

# Report & Financial Statements

**Year Ended  
31 March 2002**

Prepared for

**THE COCHRANE  
COLLABORATION**

(A company limited by guarantee)

**Company Number: 3144323**

**Charity Number: 1045921**

## THE COCHRANE COLLABORATION

Registered in England  
Company Number: 3044323

Charity Number: 1045921

### STEERING GROUP

Dr G Antes  
Dr K Clark  
Dr MJ Clarke  
Dr V Demicheli  
Ms D Gherzi  
Prof DJ Henderson-Smart  
Ms R Jepson  
Prof P Langhorne (Chair)  
Prof Y Li  
Prof JP Neilson  
Mr S Ochieng  
Dr S Simi  
Ms E Telaro  
Prof D Wilkinson

### REGISTERED OFFICE

Summertown Pavilion  
Middle Way  
Oxford  
OX2 7LG

### COMPANY SECRETARY

Dr Malcolm Newdick

### AUDITORS

Mazars Neville Russell  
Chartered Accountants  
St. Thomas House  
6 Becket Street  
Oxford  
OX1 1PP

### BANKERS

National Westminster Bank plc  
249 Banbury Road  
Summertown  
Oxford  
OX2 7HR

# THE COCHRANE COLLABORATION

31 March 2002

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**THE COCHRANE COLLABORATION  
REPORT OF THE STEERING GROUP**

**31 MARCH 2002**

The Steering Group of the Cochrane Collaboration presents their report and financial statements for the year ended 31 March 2002. The charity was incorporated on 10 April 1995. The Cochrane Collaboration is a registered charity (number 1045921), and is a company limited by guarantee (company number 3044323). The charity's governing instruments are its Memorandum and Articles of Association. The Steering Group set out in the table below have held office during the whole of the year from 1 April 2001 to the date of this report, unless otherwise stated.

|                             | Appointed       | Resigned        |
|-----------------------------|-----------------|-----------------|
| Dr G Antes                  |                 |                 |
| Ms H Bastian                |                 | 13 October 2001 |
| Dr K Clark                  | 13 October 2001 |                 |
| Dr MJ Clarke (Deputy Chair) |                 |                 |
| Dr V Demicheli              |                 |                 |
| Ms D Gherzi                 |                 |                 |
| Prof DJ Henderson-Smart     | 13 October 2001 |                 |
| Ms R Jepson                 |                 |                 |
| Prof P Langhorne (Chair)    |                 |                 |
| Prof Y Li                   |                 |                 |
| Prof JP Neilson             |                 |                 |
| Mr S Ochieng                |                 |                 |
| Dr S Simi                   | 13 October 2001 |                 |
| Ms E Telaro                 |                 |                 |
| Dr JA Volmink               |                 | 23 April 2001   |
| Prof D Wilkinson            |                 |                 |
| Dr CJ Williams              |                 | 13 October 2001 |

In accordance with the Articles of Association, approximately one-third of the members of the Steering Group retire by rotation each year, but are eligible for re-election.

Dr M J Clarke was Chair of the Steering Group from October 2000 to March 2001. He became Deputy Chair on 1 April 2001, when Prof P Langhorne took over as Chair.

**THE STEERING GROUP'S RESPONSIBILITIES**

Law applicable to charities in England and Wales requires the Steering Group to prepare financial statements for each financial year that give a true and fair view of the charity's financial activities during the year, and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Steering Group should follow best practice and

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operation.

The Steering Group is responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity, and hence for taking reasonable steps for the prevention and detection of fraud.

### **MISSION STATEMENT**

The Cochrane Collaboration is an international organisation that aims to help people make well-informed decisions about healthcare by preparing, maintaining and promoting the accessibility of systematic reviews of the effects of healthcare interventions.

### **PRINCIPLES**

The Cochrane Collaboration's work is based on ten key principles:

- *Collaboration* .. by internally and externally fostering good communications, open decision-making and teamwork.
- *Building on the enthusiasm of individuals* .. by involving and supporting people of different skills and backgrounds.
- *Avoiding duplication* .. by good management and co-ordination to maximum economy and effort.
- *Minimising bias* .. through a variety of approaches such as scientific rigour, ensuring broad participation, and avoiding conflicts of interest.
- *Keeping up to date* .. by a commitment to ensure that Cochrane Reviews are maintained through identification and incorporation of new evidence.
- *Striving for relevance* .. by promoting the assessment of healthcare interventions using outcomes that matter to people making choices in health care.
- *Promoting access* .. by wide dissemination of the outputs of the Collaboration, taking advantage of strategic alliances, and promoting appropriate prices, content and media to meet the needs of users worldwide.
- *Ensuring quality* .. by being open and responsive to criticism, applying advances in methodology, and developing systems for quality improvement.
- *Continuity* .. by ensuring that responsibility for reviews, editorial processes and key functions is maintained and renewed.
- *Enabling wide participation* in the work of the Collaboration by reducing barriers to contributing and by encouraging diversity.

