

The Cochrane Collaboration

(A company limited by guarantee)

Report and Financial Statements

For the year ended 31 March 2006

Company Number 3044323

Charity Number 1045921

THE COCHRANE COLLABORATION

31 MARCH 2006

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THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2006

The Trustees of The Cochrane Collaboration, who are also directors for the purpose of company law, present their report and financial statements for the year ended 31 March 2006.

Reference and Administration

Charity name: The Cochrane Collaboration

Registered Address: Summertown Pavilion
18-24 Middle Way
Oxford
OX2 7LG
UK

Correspondence Address: Summertown Pavilion
18-24 Middle Way
Oxford
OX2 7LG
UK

Advisors

Auditors: Mazars LLP
Chartered Accountants and Registered Auditors
Seacourt Tower
West Way
Oxford
OX2 OJG
UK

Bankers: National Westminster Bank PLC
Oxford North Branch
249 Banbury Road
Summertown
Oxford
OX2 7HR
UK

Legal advisers: Manches LLP
Solicitors
9400 Garsington Road
Oxford Business Park
Oxford
OX4 2HN
UK

Trustees

The governing body of The Cochrane Collaboration is known as the Cochrane Collaboration Steering Group (CCSG). The following trustees, who are also the directors for the purposes of company law, have held office on the CCSG during the year:

Mr G Aja
Prof L Bero
Dr M Davies (Co-Chair from 2/4/2005)
Prof J Deeks (Treasurer)
Dr Z Fedorowicz
Ms D Ghera (to 23/10/2005)
Dr D Gillies (Appointed 23/10/2005)
Prof A Grant (Appointed 23/10/2005)
A/Prof S Green
Mrs D Hermans (Appointed 1/2/2006)
Dr S Lewis (Co-Chair from 23/10/2005)
Prof J Neilson (Co-Chair to 23/10/2005)
Mr J Pardo
Dr R Scholten
Dr P Tugwell
Dr J Wale
Prof E Waters
Mrs N Willis (Appointed 23/10/2005)
Dr H van der Wouden (Appointed 23/10/2005)

Senior Staff

The senior staff of the charity during the year were Mr N Royle, Chief Executive Officer, and Ms V Hetherington, Company Secretary and Administrator.

Narrative Report

1. Structure, Governance and Management

Nature of Governing Document

The governing documents of The Cochrane Collaboration are the Memorandum and Articles of Association, as amended on 3rd October 2004.

Trustee Appointment

Trustees serve as CCSG members for a three-year period, and may be re-elected for a second consecutive term. After a three-year break, they may be elected again when an appropriate vacancy occurs. Trustees are elected by The Cochrane Collaboration's members to specific posts, representative of their membership group, by a system of proportional representation.

Organisational Structure

The Charity is organised as follows:

An elected Steering Group (CCSG) of seventeen people governs The Cochrane Collaboration on behalf of its members. A small staff co-ordinates the central functions of The Cochrane Collaboration, consisting of a Chief Executive Officer, Administrator and Company Secretary, Deputy Administrator and Secretary/Administrative Assistant. Twelve national Centres manage the devolved activities of the Collaboration, each covering a defined geographic and/or linguistic area. Each Centre takes responsibility for the Cochrane Entities (individual operating units of The Cochrane Collaboration) geographically or linguistically linked to its remit, including:

- Cochrane Review Groups (CRGs, who facilitate the preparation, by volunteers, of Cochrane Reviews, the Charity's main output – see section 2, 'Objectives and Activities')

- Fields/Networks (which represent issues relevant to more than one CRG, including healthcare consumers)
- Methods Groups (who develop appropriate methodologies for systematic review preparation).

Each Cochrane entity has a devolved management team appropriate to its function. For CRGs this normally consists of a Co-ordinating Editor (commonly a senior medical professional such as a professor or senior consultant with extensive knowledge of the healthcare area concerned), a Review Group Co-ordinator, a Trials Search Co-ordinator and administrative support. These people will in turn be supported by a team of editors, review authors, journal handsearchers (who collate reports of relevant controlled trials), and specialist support from statisticians and healthcare consumers.

