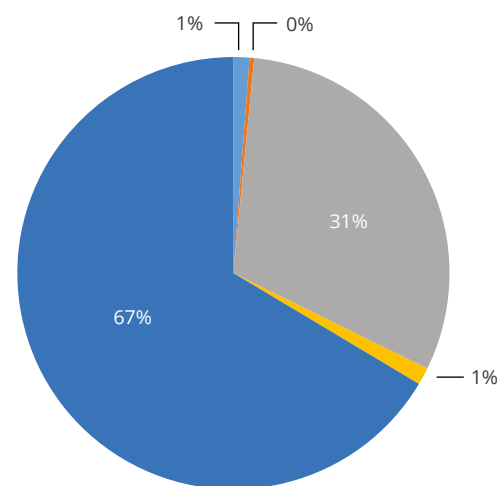
#### Other income £0.1m (2023 - £0.1m)

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 2023/24 totalled £26.9m (2023 - £25.9m).

##### MRI Services £8.3m (2023 - £9.4m)

Clinical staffing represents the highest proportion of the total costs, including bank shifts and agency staffing. A combination of refining services and the successful recruitment of MRI staff has significantly reduced the reliance on agency staff. No MRI scanners



#### BREAKDOWN OF TOTAL EXPENDITURE (£26.92m)

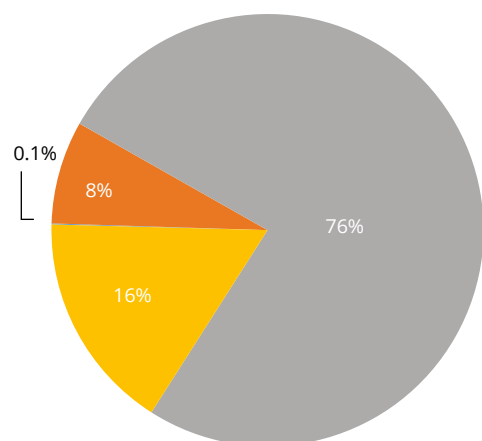


were hired in the year, reducing costs by £770k. Maintenance and servicing costs increased by 11%, reflecting the impact of the ageing fleet.

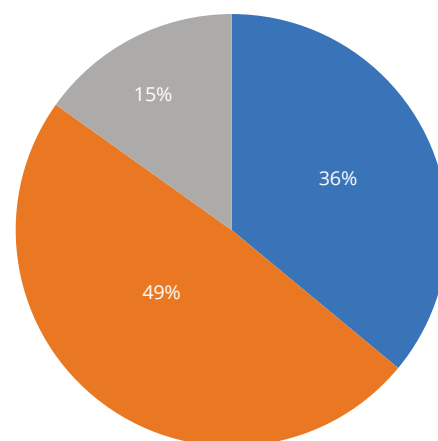
##### PET/CT Services £17.9m (2023 - £15.8m)

Clinical costs in Cheltenham rose in line with the increase in activity. £600k of the increase in cost related to operating the new relocatable PET/CT scanner. This was initially dependent on external staff. Staff have recently been recruited for PET/CT.

- CT - the change in nature of the TLHC services has meant that the trusts have required shorter stays for follow-up scans, resulting in many more scanner moves and a disproportionate increase in transport and associated costs against the service provision.
- The cost of hiring CT equipment to support the additional services was £1.17m (2023, £1.76m). Cobalt released two scanners that were on long-term hire. Cobalt also utilises equipment owned by NHS trusts to support the TLHC services.
- The rise in fuel prices seen in the last two years, continues to impact on the services, with costs for transport, generator, and water and waste for the mobile services remaining high. Some of the impact will be recovered through increased pricing as contracts renew. Cobalt is working with its logistics



### CHARITY FUNDS (£31.87M)



### DESIGNATED FUNDS (£2.47M)



company to find efficiencies and reduce the fuel used to provide the services.

### Raising Funds £0.3m (2023 - £0.3m)

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

### Charitable Funding, Nurses and Research £0.3m (2023 - £0.3m)

This includes funding the three breast cancer research nurses and Cobalt's Teenagers and Young Adults with Cancer Specialist Nurse. Cobalt supports a research fellow at the Royal Brompton Hospital.

### Training and Education £0.1m (2023 - £0m)

This represents staff costs and the new online training and education platform for staff.

## RETAINED FUNDS

### Charity Funds £31.9m (2023 - £33.4m)

#### Restricted Funds £25k (2023 - £0k)

#### Designated Funds £2.5m (2023 - £3m)

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

### Tangible assets for use £24.1m (2023 - £25.3m)

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

### General Fund and Reserves Policy £5.2m (2023 - £5.1m)

To protect Cobalt's activities, the charity's Reserves Policy is to maintain a minimum of 3 months and a maximum of 5 months working capital in reserves. At the year-end Cobalt held reserves sufficient for 2.3 months (2023 - 2.4 months). The reduction is due to the reduced surplus and also reserving funds for investment in new medical equipment. Cash generation remains strong and the level of the reserves is not seen as a significant risk at this time.