### **MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Cochrane Collaboration is a not-for-profit organisation, established as a company, limited by guarantee, having no share capital, and registered as a charity in the UK under the Charities Act 1993. The members of the Steering Group are the guarantors of the company, each to a maximum of £10. A copy of the organisation's Memorandum and Articles of Association can be obtained from its web site (<http://www.cochrane.org>).

### **THE COCHRANE COLLABORATION STEERING GROUP (CCSG)**

All registered entities are eligible to vote in the election of members to the CCSG, and to vote at the Annual General Meeting of the Cochrane Collaboration. The CCSG had fourteen members in the year 2001/2002 elected by the overall membership of the Collaboration for

three years, with annual rotation of a proportion of its members. The CCSG meets once during the annual Cochrane Colloquium and on one other occasion in the year. The minutes of its meetings can be obtained from the Collaboration's web site.

In between these meetings, various working groups have regular meetings by telephone conference. In the year 2001/2002 these working groups, accountable to the CCSG, were as follows:

**Sub-Groups of the Steering Group:**

- **The Executive Group**, responsible for making interim decisions on behalf of the full Steering Group between its bi-annual meetings on issues other than monitoring and registration, and publishing policy. Also responsible for co-ordinating and ensuring good communication among groups responsible for core functions and the Steering Group.
- **The Monitoring and Registration Group**, responsible for establishing and implementing processes for monitoring and registering entities, and for making recommendations to the full Steering Group about de-registration of an entity.
- **The Publishing Policy Group**, responsible for providing advice on the contents of the Cochrane Collaboration's products, and overseeing the pricing, distribution and marketing arrangements for these products.

**Advisory Groups to the Steering Group:**

- **The CENTRAL/CCTR Advisory Group**, responsible for ensuring that collaborative review groups are helped to develop and maintain specialised registers of controlled trials falling within their respective scopes. Also responsible for developing a management plan for CENTRAL and the Cochrane Controlled Trials Register.
- **The Cochrane Library Users' Group**, responsible for advising on the content and design of *The Cochrane Library*.
- **The Colloquium Policy Advisory Group**, responsible for maintaining a record of policy decisions about Cochrane Colloquia, moving forward new policies after appropriate consultation, and helping to ensure that hosts of future Colloquia know about and adhere to such policies.
- **The Criticism Management Advisory Group**, responsible for advising on policies and procedures for managing comments and criticisms of Cochrane Reviews.
- **The Handbook Advisory Group**, responsible for the Cochrane Reviewers' Handbook for preparing and maintaining systematic reviews.
- **The Information Management System Group**, responsible for managing the development of the Information Management System, including Review Manager (RevMan), Module Manager (ModMan), Criticism Manager (CritMan) and potentially other software.
- **The Quality Advisory Group**, responsible for co-ordinating activities aimed at improving the quality of Cochrane Reviews.

- The Collaboration Secretariat, responsible for supporting the CCSG and groups accountable to it.

### STRATEGIC PLAN

The Cochrane Collaboration has developed a set of goals and objectives that are outlined in its Strategic Plan, available from the Collaboration's web site (<http://www.cochrane.org>). This Plan, which guided the Collaboration's evolution over the years 1996 to 2002, is currently under revision, and will be formally presented during the Cochrane Colloquium in Stavanger, Norway, in August 2002.

### REVIEW OF THE FINANCIAL YEAR

The principal activity of the charity is the protection and preservation of public health through the preparation, maintenance and dissemination of systematic reviews of the effects of health care.

Both the level of business and the year-end financial position were highly satisfactory, and the Steering Group expect that the increased level of subscriptions to *The Cochrane Library* will be sustained for the foreseeable future. The Collaboration Trading Company Limited (the CTC), a wholly owned trading subsidiary of the Cochrane Collaboration, continued to receive monies that the Collaboration is unable to receive, due to its charitable status. As a result, all profits made by the CTC are donated to the Cochrane Collaboration under the Gift Aid scheme to support its charitable activities. The Directors of the CTC are Prof Jos Kleijnen and Ms Monica Fischer (ex-members of the CCSG), and Dr Malcolm Newdick, the Company Secretary of both the Cochrane Collaboration and the Collaboration Trading Company Limited. Prof Chris Silagy, a former Chair of the Steering Group and subsequently a Director of the CTC, died in December 2001. A new Director will be appointed at the Annual General Meeting in August 2002.