Risk Management

The board of trustees has considered the principal risks to which The Cochrane Collaboration is exposed. It uses a risk management matrix to set out and evaluate the major risks, their likely impact, the steps taken to mitigate risk, and further action that could be taken. The key risks are considered to be:

- the catastrophic loss of core publishing income, which funds the Collaboration's core activities
- the risk of publishing a systematic review containing significant errors that might affect public safety. Contingency plans have been developed to manage both of these events.

Induction and Training of Trustees

The Secretariat inducts new trustees into their responsibilities as members of the Board by sending them an extensive collection of materials in advance of their joining the Board. These materials include such documents as the Memorandum and Articles of Association, the most recent approved Report and Financial Statements, descriptions of the sub- and advisory groups to the Steering Group (some of which they will join), organisational chart, minutes of several previous trustees' meetings, a list of the charity's strategic plan and key policies, the table of risk assessment, information on and a claim form for expense reimbursement, etc.

2. Objectives and Activities

Legal Objects

The legal objects of the charity, as defined in the Memorandum and Articles of Association, are:

“the protection and preservation of public health through the preparation, maintenance and dissemination of systematic reviews of the effects of health care, for the public benefit.”

Significant Activities

The charity has undertaken the following major activities in the year:

- Production of systematic reviews. The following were published during the past year:
 - New protocols for forthcoming reviews: 422
 - New systematic reviews: 359
 - Substantially updated systematic reviews: 193
- Dissemination of output: Following accessibility and usability audits, a new version of *The Cochrane Library* interface was launched, as well as a redeveloped version of The Cochrane Collaboration's own website. Negotiations have continued, aimed at providing one-click access to more of the world's population.
- International conferences: The Cochrane Collaboration's annual conference in 2005 – the 'Colloquium' – was held in Melbourne, Australia, and attended by nearly 800 people.
- New methodological development: ten pilot systematic reviews of diagnostic test accuracy were started, using the newly developed methodology.

Contribution of volunteers

The charity makes extensive use of volunteers, with around 15,000 professionals in over 100 countries volunteering their time.

Volunteers were involved in the following activities:

- Developing the knowledge base and tools for facilitating preparation of The Cochrane Collaboration's outputs.
- Preparation of The Cochrane Collaboration's outputs through handsearching of scientific journals, preparation and updating of systematic reviews, editorial and other related activities.
- Dissemination of The Cochrane Collaboration's ethos and outputs through conference presentations, symposia, scientific papers, and related activities.
- Engagement of healthcare consumers in The Cochrane Collaboration's activities.

It is impossible to estimate the monetary value of volunteers' contributions, but if the work they perform was done at commercial rates, their contribution would cost tens of millions of pounds.

Aims of the Charity

The aims of the charity are as follows:

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

The Cochrane Collaboration's vision is that healthcare decision-making throughout the world will be informed by high quality, timely research evidence. The Cochrane Collaboration will play a pivotal role in the production and dissemination of this evidence across all areas of health care.

Main objectives for the year

The main objectives for the year were:

- To ensure high quality Cochrane reviews are available across a broad range of healthcare topics.
- To promote access to Cochrane reviews and the other products of The Cochrane Collaboration.
- To ensure an efficient, transparent organisational structure and management system for The Cochrane Collaboration.
- To achieve sustainability of The Cochrane Collaboration.

This was achieved through a strategy of:

Goal 1: To ensure high quality Cochrane reviews are available across a broad range of healthcare topics, by:

- Broadening consumer participation.
- Identifying procedures to update reviews.
- Continuous improvement of software.
- Updating the Cochrane Handbook of Systematic Reviews for Interventions.
- Liaising with methodologists about priority areas for research.
- Avoiding duplication of effort (i.e. in reviews, contact information).
- Expanding low- and middle-income country participation in reviews.

Goal 2: To promote access to Cochrane reviews and the other products of The Cochrane Collaboration, by:

- Identifying and responding to the needs of users of reviews.
- Developing plain language summaries for the remaining 20 per cent of reviews without them.
- Ensuring that cost is not a barrier to use, by seeking opportunities to provide global access.
- With Wiley, developing a marketing strategy for reviews that includes promotion and public relations.
- Raising awareness and demand within potential user groups, including those communities for whom English is not the first language.