The Reserves Policy is regularly reviewed and still deemed appropriate.

### Designated Funds £2.5m (2023 - £3.0m)

#### Capital Equipment £0.9m (2023 - £1.7m)

The funds are held for new equipment projects. £0.2m has been retained to complete the build of a new support unit for the Manchester Targeted Lung Health Check programme, expected to be completed by summer 2024. £0.7m is also reserved to complete the installation of the PET/CT scanner removed from the Cobalt Imaging Centre during the digital upgrade



project, in a new relocatable unit. This is expected to be completed in July 2024.

#### **Equipment Replacement Fund £1.2m (2023 - £0.75m)**

This fund is reserved to replace and refresh the installed imaging equipment as part of the Equipment Replacement Plan. In 2023 £0.75m was reserved to upgrade the MRI scanner at the QE Hospital Birmingham to enhance the research capability. Although this project is still expected to take place, the timeframe is not known, therefore these funds have been released. £1.2m has been set aside for the replacement of one of the older MRI mobile scanners in the fleet.

#### **Grants Fund £0.4m (2023 - £0.4m)**

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

#### **Property Fund £nil (2023 - £0.1m)**

This fund is used to upgrade the facilities in the charity's properties.

#### **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 the current information and plans. This review looks at the surpluses and cash generated across the period and the indicative plans for investment in services to ensure that these are sustainable. In doing so the trustees have an eye on the future commitment to replace existing scanners in a timely manner to ensure that the services reflect the charity's vision and values. The post-pandemic period has seen increases in costs, particularly for Cobalt transport, materials, fuel, and staffing.

Changes in the pattern of the services have also increased costs, with multi-year contracts constraining price increases. The surpluses in the forecast are lower than those seen in prior years and require increased attention to the cost of running the services. Investment in staff retention and recruitment, along with new software systems are expected to help improve the situation. In the meantime, cash generation is forecast to remain sufficient to meet existing projects and planned equipment replacement.

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 which can be supported by the charity. Support will be given to projects which:

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

## RISK MANAGEMENT

The charity has a risk management strategy. This involves:

- An annual review by the board of trustees of the risks to which the charity may be exposed.
- The assessment of clinical risks by each area being reviewed by the relevant Committee.
- The establishment of procedures designed to eliminate or minimise such risks.
- The implementation of such procedures.

Details of key risks are recorded in a risk register and at each board meeting the trustees discuss the key risks facing the charity. The following have been identified as the most significant risks.

Risk	Impact	Mitigation
Loss of major contract for diagnostic imaging through increased competition. There are an increasing number of suppliers looking to provide staffed services	The loss of a contract may have a significant impact on income and recent tendering by NHS trusts has attracted more competition and in some cases restricted opportunities for smaller operators	The charity is diversifying its activities into other areas of clinical imaging and means of providing services – including the expansion of CDCs and mobile PET/CT services
Cyber security failure or denial of service attack. Increasing risk of systems being attacked through use of AI-enhanced hacks	Potential loss of data, inability to operate through denial of service, 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. The mobile MRI fleet has 3 scanners approaching the end of their serviceable life for Cobalt	Potential loss of income and key contracts, delay in diagnosis for patients. Risk for charity's reputation of offering the latest technology to support the NHS	Cobalt invests in comprehensive maintenance and service level agreements to repair or compensate for lost time. Identifying new medium-term projects to help fund replacement of older equipment
Impact of inflation and cost drivers on surpluses. 2023/24 saw the continued rise in critical areas particularly with regard to operating remote services	Reduction in surpluses and cash generation has the potential to reduce the capacity to invest in strategic objectives in the medium term	Provision in the budget, cost control, diversification of supply, renegotiating contracts, and reassessing services. Working with suppliers on finding efficiencies and innovation to reduce running costs
Shortage of suitably qualified staff - the market remains challenging with demand for imaging increasing, especially with inherent growth in current contracts, leading to an over-reliance on agency staff	Increased cost of working through the use of agency staff and potential failure to fulfil contracts and grow	Cobalt recruitment website and social media advertising are proving to be good resources for attracting staff. Increased effort has been made to improve onboarding processes and induction

# STRUCTURE, GOVERNANCE AND MANAGEMENT

Cobalt Health (Charity Registration 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, executive and advisers are given on page 66.

## Appointment of new trustees

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

## Committee Structure and Management

The board of trustees meets five times a year with occasional special meetings being called as required. It decides the general strategy for the work of the charity and approves all major items of expenditure or funding. Day-to-day management of the charity's work within the general strategy is carried out by the Chief Executive and the charity's Senior Management Team.