The results of the charity and the trading company combined, for the year ended 31 March 2002, are set out in the financial statements on pages 7 to 13.

The Collaboration Trading Company's income in 2001/2002 consisted mainly of royalties from subscriptions to *The Cochrane Library*.

In the financial year ending on 31 March 2002, donations totalling £12,138 were made from the Cochrane Collaboration's Discretionary (£1,744) and Contingency (£10,394) Funds.

### FUTURE DEVELOPMENTS

The major developments in the coming year are the drawing up of a new contract to publish the Cochrane Collaboration's output, the employment of an Executive Officer by the Collaboration Trading Company, and the agreement of a new strategic plan.

### RISK ASSESSMENT

An assessment of risk was carried out on 27 May 2002 in which governance, operational, external and financial risks were considered and appropriate measures were taken to reduce or mitigate risks where applicable. The results were tabulated and where gaps in existing procedures were identified, individuals were nominated to implement the necessary changes. This is an ongoing process and will be reviewed annually by the Steering Group.

**INVESTMENT POLICY**

The charity's current policy regarding investment is to put all surplus income into two ten-day interest-bearing accounts. The funds for these items of expenditure need to be readily available, in keeping with the notice periods on these accounts. Commitments have been made to employing a Chief Executive Officer for the Collaboration, to undertaking projects to copy edit Cochrane reviews (both retrospectively and prospectively), to improve the Information Management System, and possibly to improve the CENTRAL database (a decision on this will be reached during the Stavanger Colloquium).

**RESERVES POLICY**

The Cochrane Collaboration has a policy to reserve ten percent of its incoming resources to provide a buffer against fund shortages and to allow greater flexibility in meeting its charitable objectives. This is added to the Cochrane Collaboration's Contingency Fund.

In addition, the Collaboration has a Discretionary Fund for items of up to £2,000 which will be of Collaboration-wide benefit. Expenditure from this fund is approved by the Executive of the Steering Group on a first-come, first-served basis, up to an annual total expenditure of £10,000.

The Contingency Fund is primarily a cash reserve to fund the running costs of the Secretariat for one year. It can also be used for larger items of expenditure than are permitted from the Discretionary Fund, with no predetermined limit, in particular for items of Collaboration-wide benefit; decisions on expenditure from this fund are made by the Steering Group.

**AUDITORS**

Mazars Neville Russell have expressed their willingness to continue in office and a resolution proposing their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the board on 1 August 2002  
and signed on its behalf by

Dr Michael J Clarke, Trustee

Summertown Pavilion  
Middle Way  
Oxford OX2 7LG



**INDEPENDENT AUDITORS' REPORT TO THE STEERING GROUP MEMBERS  
OF THE COCHRANE COLLABORATION**

We have audited the financial statements on pages 7 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

**RESPECTIVE RESPONSIBILITIES OF THE STEERING GROUP AND AUDITORS**

As described in the Steering Groups Responsibilities, the Steering Group, who are also the directors of The Cochrane Collaboration for the purposes of Company Law, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Steering Group's Report is not consistent with the financial statements, if the charitable company and the group have not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Steering Group members' remuneration and transactions with the charitable company and the group are not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information.

**BASIS OF OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Steering Group in the preparation of financial statements, and of whether the accounting policies are appropriate to the charitable company's and the group's circumstances, and are consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In our opinion, the financial statements give a true and fair view of the state of affairs of the charitable company and the group as at 31 March 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

**Mazars Neville Russell**

**CHARTERED ACCOUNTANTS**

and Registered Auditors

St Thomas House 6 Becket Street Oxford OX1 1PP

1 August 2002

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2002

|   | Note  | Restricted<br>£ | Unrestricted<br>£ | Group<br>March 2002<br>£ | Group<br>March 2001<br>£<br>As restated |
|---|-------|-----------------|-------------------|--------------------------|---|
| <b>INCOMING RESOURCES</b>                                   |       |                 |                   |                          |   |
| Donations   |       | 15,384          | -                 | 15,384                   | 17,808                                  |
| Less: deferred income                                       |       | (7,051)         | -                 | (7,051)                  | -                                       |
| Royalties   |       | -               | 356,928           | 356,928                  | 283,070                                 |
| Investment Income - Interest Received                       | 3     | 251             | 12,135            | 12,386                   | 2,307                                   |
| <b>Total Incoming Resources</b>                             |       | <b>8,584</b>    | <b>369,063</b>    | <b>377,647</b>           | <b>303,185</b>                          |
| <b>CHARITABLE EXPENDITURE</b>                               |       |                 |                   |                          |   |
| Scholarship in furtherance of charitable objectives         | 5     | 7,091           | -                 | 7,091                    | -                                       |
| Costs of activities in furtherance of charitable objectives | 6     | 1,575           | 165,245           | 166,820                  | 113,966                                 |
| Management and Administration                               | 7     | -               | 60,661            | 60,661                   | 40,444                                  |
| <b>Total Resources Expended</b>                             | 8     | <b>8,666</b>    | <b>225,906</b>    | <b>234,572</b>           | <b>154,410</b>                          |
| <b>Net Incoming/(Outgoing) Resources</b>                    |       | <b>(82)</b>     | <b>143,157</b>    | <b>143,075</b>           | <b>148,775</b>                          |
| Fund balances brought forward at 1 April 2001               |       | 22,651          | 306,218           | 328,869                  | 180,094                                 |
| <b>FUND BALANCES CARRIED FORWARD AT 31 MARCH 2002</b>       | 14,15 | <b>£22,569</b>  | <b>£449,375</b>   | <b>£471,944</b>          | <b>£328,869</b>                         |