- Reviewing the success of the publication arrangements for The Cochrane Collaboration’s output, taking action as appropriate.

Goal 3: To ensure an efficient, transparent organisational structure and management system for The Cochrane Collaboration, by:

- Taking stock annually to ensure that the organisational focus supports the core function of preparing, maintaining and promoting the accessibility of reviews.
- Identifying and defining the relationships among the various entities and advisory groups within The Cochrane Collaboration.
- Establishing clear lines of reporting between the entities, the Steering Group and its advisory groups.
- Ensuring that entities adhere to the practices and policies of The Cochrane Collaboration.
- Developing appropriate information management systems.
- Establishing and maintaining an up-to-date, evidence-based, user-friendly website.
Ensuring accurate dissemination of information about The Cochrane Collaboration via CCInfo and Cochrane News.
- Developing and implementing a strategy for establishing alliances with major international organisations.

Goal 4: To achieve sustainability of The Cochrane Collaboration, by:

- Ensuring an adequate income stream for The Cochrane Collaboration.
- Developing mechanisms to enhance training and career development.
- Evaluating and reviewing the Strategic Plan every three years.

3. Achievements and Performance

Review of Activities in the year

Goal 1: To ensure high quality Cochrane reviews are available across a broad range of healthcare topics:	
Objective	Action
Broadening consumer participation.	New procedures established to encourage consumer participation, including production of plain language summaries.
Identifying procedures to update reviews.	Work undertaken to develop pilot initiatives.
Continuous improvement of software.	Software development team put on firm footing for the future.
Updating the Cochrane Handbook for Systematic Reviews of Interventions.	Contract agreed for publication of new paper version.
Liaising with methodologists about priority areas for research.	Ongoing progress on identified projects.
Avoiding duplication of effort (i.e. in reviews, contact information).	New contacts management system rolled out to most entities.
Expanding low- and middle-income country participation in reviews.	Further increases in number of participants.

Goal 2: To promote access to Cochrane reviews and the other products of The Cochrane Collaboration:	
Objective	Action
Identifying and responding to the needs of users of reviews.	Accessibility and usability surveys carried out, new Cochrane Library interface launched.
Developing plain language summaries for the remaining 20 per cent of reviews without them.	New procedures put in place.
Ensuring that cost is not a barrier to use, by seeking opportunities to provide global access.	Continuing negotiations to add to the already impressive potential user-base.

With Wiley, developing a marketing strategy for reviews that includes promotion and public relations.	Marketing strategy consolidated and updated on rolling basis.
Raising awareness and demand within potential user groups, including those communities for whom English is not the first language.	Developing countries initiative continues to make progress.
Reviewing the success of the publication arrangements for The Cochrane Collaboration's output, taking action as appropriate.	New interface launched, ongoing project under way to improve output continually.

Goal 3: To ensure an efficient, transparent organisational structure and management system for The Cochrane Collaboration:	
Objective	Action
Identifying and defining the relationships among the various entities and advisory groups within The Cochrane Collaboration.	Early work undertaken leading to planned strategic review of the Collaboration's organisation, structures and governance.
Establishing clear lines of reporting between the entities, the Steering Group and its advisory groups.	Early work undertaken leading to planned strategic review of the Collaboration's organisation, structures and governance.
Ensuring that entities adhere to the practices and policies of The Cochrane Collaboration.	Review authors' handbooks and Cochrane Manual subject to continuous improvement. Quality Assurance Group developing systems and processes. Training materials developed.
Establishing and maintaining an up-to-date, evidence-based, user-friendly website.	User survey undertaken, new website interface developed.
Ensuring accurate dissemination of information about The Cochrane Collaboration via CCInfo and Cochrane News.	Ongoing process.

Goal 4: To achieve sustainability of The Cochrane Collaboration:	
Objective	Action
Ensuring an adequate income stream for The Cochrane Collaboration.	Overall income level to all Cochrane entities improved by around 20% year-on-year.
Evaluating and reviewing the Strategic Plan every three years.	New software system in use to monitor and manage progress towards achieving the goals of the Strategic Plan.

Statement of Investment Performance

Performance against objectives set

The Cochrane Collaboration has no investments other than bank accounts, and sets no objectives for these other than to ensure that a competitive rate of interest is maintained on deposits. This is periodically reviewed and has been achieved.