The following committees are chaired by board members and report to the board of trustees:

- Finance Committee – meets a minimum of three times a year and is responsible for oversight of the financial strategy and performance of the charity, and its administrative affairs, including risk management.

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

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

## Charity Governance Code

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

The process has helped focus on areas where some improvements can be made, including looking at how to meet the challenge that many charities face of increasing diversity in the trustee board. A nominations committee has been established and a specialist agency was employed to help with the recruitment of three new trustees with a range of suitable skills.

The trustees and advisers listed on page 66 form part of the Trustee's Strategic Report.

# STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Cobalt Health for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible

for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## STATEMENT OF DISCLOSURE TO AUDITOR

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

## AUDITOR

During the year the charity used its previously appointed auditor, Crowe U.K. LLP, who has been appointed in accordance with Section 485 of the Companies Act 2006. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor. The Annual Report, comprising The Strategic Report and other information, was approved by the trustees on 19th September 2024 and signed on their behalf by

**Philip Leonard, 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 Health ('the charitable company') for the year ended 31 March 2024 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 2024 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 39, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

# 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

2nd October 2024



## STATEMENT OF FINANCIAL ACTIVITIES

(including an Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds	Restricted Funds	2024 Total Funds	2023 Total Funds
<b>INCOME FROM:</b>		£	£	£	£
Donations and legacies	2	396,275	57,763	454,038	782,614
<i>Charitable activities</i>					
Clinical services	3	24,524,912	-	24,524,912	25,674,613
Fundraising activities	4	82,066	16,950	99,016	204,405
Investment income	5	161,140	-	161,140	67,197
Other income	6	123,224	-	123,224	114,045
<b>TOTAL INCOME</b>		<b>25,287,617</b>	<b>74,713</b>	<b>25,362,330</b>	<b>26,842,874</b>
<b>EXPENDITURE ON:</b>					
Fundraising costs	9	344,943	-	344,943	345,062
Charitable activities	9	26,530,141	49,876	26,580,017	25,584,018
<b>TOTAL EXPENDITURE</b>	9	<b>26,875,084</b>	<b>49,876</b>	<b>26,924,960</b>	<b>25,929,080</b>
<b>NET (EXPENDITURE) INCOME</b>		<b>(1,587,467)</b>	<b>24,837</b>	<b>(1,562,630)</b>	<b>913,794</b>
<b>TRANSFERS BETWEEN FUNDS</b>		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(1,587,467)</b>	<b>24,837</b>	<b>(1,562,630)</b>	<b>913,794</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>33,431,874</b>	<b>138</b>	<b>33,432,012</b>	<b>32,518,218</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	20	<b>31,844,407</b>	<b>24,975</b>	<b>31,869,382</b>	<b>33,432,012</b>

# COBALT HEALTH

## BALANCE SHEET

AS AT 31 MARCH 2024

Company number 04366596

	Note	2024 £	2023 £
<strong>FIXED ASSETS</strong>			
Intangible assets	11	77,276	104,082
Tangible fixed assets	12	24,165,483	25,293,206
Investments	13	150,001	150,001
<strong>TOTAL FIXED ASSETS</strong>		<strong>24,392,760</strong>	<strong>25,547,289</strong>
<strong>CURRENT ASSETS</strong>			
Stock	14	60,047	-
Debtors	15	4,717,094	4,417,477
Investments	13	3,204,561	3,095,910
Cash at bank and in hand		3,089,763	4,729,476
<strong>TOTAL CURRENT ASSETS</strong>		<strong>11,071,466</strong>	<strong>12,242,863</strong>
<strong>LIABILITIES</strong>			
Creditors - amounts falling due within one year	16	(3,542,625)	(4,155,194)
<strong>NET CURRENT ASSETS</strong>		<strong>7,528,841</strong>	<strong>8,087,669</strong>
Creditors - amounts falling due greater than one year	16	(52,219)	(202,946)
<strong>TOTAL NET ASSETS</strong>		<strong>31,869,382</strong>	<strong>33,432,012</strong>
<strong>FUNDS OF THE CHARITY</strong>			
<strong>Unrestricted Funds:</strong>			
Tangible fixed assets held for Charity's use	17	24,165,483	25,293,206
Designated funds	18	2,456,810	3,018,109
General fund	17	5,222,114	5,120,559
<strong>TOTAL UNRESTRICTED FUNDS</strong>		<strong>31,844,407</strong>	<strong>33,431,874</strong>
<strong>Restricted funds</strong>	19	<strong>24,975</strong>	<strong>138</strong>
<strong>TOTAL CHARITY FUNDS</strong>	20	<strong>31,869,382</strong>	<strong>33,432,012</strong>