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

The charity's incoming resources and expended resources all relate to continuing operations.

The notes on pages 9 to 15 form part of these accounts.

## BALANCE SHEETS

For the year ended 31 March 2002

|  |      | Cochrane<br>Collaboration | Group                 | Cochrane<br>Collaboration | Group                 |
|--|------|---------------------------|-----------------------|---------------------------|-----------------------|
|  | Note | 31 March<br>2002<br>£     | 31 March<br>2002<br>£ | 31 March<br>2001<br>£     | 31 March<br>2001<br>£ |
| <b>FIXED ASSETS</b>  |      |                           |                       |                           |                       |
| Fixtures and Fittings                                      | 10   | -                         | 5,109                 | -                         | -                     |
| Investment in Subsidiary                                   | 11   | 100                       | -                     | 100                       | -                     |
|  |      | <u>100</u>                | <u>5,109</u>          | <u>100</u>                | <u>-</u>              |
| <b>CURRENT ASSETS</b>                                      |      |                           |                       |                           |                       |
| Debtors  | 12   | 212,658                   | 71,325                | 184,983                   | 73,272                |
| Cash at bank and in hand                                   |      | 275,067                   | 452,702               | 147,886                   | 288,464               |
|  |      | 487,725                   | 524,027               | 332,869                   | 361,736               |
| <b>CREDITORS - AMOUNTS FALLING<br/>DUE WITHIN ONE YEAR</b> |      |                           |                       |                           |                       |
|  | 13   | (15,843)                  | (57,192)              | (4,062)                   | (32,867)              |
|  |      | <u>£471,882</u>           | <u>£466,835</u>       | <u>£328,807</u>           | <u>£328,869</u>       |
| <b>NET CURRENT ASSETS</b>                                  |      |                           |                       |                           |                       |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b>           |      |                           |                       |                           |                       |
|  |      | <u>£471,982</u>           | <u>£471,944</u>       | <u>£328,907</u>           | <u>£328,869</u>       |
| <b>INCOME FUNDS</b>  |      |                           |                       |                           |                       |
| Restricted funds   | 14   | 22,569                    | 22,569                | 22,651                    | 22,651                |
| Unrestricted funds:  |      |                           |                       |                           |                       |
| Designated   | 15   | 160,000                   | 160,000               | 105,000                   | 105,000               |
| Other unrestricted   |      | 289,413                   | 289,375               | 201,256                   | 201,218               |
|  | 16   | <u>£471,982</u>           | <u>£471,944</u>       | <u>£328,907</u>           | <u>£328,869</u>       |

The notes on pages 9 to 15 form part of these accounts.

Approved by the trustees on 1 August 2002

Dr Michael J Clarke  
Steering Group Member

**NOTES TO THE ACCOUNTS**

For the year ended 31 March 2002

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards including the provisions of the Statement of Recommended Practice 2000 for Charities issued by the Charities Commission with the approval of the Accounting Standards Board and the Charities Regulations.

The charity's main accounting policies are as follows:

**a) Accounting Convention**

The financial statements are prepared under the historical cost convention.

**b) Income**

Charity income includes royalties from the sale of The Cochrane Library credited to the trading company.

**c) Expenditure**

Expenditure shown in the accounts includes accruals for goods and services rendered up to the financial period end.

**d) Fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the costs less estimated residual value of each asset over its expected useful life, as follows:

|                                  |                          |
|----------------------------------|--------------------------|
| Plant and machinery              | 33% Straight Line Method |
| Fixtures, fittings and equipment | 25% Straight Line Method |

**e) Basis of Consolidation**

The income and expenditure and assets and liabilities of the Collaboration Trading Company Limited are consolidated within the results of The Cochrane Collaboration.