Fundraising performance

The Cochrane Collaboration's core income is derived principally from publication royalties from its main output, *The Cochrane Library*, published on its behalf by John Wiley & Sons, Ltd. During the period the income from this source increased by around 93% (excluding the costs of complimentary CDs).

4. Financial Review

Reserves Policy

It is the policy of the trustees to have a contingency plan for maintaining basic functions of the Secretariat for 12 months in the event of the loss of core income from publishing. The size of the contingency fund is reviewed on an annual basis according to the cost of meeting this plan, plus an allowance for contingencies of other kinds. For the year 2005-6, the level of the contingency fund was set at £200,000.

Given the current financial position, the charity is currently devising a new funding programme by which entities will be able to apply for financial resources for specific projects linked to the strategic plan through a simple competitive application process. Criteria and processes are currently being devised, and a pilot programme will be launched in October 2006. In the first round £100,000 will be made available for awards. This funding is in addition to the £15,000 made available for awards up to £3,000 through the discretionary fund.

Funds in deficit

There were no funds in deficit in the year.

Investment policy

The charity's current policy regarding investment is to put all surplus income into interest-bearing savings accounts. The funds for items of expenditure need to be readily available, in keeping with the ten-day notice periods on these accounts. Commitments have been made to sponsoring registration fees (one per entity) for the Colloquium, developing and maintaining The Cochrane Collaboration website, and to the substantial development of The Cochrane Collaboration's Information Management System, including establishing a small team of people to support the editorial bases of Cochrane Review Groups in implementing this new system.

Ethical stance of investment policy

The Cochrane Collaboration has no investments other than deposit accounts.

Principal funding sources

Funding model

Core income referred to in this report comes from publishing income, as described above ('Fundraising performance'). The groups ('entities') with whom The Cochrane Collaboration works are separate legal entities, principally based within other organisations such as universities and hospitals, and as such are responsible for their own funding. Their funding model is described below.

Most of The Cochrane Collaboration's funding for systematic review preparation and related activities comes from government and institutional sources, and from the contributions of health professionals, researchers and their employers. Funding for core activities such as software development and Collaboration-wide projects (e.g. the Developing Countries Initiative) comes from sales of *The Cochrane Library*. This allows national funders to fund activities in their own country, and international activities benefiting many countries to be funded through international income.

The main sources of income for individual entities, as reported to the Monitoring and Registration Group, are as follows:

- National and trans-national government funding (including EU), typically from health and related ministries (79%);
- National and international charitable body funding (6%);
- Sale of products (including *The Cochrane Library*, derivatives, books, etc.) (6%);
- International organisation funding, e.g. WHO (2%);
- Sponsorship funding, for instance from pharmaceutical and other companies (1%);
- Conferences (including colloquia and symposia) (<1%); and
- Host institution in-kind funding.

Funds are currently available to fund the day-to-day operations of most of The Cochrane Collaboration's Review Groups and Centres. However, a significant number of these are facing severe financial pressures such as meeting the cost of salary increases arising from linked third-party pay awards (e.g. NHS pay awards in the UK),

and others are struggling to maintain all or part of their funding. The French Cochrane Centre closed in September 2002 due to lack of funding.

Policy on commercial sponsorship

After a period of extensive consultation during 2004, there was overwhelming consensus that The Cochrane Collaboration should maintain a clear barrier between the production of Cochrane reviews and any funding from commercial sources with financial interests in the conclusions of the reviews. Thus, sponsorship of a Cochrane review by any commercial source or sources is prohibited. (By 'commercial source' is meant any for-profit manufacturer or provider of health care, or any other for-profit source with a real or potential vested interest in the findings of a specific review.) Whilst government departments, not-for-profit medical insurance companies and health management organisations may find the conclusions of Cochrane reviews carry financial consequences for them, these are not included in this definition. Also not included are for-profit companies that do not have real or potential vested interests in Cochrane reviews (e.g. banks).

Other sponsorship is allowed, but a sponsor should not be allowed to delay or prevent publication of a Cochrane review, or to interfere with the independence of the authors of reviews in regard to the conduct of their reviews, and the protocol for a Cochrane review should specifically mention that a sponsor cannot prevent certain outcome measures being assessed in the review.