Approved by the Trustees on 19th September 2024  
and signed by Mr Philip Leonard, Chair

# COBALT HEALTH

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	25	<u>556,119</u>	<u>3,852,378</u>
<b>Cash flows from investing activities</b>			
Interest receivable and rents from investments	5,6	278,864	176,469
Purchase of intangible assets		-	-
Proceeds from the sale of fixed assets		5,500	180
Purchase of intangible and tangible fixed assets	11,12	<u>(1,613,340)</u>	<u>(4,975,647)</u>
<b>Net cash (used in) investing activities</b>		<u>(1,328,976)</u>	<u>(4,798,998)</u>
<b>Cash flows from financing activities</b>			
Repayments of borrowing - HP		(145,022)	(139,534)
Repayments of borrowing - Bank loan		<u>(613,183)</u>	<u>(62,633)</u>
<b>Net cash provided by financing activities</b>		<u>(758,205)</u>	<u>(202,167)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(1,531,062)</u>	<u>(1,148,787)</u>
<b>Cash and cash equivalents at the beginning of the year</b>		7,825,386	8,974,173
<b>Cash and cash equivalents at the end of the year</b>	26	<u>6,294,324</u>	<u>7,825,386</u>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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 £6.3m in the bank and on deposit. The Charity is able to meet its planned capital expenditure for 2024/25 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, as described in the Trustees Annual Report, the Charity expects to return to a surplus and generate cash to continue to invest in diagnostic equipment.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

all of the benefits and risks of ownership of the asset remain with the Charity is recognised in the Statement of Financial Activities over the lease term.

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

### **d) Expenditure**

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

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

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

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

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

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

### **e) Redundancy and termination 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, 5-33% 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 value at 31 March 2024. No depreciation is charged on the property and it is reviewed annually for impairment.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### **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) Stock**

Stock is stated at the lower of cost and net realisable value.

### **k) 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.

### **l) 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.

### **m) 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.

### **n) 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.

### **o) 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.

### **p) 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.

### **q) 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 2024

### **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.

### **r) Cash and cash equivalents**

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

### **s) 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.

### **t) 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.

### **u) Operating leases**

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

### **v) 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 2024

### NOTE 2. DONATIONS AND LEGACIES

	2024 £	2023 £
Donations	99,940	107,035
In Memoriam	8,660	11,571
Legacies	<u>345,438</u>	<u>664,008</u>
	<u>454,038</u>	<u>782,614</u>

£74,713 of donations and legacies were restricted (2023 - £65,725 ).

### NOTE 3. CHARITABLE ACTIVITIES

	2024 £	2023 £
<i>Clinical services</i>		
MRI Services	8,990,786	9,549,984
PET/CT and CT Services	<u>15,534,126</u>	<u>16,124,629</u>
	<u>24,524,912</u>	<u>25,674,613</u>

### NOTE 4. INCOME FROM FUNDRAISING ACTIVITIES

	2024 £	2023 £
Events	51,505	60,558
Card Sales	30,561	26,829
Grant income	<u>16,950</u>	<u>117,018</u>
	<u>99,016</u>	<u>204,405</u>

£16,950 of income from fundraising activities were restricted (2023 - £117,018 ).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 5. INVESTMENT INCOME

	2024 £	2023 £
Interest receivable	<u>161,140</u>	<u>67,197</u>

### NOTE 6. OTHER INCOME

	2024 £	2023 £
Rent receivable	117,724	109,272
Surplus on disposal of fixed assets	5,500	-
Delegate Fees, room hire, other income	<u>-</u>	<u>4,773</u>
	<u>123,224</u>	<u>114,045</u>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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

	2024	2023
	£	£
Wages and salaries	6,490,353	5,631,252
Social security costs	674,305	606,517
Pension contributions	799,616	671,523
Other employee benefits	24,571	23,717
	<u>7,988,845</u>	<u>6,933,009</u>

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

	2024	2023
£60,000 - £69,999	14	6
£70,000 - £79,999	8	6
£80,000 - £89,999	2	4
£90,000 - £99,999	2	1
£100,000 - £109,999	1	1
£120,000 - £129,000	1	-
£150,000 - £159,999	-	1
£280,000 - £289,999	<u>1</u>	<u>-</u>

In the year contributions of £59,600 (2023 - £43,351) were made to 1 (2023 - 1) higher paid employee's personal defined contribution scheme. The total emoluments (including pension costs and employer's national insurance contributions) of the 11 members of the Senior Management Team who have day-to-day influence on the activities of the Charity was £1,201,139 (2023 - 8, £830,075). The 11 are the Chief Executive, Finance Director, Fundraising Director, Human Resources Manager, Communications Manager, Education, Training and Research Manager, Quality Manager, Business Administration Manager, 2 Clinical Managers and Finance Manager.