All amounts in respect of inter-company balances and transactions have been eliminated in arriving at the group figures.

Amounts disclosed in the accounts under the Trading Company column in the Notes to the Accounts are for information purposes only.

**f) Restricted funds**

Some income is donated to the charity on the understanding that it is to be used for a specific project as specified by the donor.

**g) Unrestricted Funds**

Unrestricted funds represent revenue grants and donations and interest receivable etc., which can be applied to the objects of the charity.

**h) Reserving policy**

The Cochrane Collaboration holds unrestricted reserves at a level necessary for the organisation to continue to meet its current needs.

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

## 2. SURPLUS FOR THE FINANCIAL YEAR

|  | Cochrane Collaboration |             |       |       |
|--|------------------------|-------------|-------|-------|
|  | Collaboration          | Trading Co. | Group | Group |
|  | 2002                   | 2002        | 2002  | 2001  |
|  | £                      | £           | £     | £     |
| The surplus is after charging:             |                        |             |       |       |
| Operating leases - rent                    | -                      | 6,352       | 6,352 | 5,065 |
| Auditors remuneration - audit services     | 3,500                  | 1,500       | 5,000 | 5,250 |
| Auditors remuneration - non audit services | 500                    | 1,100       | 1,600 | 500   |

## 3. INTEREST RECEIVABLE AND SIMILAR INCOME

|               | Cochrane Collaboration |             |         |        |
|---------------|------------------------|-------------|---------|--------|
|               | Collaboration          | Trading Co. | Group   | Group  |
|               | 2002                   | 2002        | 2002    | 2001   |
|               | £                      | £           | £       | £      |
| Bank interest | £6,756                 | £5,630      | £12,386 | £2,307 |

## 4. TAXATION

The Cochrane Collaboration is a registered charity, and is therefore not liable to corporation tax on its charitable activities. The Collaboration Trading Company is not a charity and is therefore subject to corporation tax on its activities. However, the net profit chargeable to corporation tax on its trading activities will be donated in full to its charitable parent entity.

## 5. SCHOLARSHIP IN FURTHERANCE OF CHARITABLE OBJECTIVES

|                                 | Cochrane      | Cochrane      |
|---------------------------------|---------------|---------------|
|                                 | Collaboration | Collaboration |
|                                 | and Group     | and Group     |
|                                 | Total         | Total         |
|                                 | 2002          | 2001          |
|                                 | £             | £             |
| Aubrey Sheiham Scholarship Paid | 7,091         | -             |

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

## 6. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES

|                                 | Cochrane Collaboration |                     | Group<br>2002   | Group<br>2001   |
|---------------------------------|------------------------|---------------------|-----------------|-----------------|
|                                 | Collaboration<br>2002  | Trading Co.<br>2002 |                 |                 |
|                                 | £                      | £                   | £               | £               |
|                                 |                        |                     |                 | As restated     |
| Consultancy Fee                 | 3,692                  | -                   | 3,692           | -               |
| Staff salaries                  | -                      | 88,263              | 88,263          | 62,127          |
| Staff travel and other expenses | -                      | 19,891              | 19,891          | 6,227           |
| Steering Group expenses         | 49,969                 | -                   | 49,969          | 44,716          |
| Promotion                       | -                      | 3,430               | 3,430           | 896             |
| Kenneth Warren Prize            | 1,575                  | -                   | 1,575           | -               |
|                                 | <u>£55,236</u>         | <u>£111,584</u>     | <u>£166,820</u> | <u>£113,966</u> |

The only restricted fund costs of activities in furtherance of charitable objectives is the Kenneth Warren Prize expenditure. All other expenditure are unrestricted.

## 7. MANAGEMENT AND ADMINISTRATION

|                                  | Cochrane Collaboration |                     | Group<br>2002  | Group<br>2001  |
|----------------------------------|------------------------|---------------------|----------------|----------------|
|                                  | Collaboration<br>2002  | Trading Co.<br>2002 |                |                |
|                                  | £                      | £                   | £              | £              |
|                                  |                        |                     |                | As restated    |
| Printing, postage and stationery | 809                    | 7,711               | 8,520          | 2,729          |
| Telephone                        | 257                    | 2,014               | 2,271          | 6,288          |
| Insurance                        | 1,275                  | 347                 | 1,622          | 1,414          |
| Audit and accountancy            | 3,750                  | 1,500               | 5,250          | 5,250          |
| Bank interest and charges        | 121                    | 174                 | 295            | 468            |
| Training                         | -                      | -                   | -              | 215            |
| Legal and professional           | 447                    | 6,440               | 6,887          | 8,500          |
| Sundry Expenses                  | 646                    | 502                 | 1,148          | 240            |
| Advertising                      | 2,936                  | 3,065               | 6,001          | -              |
| Donations to other organisations | 11,138                 | 1,000               | 12,138         | 3,060          |
| Repairs                          | -                      | 150                 | 150            | 617            |
| Depreciation                     | -                      | 2,022               | 2,022          | -              |
| Office Relocation                | -                      | 2,606               | 2,606          | -              |
| Computer and Office              | -                      | 2,180               | 2,180          | 3,443          |
| Rent and rates                   | -                      | 9,571               | 9,571          | 8,220          |
|                                  | <u>£21,379</u>         | <u>£39,282</u>      | <u>£60,661</u> | <u>£40,444</u> |