5. Plans for the future

The detailed objectives set out in the paragraph above, 'Main objectives for the year', also represent The Cochrane Collaboration's medium- and long-term plans.

Statement of Trustees' responsibilities

Company law requires the Trustees to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the 'going concern' basis.

The Trustees have maintained proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company, enabling them to ensure that the financial statements comply with the Companies Act 1985. They have safeguarded the assets of the company and taken reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved and signed on behalf of the board on 29 September 2006 by



Prof J Deeks
Trustee and Treasurer

Independent auditors' report to the members of The Cochrane Collaboration

We have audited the financial statements of The Cochrane Collaboration for the year ended 31 March 2006 which comprise the Statement of Financial Activities, the Consolidated Statement of Financial Activities, the consolidated and charity Balance Sheets and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees, who are also the directors of The Cochrane Collaboration for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has 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 directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, 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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the group's affairs as at 31 March 2006 and of its surplus for the 31 March 2006 then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

Mazars LLP
Chartered Accountants
and Registered Auditors

Mazars LLP

Seacourt Tower
West Way
Oxford OX2 0JG

29 September 2006

THE COCHRANE COLLABORATION

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2006

	Note	Restricted £	Designated £	Unrestricted £	2006 £	2005 £ As restated (See note k)
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary Income	3	17,949	-	241	18,190	40,052
Investment Income		4,971	-	841,140	846,111	368,230
Incoming resources from charitable activities	6	7,299	-	-	7,299	-
Total Incoming Resources		<u>30,219</u>	<u>-</u>	<u>841,381</u>	<u>871,600</u>	<u>408,282</u>
RESOURCES EXPENDED						
Costs of Generating Funds	7	3,352	-	27,532	30,884	29,702
Charitable Activities	8	10,040	11,448	612,737	634,225	384,625
Governance Costs	9	32	-	132,989	133,021	145,867
Total Resources Expended		<u>13,424</u>	<u>11,448</u>	<u>773,258</u>	<u>798,130</u>	<u>560,194</u>
Net Incoming/(Outgoing) Resources Before Transfers		16,795	(11,448)	68,123	73,470	(151,912)
Fund Transfers	16	-	(335,702)	335,702	-	-
Net Incoming/(Outgoing) Resources		<u>16,795</u>	<u>(347,150)</u>	<u>403,825</u>	<u>73,470</u>	<u>(151,912)</u>
Reconciliation of funds						
Total funds brought forward at 1 April 2005		<u>100,567</u>	<u>361,981</u>	<u>5,282</u>	<u>467,830</u>	<u>619,742</u>
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2006	15, 16	<u>117,362</u>	<u>14,831</u>	<u>409,107</u>	<u>541,300</u>	<u>467,830</u>

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 13 to 19 form part of these accounts.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2006

	Note	Restricted	Designated	Unrestricted	Group 31 March 2006	Group 31 March 2005 As restated (See note k)
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary Income	3	17,949	-	241	18,190	40,052
Investment Income	4	4,971	-	23,070	28,041	18,750
Incoming resources from charitable activities	6	7,299	-	1,022,311	1,029,610	528,745
Other incoming resources		-	-	-	-	407
Total Incoming Resources		30,219	-	1,045,622	1,075,841	587,954
RESOURCES EXPENDED						
Costs of Generating Funds	7	3,352	-	60,198	63,550	62,942
Charitable Activities	8	10,040	11,448	719,988	741,476	472,047
Governance Costs	9	32	-	197,313	197,345	204,878
Total Resources Expended		13,424	11,448	977,499	1,002,371	739,867
Net Incoming/(Outgoing) Resources before transfers		16,795	(11,448)	68,123	73,470	(151,913)
Fund Transfers	16	-	(335,702)	335,702	-	-
Net Incoming/(Outgoing) Resources		16,795	(347,150)	403,825	73,470	(151,913)
Fund balances brought forward at 1 April 2005		100,567	361,981	5,246	467,794	619,705
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2006	15.16	117,362	14,831	409,071	541,264	467,792

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

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

The notes on pages 13 to 19 form part of these accounts.