During the year, termination payments amounting to £218,960, were paid.

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

	2024	2023
MRI Services	75	67
PET/CT Services	66	65
Fundraising	5	6
Administration and Management	24	19
Buildings	<u>4</u>	<u>4</u>
	<u>174</u>	<u>161</u>

The average full-time equivalent number of staff for the year was 127 (2023 - 113). No Trustees received remuneration during the year (2023 - Nil).

No Trustees were reimbursed travel expenses during the year (2023 - Nil).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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

Net income is stated after charging/(crediting):	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration:		
Audit	<b>16,090</b>	<b>15,180</b>
Tax advisory	<b>10,437</b>	<b>10,420</b>
Other services	<b>-</b>	<b>240</b>
Depreciation	<b>2,647,977</b>	<b>2,388,570</b>
Amortisation	<b>65,495</b>	<b>65,495</b>
(Surplus)/Deficit on disposal of fixed assets	<b>(5,500)</b>	<b>24,487</b>
Impairment	<b>54,396</b>	<b>-</b>
Operating lease costs	<b>11,706</b>	<b>9,876</b>
Pension contributions	<b>799,616</b>	<b>671,523</b>

### NOTE 9. ANALYSIS OF EXPENDITURE

	<b>Direct Costs £</b>	<b>Support Costs £</b>	<b>Amortisation and Depreciation £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
<b>Raising funds:</b>					
Costs of fundraising and similar activities	<b>182,074</b>	<b>149,414</b>	<b>13,455</b>	<b>344,943</b>	<b>345,062</b>
	<b>182,074</b>	<b>149,414</b>	<b>13,455</b>	<b>344,943</b>	<b>345,062</b>
<b>Charitable activities:</b>					
MRI Services	<b>6,282,792</b>	<b>972,714</b>	<b>1,023,858</b>	<b>8,279,364</b>	<b>9,429,777</b>
PET/CT and CT Services	<b>14,536,125</b>	<b>1,767,696</b>	<b>1,582,964</b>	<b>17,886,785</b>	<b>15,825,929</b>
Charitable Funding	<b>228,816</b>	<b>-</b>	<b>90,929 *</b>	<b>319,745</b>	<b>313,531</b>
Training and Education	<b>78,718</b>	<b>13,139</b>	<b>2,266</b>	<b>94,123</b>	<b>14,781</b>
	<b>21,126,451</b>	<b>2,753,549</b>	<b>2,700,017</b>	<b>26,580,017</b>	<b>25,584,018</b>
<b>TOTAL 2024</b>	<b>21,308,525</b>	<b>2,902,963</b>	<b>2,713,472</b>	<b>26,924,960</b>	<b>25,929,080</b>
<b>TOTAL 2023</b>	<b>21,231,806</b>	<b>2,243,209</b>	<b>2,454,065</b>	<b>25,929,080</b>	

\* Includes depreciation charged against Cobalt House.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 10. SUPPORT COSTS

	Admin Costs £	Building Costs £	Governance Costs £	Total 2024 £	Total 2023 £
MRI Services	730,425	236,244	6,045	972,714	758,273
PET/CT and CT Services	1,507,973	247,243	12,480	1,767,696	1,357,742
Fundraising	117,810	30,629	975	149,414	115,845
Training and Education	-	13,139	-	13,139	11,349
<b>TOTAL 2024</b>	<b>2,356,208</b>	<b>527,255</b>	<b>19,500</b>	<b>2,902,963</b>	<b>2,243,209</b>
<i>TOTAL 2023</i>	<i>1,769,583</i>	<i>455,426</i>	<i>18,200</i>	<i>2,243,209</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 £
<b>Cost</b>	
<i>At 1 April 2023</i>	<i>261,981</i>
<b>Additions</b>	<b>43,507</b>
<b>Disposals</b>	<b>-</b>
<b>Impairment</b>	<b>(46,250)</b>
<b>At 31 March 2024</b>	<b>259,238</b>
<b>Amortisation</b>	
<i>At 1 April 2023</i>	<i>157,899</i>
<b>Charge for year</b>	<b>65,495</b>
<b>Disposals</b>	<b>-</b>
<b>Impairment</b>	<b>(41,432)</b>
<b>At 31 March 2024</b>	<b>181,962</b>
<b>Net Book Value</b>	
<b>At 31 March 2024</b>	<b>77,276</b>
<i>At 31 March 2023</i>	<i>104,082</i>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 12. FIXED ASSETS