All management and administration expenditure are unrestricted.

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

## 8. TOTAL RESOURCES EXPENDED

|   | Staff<br>£     | Depreciation<br>£ | Other<br>£      | Group<br>2002<br>Total<br>£ | Group<br>2001<br>Total<br>£<br>As restated |
|---|----------------|-------------------|-----------------|-----------------------------|--|
| Scholarship in furtherance of charitable objectives         | -              | -                 | 7,091           | 7,091                       | -  |
| Costs of activities in furtherance of charitable objectives | 88,263         | -                 | 78,557          | 166,820                     | 113,966                                    |
| Management and Administration                               | -              | 2,022             | 58,639          | 60,661                      | 40,444                                     |
|   | <u>£88,263</u> | <u>£2,022</u>     | <u>£144,287</u> | <u>£234,572</u>             | <u>£154,410</u>                            |

## 9. TOTAL STAFF COSTS

|                       | Cochrane Collaboration     |                          | Group          | Group                    |
|-----------------------|----------------------------|--------------------------|----------------|--------------------------|
|                       | Collaboration<br>2002<br>£ | Trading Co.<br>2002<br>£ | 2002<br>£      | 2001<br>£<br>As restated |
| Wages and salaries    | -                          | 81,135                   | 81,135         | 55,284                   |
| Social security costs | -                          | 7,128                    | 7,128          | 6,843                    |
|                       | <u>£0</u>                  | <u>£88,263</u>           | <u>£88,263</u> | <u>£62,127</u>           |

The average number of employees analysed by function was:

|                               |          |          |
|-------------------------------|----------|----------|
| Management and administration | <u>3</u> | <u>2</u> |
|-------------------------------|----------|----------|

No employee earned £50,000 or more.

**Trustees' remuneration and expenses**

The trustees received no remuneration during the year, apart from reimbursement of direct expenses for attendance at trustees' meetings of £49,969 (2001: £44,716).

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

## 10. FIXED ASSETS

|                       | Computer<br>Equipment<br>£ | Fixtures &<br>Fittings<br>£ | Total<br>£    |
|-----------------------|----------------------------|-----------------------------|---------------|
| <b>Cost</b>           |                            |                             |               |
| As at 1 April 2001    | -                          | -                           | -             |
| Additions             | 2,867                      | 4,264                       | 7,131         |
| As at 31 March 2002   | <u>2,867</u>               | <u>4,264</u>                | <u>7,131</u>  |
| <b>Depreciation</b>   |                            |                             |               |
| As at 1 April 2001    | -                          | -                           | -             |
| Charge for the year   | 956                        | 1,066                       | 2,022         |
| As at 31 March 2002   | <u>956</u>                 | <u>1,066</u>                | <u>2,022</u>  |
| <b>Net Book Value</b> |                            |                             |               |
| As at 31 March 2002   | <u>£1,911</u>              | <u>£3,198</u>               | <u>£5,109</u> |
| As at 31 March 2001   | <u>£0</u>                  | <u>£0</u>                   | <u>£0</u>     |

All fixed assets are held by the subsidiary undertaking.

## 11. FIXED ASSET INVESTMENTS

|  | Cochrane<br>Collaboration<br>2002<br>£ | Cochrane<br>Group<br>2002<br>£ | Cochrane<br>Collaboration<br>2001<br>£ | Group<br>2001<br>£ |
|--|--|--------------------------------|--|--------------------|
| Investment in Collaboration Trading<br>Company Limited | 100                                    | -                              | 100                                    | -                  |

The investment in Collaboration Trading Company Limited represents a 100% shareholding. All figures have been included in the consolidation.