THE COCHRANE COLLABORATION

BALANCE SHEETS

For the year ended 31 March 2006

	Cochrane Collaboration	Group	Cochrane Collaboration	Group
Note	31 March 2006 £	31 March 2006 £	31 March 2005 £	31 March 2005 £
FIXED ASSETS				
Fixtures and Fittings	11	-	5,811	-
Investments	12	1,100	1,000	1,100
		1,100	6,811	1,100
			1,100	4,216
CURRENT ASSETS				
Debtors	13	805,163	378,009	322,339
Cash at bank and in hand		162,829	639,619	214,355
		967,992	1,017,628	536,694
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR				
	14	(427,792)	(483,175)	(69,964)
		540,200	534,453	466,730
NET CURRENT ASSETS				
		541,300	541,264	467,830
TOTAL ASSETS LESS CURRENT LIABILITIES				
		541,300	541,264	467,830
INCOME FUNDS				
Restricted funds	15	117,362	117,362	100,567
Unrestricted funds:				
Designated	16	14,831	14,831	361,981
Other unrestricted		409,107	409,071	5,282
	17	541,300	541,264	467,830

The notes on pages 13 to 19 form part of these accounts.

Approved by the trustees on 29 September 2006
and signed on their behalf by



Prof J Deeks
Trustee and Treasurer

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

I. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting for Charities" issued by the Charities Commission in 2005 with the approval of the Accounting Standards Board.

The charity's main accounting policies are as follows:

a) Accounting Convention

The financial statements are prepared under the historical cost convention (balances are recorded at the original cost and are not subsequently revalued).

b) Incoming Resources

Donations, legacies and gifts income is recognised on a receipts basis (ie when it is virtually certain that the income will be received) other than for donations received under Gift Aid from the subsidiary undertaking, Collaboration Trading Company Limited, which is recognised on a receivable basis (i.e. when the income is earned).

Group incoming resources include royalties from the sale of The Cochrane Library to Collaboration Trading Company Ltd, which are recognised on a receivable basis (ie when the income is earned). In the consolidated SOFA this income has been included in incoming resources from charitable activities.

Investment income, representing amounts received from subsidiary and bank interest earned, is recognised on a receivable basis (ie when the income is earned).

c) Resources Expended

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

Expended resources are classified between the relevant activity categories of resources expended as relevant to the nature of the expenditure incurred. All expenditure is considered to be directly chargeable to the relevant activity category apart from salary costs which are apportioned evenly across activity categories.

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

Fixed assets with an initial cost of under £100 are not capitalised.

e) Investments

Investment in subsidiary undertakings is included at cost.

Other investments are included at cost or deemed cost due to the non availability of reliable market values.

f) Basis of Consolidation

The income and expenditure and assets and liabilities of 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.

g) Funds Structure

The charity holds a number of funds which have been restricted for specific purposes by the donors. These are classified under "restricted funds".

The charity holds funds which have been internally designated for specific purposes. These are classified under "designated funds"

h) Unrestricted Funds

Unrestricted funds represent revenue grants and donations and interest receivable etc., which can be applied to the objectives of the charity. Transfers out of unrestricted funds represent new designations made in the period, and are detailed in note 16.

i) Grant expenditure

Grants payable are recognised in the year in which the offer is accepted by the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued expenditure.

j) Foreign exchange

Transactions denominated in foreign currencies are translated into sterling on the exchange rate ruling on the date of transaction.

k) Restatement of 2005 incoming resources and resources expended

The allocation of the income and expenditure in the 2005 SOFA has been restated to comply with the new reporting requirements of SORP 2005. The key adjustment is in respect of grants payable and as a result of this restatement brought forward reserves were reduced by £62,104.

l) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

m) Financial commitments

Approved grants are recognised as liabilities once approved by the trustees and communicated to the beneficiary.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

2. SURPLUS FOR THE FINANCIAL YEAR

	Cochrane Collaboration 2006 £	Collaboration Trading Co. 2006 £	Group 2006 £	As restated Group 2005 £
The surplus is after charging:				
Auditors' remuneration		- audit services		
	5,550	2,750	8,300	7,400
	-	850	850	-

3. VOLUNTARY INCOME

	Cochrane Collaboration 2006 £	Collaboration Trading Co. 2006 £	Group 2006 £	As restated Group 2005 £
Donations	18,190	-	18,190	40,052
	18,190	-	18,190	40,052

4. INVESTMENT INCOME

	Cochrane Collaboration 2006 £	Collaboration Trading Co. 2006 £	Group 2006 £	As restated Group 2005 £
Bank interest	17,317	10,724	28,041	18,750
	17,317	10,724	28,041	18,750

5. 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 is considered for donation on an annual basis. On this basis, no provision has been made for Corporation Tax.