	Freehold Land & Buildings £	Medical Equipment £	IT / Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
<i>At 1 April 2023</i>	11,323,012	26,374,412	602,677	73,356	38,373,457
<b>Additions</b>	29,301	1,540,531	-	-	1,569,832
<b>Disposals</b>	-	(89,995)	(49,816)	-	(139,811)
<b>Impairment</b>	-	(174,288)	-	-	(174,288)
<b>At 31 March 2024</b>	<b>11,352,313</b>	<b>27,650,660</b>	<b>552,861</b>	<b>73,356</b>	<b>39,629,190</b>
<b>Depreciation and Impairment</b>					
<i>At 1 April 2023</i>	2,982,493	9,690,176	375,091	32,491	13,080,251
<b>Charge for year</b>	181,858	2,368,158	85,245	12,716	2,647,977
<b>Eliminated on Disposals</b>	-	(89,995)	(49,816)	-	(139,811)
<b>Impairment</b>	-	(124,710)	-	-	(124,710)
<b>At 31 March 2024</b>	<b>3,164,351</b>	<b>11,843,629</b>	<b>410,520</b>	<b>45,207</b>	<b>15,463,707</b>
<b>Net Book Value</b>					
<b>At 31 March 2024</b>	<b>8,187,962</b>	<b>15,807,031</b>	<b>142,341</b>	<b>28,149</b>	<b>24,165,483</b>
<i>At 31 March 2023</i>	<i>8,340,519</i>	<i>16,684,236</i>	<i>227,586</i>	<i>40,865</i>	<i>25,293,206</i>

The net book value of assets held under hire purchase agreements is £454,922 (2023 - £525,819).

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 13. INVESTMENTS

	2024 £	2023 £
<b>Fixed Assets</b>		
Investment in subsidiary	1	1
Investment property	<u>150,000</u>	<u>150,000</u>
<b>Total</b>	<u>150,001</u>	<u>150,001</u>
<b>Current Assets</b>		
Current asset investment - notice deposits	<u>3,204,561</u>	<u>3,095,910</u>

The share capital of Cobalt Unit Appeal Fund Ltd consists of one ordinary share of £1 nominal value and is wholly owned by Cobalt Health.

The subsidiary is dormant and did not trade during the year. Cobalt Unit Appeal Fund Ltd was incorporated in England and Wales (registered no. 09016631) and registered at Linton House Clinic, Thirlestaine Road, Cheltenham, Gloucestershire, GL53 7AS.

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

The Charity has £3.2m invested in a short term deposit with Nationwide.

### NOTE 14. STOCK

	2024 £	2023 £
Fuel Stock	<u>60,047</u>	<u>-</u>

### NOTE 15. DEBTORS

	2024 £	2023 £
Clinical Service fees due	3,846,655	3,359,717
Accrued income	203,769	490,148
Prepayments	<u>666,670</u>	<u>567,612</u>
	<u>4,717,094</u>	<u>4,417,477</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 16. CREDITORS: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	2,144,814	2,309,164
Bank Loan	-	613,183
Accruals	966,220	821,413
Other creditors	15,227	16,529
HP liability	150,727	145,023
Taxation and social security	173,437	166,315
Pension liability	63,298	56,757
Deferred income	28,902	26,810
	<u>3,542,625</u>	<u>4,155,194</u>

The movement in deferred income is set out below:

	Rent and fees received in advance £	Total £
At 1 April 2023	26,810	26,810
Released in the year	(115,924)	(115,924)
Deferred in the year	118,016	118,016
At 31 March 2024	<u>28,902</u>	<u>28,902</u>

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

### CREDITORS: Amounts falling due greater than one year:

	2024 £	2023 £
HP liability	<u>52,219</u>	<u>202,946</u>

A bank loan was taken out in 2020 and was secured by way of a 1st legal charge over the freehold of Linton Cottage. Interest was charged at 1.75% p.a. over Base Rate. The loan was repaid in April 2023.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 17. UNRESTRICTED FUNDS - 2024

	Movement in Funds				Balance at 31 March 2024 £
	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers £	
General Fund	5,120,559	25,287,617	(24,448,037)	(738,025)	5,222,114
Tangible fixed assets held for the Charity's use	25,293,206	-	(2,383,456)	1,255,733	24,165,483
<b>Total</b>	<b>30,413,765</b>	<b>25,287,617</b>	<b>(26,831,493)</b>	<b>517,708</b>	<b>29,387,597</b>

Unrestricted Funds includes a General Fund balance of £5,222,114. This constitutes 2.3 months' working capital requirement. Transfers of £517,708 represent fixed asset additions and disposals in the year, as well as transfers to and from the designated funds, see note 18.