## 12. DEBTORS

|                            | Cochrane<br>Collaboration<br>2002<br>£ | Cochrane<br>Group<br>2002<br>£ | Cochrane<br>Collaboration<br>2001<br>£ | Group<br>2001<br>£ |
|----------------------------|--|--------------------------------|--|--------------------|
| Other debtors              | 826                                    | 1,050                          | 790                                    | 990                |
| Accrued income             | -                                      | 70,275                         | -                                      | 72,282             |
| Amount due from subsidiary | 211,832                                | -                              | 184,193                                | -                  |
|                            | <u>£212,658</u>                        | <u>£71,325</u>                 | <u>£184,983</u>                        | <u>£73,272</u>     |



**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2002

**13. CREDITORS: AMOUNTS FALLING DUE  
IN LESS THAN ONE YEAR**

|                              | Cochrane<br>Collaboration<br>2002<br>£ | Group<br>2002<br>£ | Cochrane<br>Collaboration<br>2001<br>£ | Group<br>2001<br>£ |
|------------------------------|--|--------------------|--|--------------------|
| VAT creditors                | -                                      | 13,668             | -                                      | 14,383             |
| Deferred income and accruals | 15,843                                 | 43,524             | 4,062                                  | 18,484             |
|                              | <u>£15,843</u>                         | <u>£57,192</u>     | <u>£4,062</u>                          | <u>£32,867</u>     |

Included in deferred income is an amount of £7,051 relating to the Aubrey Sheiham fund.  
This amount was received during the year but relates to the year ended 31 March 2003.

**14. RESTRICTED FUNDS**

|                                 | Balance as at<br>1 April 2001<br>£ | Incoming<br>resources<br>£ | Expenditure<br>31 March 2002<br>£ | Balance as at<br>31 March 2002<br>£ |
|---------------------------------|------------------------------------|----------------------------|-----------------------------------|-------------------------------------|
| Kenneth Warren Prize Fund       | 22,651                             | 251                        | 1,575                             | 21,327                              |
| Aubrey Sheiham Scholarship Fund | -                                  | 8,333                      | 7,091                             | 1,242                               |
|                                 | <u>£22,651</u>                     | <u>£8,584</u>              | <u>£8,666</u>                     | <u>£22,569</u>                      |

The Kenneth Warren Prize Fund has been formed to fund the annual prize of the same name.  
The Aubrey Sheiham Fund is to provide three months scholarships in order that an individual can carry out medical research.

**15. DESIGNATED FUNDS**

|               | Balance as at<br>1 April 2001<br>£ | New<br>designations<br>£ | Utilised<br>31 March 2002<br>£ | Balance as at<br>31 March 2002<br>£ |
|---------------|------------------------------------|--------------------------|--------------------------------|-------------------------------------|
| Contingency   | 95,000                             | 65,394                   | 10,394                         | 150,000                             |
| Discretionary | 10,000                             | 1,744                    | 1,744                          | 10,000                              |
|               | <u>£105,000</u>                    | <u>£67,138</u>           | <u>£12,138</u>                 | <u>£160,000</u>                     |

The charity designates to the Discretionary Fund a maximum of £10,000 of its unrestricted funds annually in support of those external organisations which require funding for their activities which are in line with the charity's mission. Each successful application will be restricted to £2,000.

The Contingency Fund is primarily a cash reserve to fund the running costs of the Secretariat for one year. It can also be used for larger items of expenditure than are permitted from the Discretionary Fund, with no predetermined limit, in particular for items of Collaboration-wide benefit; decisions on expenditure from this fund are made by the Steering Group.

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

## 16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

|                     | Restricted<br>£ | Unrestricted<br>£ | Total<br>£      |
|---------------------|-----------------|-------------------|-----------------|
| Fixed assets        | -               | 5,109             | 5,109           |
| Current assets      | 29,620          | 494,406           | 524,026         |
| Current liabilities | (7,051)         | (50,140)          | (57,191)        |
|                     | <u>£22,569</u>  | <u>£449,375</u>   | <u>£471,944</u> |

## 17. FINANCIAL COMMITMENTS

At 31 March 2002 the charitable company had annual commitments under non-cancellable operating leases as follows:

|  | Cochrane<br>Collaboration<br>and Group<br>Total<br>31 March 2002<br>£ | Cochrane<br>Collaboration<br>and Group<br>Total<br>1 March 2001<br>£ |
|--|---|--|
| Expiry date:<br>Between two and five years | <u>6,352</u>  | <u>5,065</u>   |

## 18. RELATED PARTY TRANSACTIONS

The charitable company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

## 19. RESTATEMENT OF COMPARATIVES

Following the introduction of the Statement of Recommended Practice (SORP) 2000 - "Accounting and Reporting by Charities", the comparative figures have been restated to show the consolidated results of the group instead of including the net income from the trading subsidiary as a single item in the Statement of Financial Activities.

This has no effect on the surplus for the current or previous year.