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Cochrane Collaboration £	Collaboration Trading Co. £	Group 2006 £	As restated Group 2005 £
Restricted Funds				
T.C.Chalmers Award	7,299	-	7,299	-
Unrestricted Funds				
Royalties from the sale of The Cochrane Library	-	1,022,311	1,022,311	528,745
	7,299	1,022,311	1,029,610	528,745

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

7. COSTS OF GENERATING FUNDS

	restricted	designated	unrestricted	Cochrane Collaboration 2006	Collaboration Trading Co. 2006	Group 2006	As restated Group 2005
	£	£	£	£	£	£	£
Kenneth Warren Prize	3,352	-	-	3,352	-	3,352	3,261
Meeting expenses	-	-	5,351	5,351	-	5,351	5,202
Staff salaries	-	-	22,181	22,181	32,666	54,847	54,479
	3,352	-	27,532	30,884	32,666	63,550	62,942

8. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES

	restricted	designated	unrestricted	Cochrane Collaboration 2006 TOTAL	Collaboration Trading Co. 2006 Unrestricted	Group 2006	As restated Group 2005
	£	£	£	£	£	£	£
Chris Silagy Prize	-	-	1,309	1,309	-	1,309	989
Consumables	422	-	-	422	-	422	177
Diagnostic test reviews	-	-	(2,365)	(2,365)	-	(2,365)	5,250
Direct/Running costs	4,718	-	290	5,008	68,528	73,536	57,630
Discretionary grants	-	11,448	-	11,448	-	11,448	3,019
Grants one-off	591	-	72,358	72,949	-	72,949	86,180
JMS maintenance, development and support team	-	-	405,458	405,458	-	405,458	164,647
Inventory of Resources Refund	-	-	(3,063)	(3,063)	-	(3,063)	-
Legal Fees	154	-	-	154	-	154	9,211
Meeting expenses	285	-	14,252	14,537	6,058	20,595	11,292
Staff salaries	-	-	22,181	22,181	32,665	54,846	54,479
Training of Scholar	3,870	-	-	3,870	-	3,870	766
Visiting Fellowship	-	-	815	815	-	815	762
Website development	-	-	101,502	101,502	-	101,502	77,645
	10,040	11,448	612,737	634,225	107,251	741,476	472,047

9. GOVERNANCE COSTS

	Cochrane Collaboration TOTAL	Collaboration Trading Co. TOTAL	Group 2006	As restated Group 2005
	£	£	£	£
Advisory group costs	15,445	-	15,445	15,607
Audit and accountancy	5,605	3,545	9,150	5,550
Bank interest and charges	-	306	306	356
Discretionary costs	968	-	968	2,155
Insurance	4,876	-	4,876	1,890
Legal and professional	10,148	3,013	13,161	12,225
Meeting expenses	67,810	-	67,810	87,578
Printing, postage and stationery	870	3,323	4,193	117
Running costs	-	15,885	15,885	19,611
Staff salaries	22,181	32,665	54,846	54,479
Telephone	5,118	5,587	10,705	5,310
	133,021	64,324	197,345	204,878

All governance expenditure is from unrestricted funds.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

10. TOTAL STAFF COSTS

	Cochrane Collaboration 2006 £	Collaboration Trading Co. 2006 £	Group 2006 £	As restated Group 2005 £
Wages and salaries	57,926	94,298	152,224	152,766
Social security costs	6,790	3,698	10,488	10,671
	<u>64,716</u>	<u>97,996</u>	<u>162,712</u>	<u>163,437</u>

	Cochrane Collaboration 2006	Collaboration Trading Co. 2006	Group 2006	As restated Group 2005
The average number of employees analysed by function was:				
Management	1	-	1	1
Finance	-	2	2	2
Administration	-	1	1	1
One employee earned £50,000 or more.	<u>1</u>	<u>3</u>	<u>4</u>	<u>4</u>

Trustees' remuneration and expenses

The trustees received no remuneration during the year, apart from reimbursement of direct expenses for attendance at trustees' meetings and in furtherance of their duties of £50,462 (2005: £47,678).