### UNRESTRICTED FUNDS - 2023

	Movement in Funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	
General Fund	4,766,137	26,660,131	(25,313,743)	(991,965)	5,120,559
Tangible fixed assets held for the Charity's use	22,730,795	-	(481,411)	3,043,821	25,293,206
<b>Total</b>	<b>27,496,932</b>	<b>26,660,131</b>	<b>(25,795,154)</b>	<b>2,051,856</b>	<b>30,413,765</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

### NOTE 18. DESIGNATED FUNDS - 2024

	<i>Balance at 1 April 2023</i>	<b>Expenditure</b>	<b>Transfers</b>	<b>Funding of Fixed Assets</b>	<b>Balance at 31 March 2024</b>
	£	£	£	£	£
Capital Equipment Fund	1,756,109	-	505,700	(1,376,999)	884,810
Equipment Replacement Fund	750,000	-	450,000	-	1,200,000
Grants Fund	372,000	(43,590)	43,590	-	372,000
Property Fund	140,000	-	-	(140,000)	-
<b>Total</b>	<b>3,018,109</b>	<b>(43,590)</b>	<b>999,290</b>	<b>(1,516,999)</b>	<b>2,456,810</b>

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

#### Capital Equipment Fund

This fund is reserved for new equipment projects. The £1.75m brought forward has been used to purchase a new CT scanner and a PET/CT relocatable unit, which is due to be completed in July 2024. The remaining funds retained have been set aside to purchase a new Support unit to support our Targeted Lung Health Check operations.

#### Equipment Replacement Fund

This fund is reserved to replace and refresh the installed imaging equipment as part of the Equipment Replacement Plan. £1.2m has been set aside to replace a mobile MRI unit.

#### 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. £44k 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 brought forward were to be used for upgrading the Cheltenham Imaging Centre reception area. This project is now expected in 2025/26, therefore these funds have been released in the short term.

### DESIGNATED FUNDS - 2023

	<i>Balance at 1 April 2022</i>	<b>Expenditure</b>	<b>Transfers</b>	<b>Funding of Fixed Assets</b>	<b>Balance at 31 March 2023</b>
	£	£	£	£	£
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
<b>Total</b>	<b>4,855,786</b>	<b>(93,194)</b>	<b>2,629,039</b>	<b>(4,373,522)</b>	<b>3,018,109</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 19. RESTRICTED FUNDS - 2024

	Balance at 1 April 2023	Income	Expenditure	Funding of Fixed Assets	Balance at 31 March 2024
	£	£	£	£	£
Breast Cancer Research Nurses Fund	-	11,135	(11,135)	-	-
TYA Nurse Fund	138	58,994	(34,598)	-	24,534
Cancer General Fund	-	1,021	(1,021)	-	-
Dementia Research Fund	-	463	(463)	-	-
Equipment Fund	-	2,409	(2,409)	-	-
Prostate Cancer Fund	-	441	-	-	441
Research Fund	-	250	(250)	-	-
<b>TOTAL</b>	<b>138</b>	<b>74,713</b>	<b>(49,876)</b>	<b>-</b>	<b>24,975</b>

Restricted funds held totalled £25k at the balance sheet date. In the year restricted funds were used for specifically allocated initiatives and equipment purchases.

#### Breast Cancer Research Nurses Fund

To fund breast cancer research nurses.

#### TYA Nurse Fund

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

#### Cancer General Fund

The fund is used to support the Charity's work providing free scans for oncology patients.

#### Dementia Research 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 is used to support the purchase of equipment in the year.

#### Prostate Cancer Fund

The fund will be used to support PET/CT prostate specific scans.

#### Research Fund

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

### RESTRICTED FUNDS - 2023

	Balance at 1 April 2022	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 Nurses Fund	6,000	583	(6,583)	-	-
Equipment Fund	159,500	147,873	-	(307,373)	-
Research Fund	-	343	(343)	-	-
<b>TOTAL</b>	<b>165,500</b>	<b>182,743</b>	<b>(40,732)</b>	<b>(307,373)</b>	<b>138</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 20. ANALYSIS OF NET ASSETS - 2024

	Intangible Assets	Fixed Assets and investments	Net Current Assets	Creditors due greater than one year	Total 2024
	£	£	£	£	£
<b>Unrestricted Funds</b>					
General Fund	77,276	150,001	5,047,056	(52,219)	5,222,114
Tangible Fixed Assets held for Charity use	-	24,165,483	-	-	24,165,483
<b>Total Unrestricted Funds</b>	<b>77,276</b>	<b>24,315,484</b>	<b>5,047,056</b>	<b>(52,219)</b>	<b>29,387,597</b>
<b>Designated Funds</b>					
Capital Equipment Fund	-	-	884,810	-	884,810
Grants Fund	-	-	372,000	-	372,000
Equipment Replacement Fund	-	-	1,200,000	-	1,200,000
Property Fund	-	-	-	-	-
<b>Total Designated Funds</b>	<b>-</b>	<b>-</b>	<b>2,456,810</b>	<b>-</b>	<b>2,456,810</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>	<b>24,975</b>	<b>-</b>	<b>24,975</b>
<b>Total Funds</b>	<b>77,276</b>	<b>24,315,484</b>	<b>7,528,841</b>	<b>(52,219)</b>	<b>31,869,382</b>