**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**For the Year Ended 31 March 2002**

|   | Cochrane<br>Collaboration<br>Total<br>2002<br>£ | Cochrane<br>Collaboration<br>Total<br>2001<br>£ |
|---|---|---|
| <b>INCOME</b>   |   |   |
| Royalties   | 356,928   | 283,070   |
| Donations   | 8,333   | 17,808  |
|   | <u>365,261</u>                                  | <u>300,878</u>                                  |
| <b>CHARITABLE ACTIVITIES</b>                          |   |   |
| Promotion   | 3,430   | 896   |
| Staff salaries  | 88,263  | 62,127  |
| Staff travel and other expenses                       | 19,891  | 6,227   |
| Consultancy fee                                       | 3,692   | -   |
| Steering Group expenses                               | 49,969  | 44,716  |
| Kenneth Warren Prize                                  | 1,575   | -   |
| Aubrey Sheiham Scholarship                            | 7,091   | -   |
|   | <u>173,911</u>                                  | <u>113,966</u>                                  |
| <b>ADMINISTRATIVE EXPENSES</b>                        |   |   |
| Rent & rates  | 9,571   | 8,220   |
| Office relocation                                     | 2,606   | -   |
| Training  | -   | 215   |
| Insurance   | 1,622   | 1,414   |
| Printing, postage and stationery                      | 8,520   | 2,729   |
| Telephone   | 2,271   | 6,288   |
| Audit and Accountancy                                 | 5,250   | 5,250   |
| Bank interest and charges                             | 295   | 468   |
| Legal and professional                                | 6,887   | 8,500   |
| Repairs and maintenance                               | 150   | 617   |
| Sundries  | 1,148   | 240   |
| Donations to other organisations                      | 12,138  | 3,060   |
| Advertising   | 6,001   | -   |
| Computer and office expenses                          | 2,180   | 3,443   |
| Depreciation  | 2,022   | -   |
|   | <u>60,661</u>                                   | <u>40,444</u>                                   |
| <b>TOTAL EXPENSES</b>                                 | <u>234,572</u>                                  | <u>154,410</u>                                  |
| <b>NET SURPLUS</b>                                    | 130,689   | 146,468   |
| Interest receivable                                   | <u>12,386</u>                                   | <u>2,307</u>                                    |
| <b>EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR</b> | <u><u>143,075</u></u>                           | <u><u>148,775</u></u>                           |

**DETAILED PROFIT AND LOSS ACCOUNT**  
For the Year Ended 31 March 2002

|   | Collaboration<br>Trading<br>Company<br>Total<br>Year ended<br>31 March 2002<br>£ | Collaboration<br>Trading<br>Company<br>Total<br>Year ended<br>31 March 2001<br>£ |
|---|--|--|
| <b>TURNOVER</b>                                     | 356,928  | 283,070  |
|   | <u>356,928</u>   | <u>283,070</u>   |
| <b>COST OF SALES</b>                                |  |  |
| Promotional products                                | 3,430  | 896  |
| Staff salaries and expenses                         | 88,263   | 60,450   |
|   | <u>91,693</u>  | <u>61,346</u>  |
| <b>GROSS PROFIT</b>                                 | 265,235  | 221,724  |
| <b>ADMINISTRATIVE EXPENSES</b>                      |  |  |
| Rent and rates                                      | 9,571  | 8,220  |
| Office relocation                                   | 2,606  | -  |
| Insurance   | 347  | 100  |
| Repairs & maintenance                               | 150  | 617  |
| Printing, postage and stationery                    | 7,711  | 1,527  |
| Advertising   | 3,065  | -  |
| Telephone   | 2,015  | 1,927  |
| Audit and Accountancy                               | 1,500  | 1,500  |
| Bank interest and charges                           | 174  | 267  |
| Legal and professional                              | 6,440  | 8,271  |
| Sundries  | 502  | 178  |
| Training  | -  | 215  |
| Computer running costs                              | 2,180  | 3,443  |
| Travelling expenses                                 | 19,890   | 6,227  |
| Charitable donations - Gift Aid                     | 211,692  | 191,312  |
| Charitable donations - Other                        | 1,000  | -  |
| Depreciation - Computer Equipment                   | 956  | -  |
| Depreciation - Fixtures and Fittings                | 1,066  | -  |
|   | <u>270,865</u>   | <u>223,804</u>   |
| <b>OPERATING LOSS</b>                               | (5,630)  | (2,080)  |
| <b>OTHER INTEREST RECEIVABLE AND SIMILAR INCOME</b> |  |  |
| Bank interest received                              | 5,630  | 2,080  |
|   | <u>5,630</u>   | <u>2,080</u>   |
| <b>PROFIT/ (LOSS) BEFORE TAXATION</b>               | <u><u>-</u></u>  | <u><u>-</u></u>  |