### ANALYSIS OF NET ASSETS - 2023

	Intangible Assets	Fixed Assets	Net Current Assets	Creditors due greater than one year	Total 2023
	£	£	£	£	£
<b>Unrestricted Funds</b>					
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
<b>Total Unrestricted Funds</b>	<b>104,082</b>	<b>25,443,207</b>	<b>5,069,422</b>	<b>(202,946)</b>	<b>30,413,765</b>
<b>Designated Funds</b>					
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
<b>Total Designated Funds</b>	<b>-</b>	<b>-</b>	<b>3,018,109</b>	<b>-</b>	<b>3,018,109</b>
<b>Restricted Funds</b>	<b>-</b>	<b>-</b>	<b>138</b>	<b>-</b>	<b>138</b>
<b>Total Funds</b>	<b>104,082</b>	<b>25,443,207</b>	<b>8,087,669</b>	<b>(202,946)</b>	<b>33,432,012</b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 21. CAPITAL COMMITMENTS

	2024 £	2023 £
Future capital expenditure not otherwise included in the financial statements at the balance sheet date:		
Expenditure contracted for	922,310	900,856
Approved, not contracted for at year end	122,210	-
<b>Total</b>	<b>1,044,520</b>	<b>900,856</b>

### NOTE 22. 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 (retired Trustee) is a Director and shareholder, provided a staff survey to Cobalt for £3,180 (2023 - £2,730).

### NOTE 23. LIABILITIES UNDER OPERATING LEASES

At 31 March 2024, the Charity had total commitments under non-cancellable operating leases in respect of equipment as follows:

	2024 £	2023 £
Within one year	11,706	11,706
Between one and five years	27,293	38,998
<b>Total</b>	<b>38,999</b>	<b>50,704</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 24. ASSETS RECEIVABLE UNDER OPERATING LEASES

At 31 March 2024, the Charity had assets receivable under non-cancellable operating leases in respect of rental income of Cobalt House as follows:

	2024	2023
	£	£
Within one year	35,853	101,956
Between one and five years	1,800	37,653
<b>Total</b>	<b>37,653</b>	<b>139,609</b>

### NOTE 25. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2024	2023
<b>Net (expenditure)/income for the reporting period</b> (as per the statement of financial activities)	<b>(1,562,630)</b>	<b>913,794</b>
<b>Adjustments for:</b>		
Depreciation and amortisation charges	2,713,472	2,454,065
Impairment	54,396	-
Dividends, interest and rent from investments	(278,864)	(176,469)
(Surplus)/Deficit on sale of fixed assets	(5,500)	24,487
(Increase) in stock	(60,047)	-
(Increase) in debtors	(299,617)	(432,956)
(Decrease)/Increase in creditors	(5,091)	1,069,457
<b>Net cash provided by operating activities</b>	<b>556,119</b>	<b>3,852,378</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 26. ANALYSIS OF CHANGES IN NET CASH/DEBT

	2023	Cashflows	Other non-	2024
	£	£	£	£
Cash at bank and in hand	4,729,476	(1,639,713)	-	3,089,763
Current asset investments:				
Notice deposits	3,095,910	108,651	-	3,204,561
<b>Total</b>	<b>7,825,386</b>	<b>(1,531,062)</b>	<b>-</b>	<b>6,294,324</b>
Loans falling due within one year	(613,183)	613,183	-	-
Hire purchase obligations	(347,968)	145,022	-	(202,946)
<b>Total</b>	<b>6,864,235</b>	<b>(772,857)</b>	<b>-</b>	<b>6,091,378</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### NOTE 26. 2023 STATEMENT OF FINANCIAL ACTIVITIES

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



# TRUSTEES, EXECUTIVE AND ADVISERS

Trustees and Directors	Philip Leonard (Chair)	(appointed 16th November 2023)
	Dr Susan Owen (Chair)	(resigned 16th November 2023)
	Neil Holbrook (Chair)	(resigned 29th June 2023)
	Ruth Goddard	
	Claire Morris	
	Dr Janet Ropner	
	Pamela Sissons	
	Dr Valerie Udale	
	Dr Felicity Jenkins	(appointed 16th November 2023)
	Mr Matt Jones	(appointed 16th November 2023)
	Prof Gordon Wilcock	(appointed 9th January 2024)
Chief Executive Officer	Malcolm J MacKeith	(appointed 8th December 2023)
Chief Executive Officer	Peter J Sharpe	(resigned 8th December 2023)
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 services 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](http://www.cobalthhealth.co.uk)

Charity Registration Number: 1090790

Company Number: 04366596

Cobalt Health trading as Cobalt



# Cobalt

Medical Charity

Diagnosis • Research • Education