Professional indemnity insurance was purchased in the year for £3,008 (2005: £2,520).

In the year a total of £398,682 (2005: £248,065) was granted to associated Cochrane entities. Of this total £12,095 (2005: £137,523) was granted to Cochrane entities who have a representative on the Steering Group. These members did not take part in the approval of these awards.

11. FIXED ASSETS - Group Only

	Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
As at 1 April 2005	6,219	6,864	13,083
Additions	5,682	1,025	6,707
Disposals	-	-	-
As at 31 March 2006	<u>11,901</u>	<u>7,889</u>	<u>19,790</u>
Depreciation			
As at 1 April 2005	3,938	5,928	9,866
Charge for the year	2,974	1,139	4,113
Eliminated on disposals	-	-	-
As at 31 March 2006	<u>6,912</u>	<u>7,067</u>	<u>13,979</u>
Net Book Value			
As at 31 March 2006	<u>4,989</u>	<u>822</u>	<u>5,811</u>
As at 31 March 2005	<u>2,280</u>	<u>936</u>	<u>3,216</u>

All fixed assets are held by the subsidiary, Collaboration Trading Company Limited.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

12. FIXED ASSET INVESTMENTS

	Cochrane Collaboration 2006 £	Group 2006 £	Cochrane Collaboration 2005 £	Group 2005 £
Investment in Collaboration Trading Company Limited	100	-	100	-
Other investments	1,000	1,000	1,000	1,000
TOTAL	1,100	1,000	1,100	1,000

The investment represents a 100% shareholding in Collaboration Trading Company Limited (incorporated in England and Wales). All figures have been included in the consolidation. At the year end, after donations to The Cochrane Collaboration under Gift Aid, the net assets of Collaboration Trading Company Limited (the total of Share Capital and accumulated Profit and Loss Account) were £62, following results for the year of £nil.

Other investments represent the value of the oil painting of the Cochrane logo gifted by Sir Iain Chalmers.

13. DEBTORS

	Cochrane Collaboration 2006 £	Group 2006 £	Cochrane Collaboration 2005 £	Group 2005 £
Other debtors	12,916	27,378	1,890	4,890
Accrued income	6,932	350,631	-	148,706
Amount due from subsidiary	785,315	-	320,449	-
	805,163	378,009	322,339	153,596

14. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	Cochrane Collaboration 2006 £	Group 2006 £	Cochrane Collaboration 2005 £	Group 2005 £
Social security and other taxation	-	-	2,079	1,202
VAT creditors	-	30,272	-	2,755
Accruals	42,992	68,103	5,781	12,427
Grants approved but not paid	384,800	384,800	62,104	62,104
	427,792	483,175	69,964	78,488

15. RESTRICTED FUNDS

	Balance as at 31 March 2005 £	Incoming resources £	Expenditure £	Transfer between funds £	Balance as at 31 March 2006 £
Kenneth Warren Prize	17,932	343	(3,384)	-	14,891
T C Chalmers Award	-	7,299	(591)	-	6,708
Aubrey Sheiham Scholarship	82,635	22,577	(9,449)	-	95,763
Charity and Group	100,567	30,219	(13,424)	-	117,362

The Kenneth Warren Prize Fund has been formed to fund the annual prize of the same name.

The Aubrey Sheiham Scholarship Fund is to provide one three-month scholarship each year, in order that individuals from developing countries can learn to prepare systematic reviews.

The T C Chalmers MD Award was established with individual donations and is given at each Cochrane Colloquium to the principal authors of the best oral and best poster presentations addressing methodological issues related to systematic reviews.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

16. DESIGNATED FUNDS

	Balance as at 31 March 2005 £	Transfers and new designations £	Utilised £	Balance as at 31 March 2006 £
Contingency	350,000	(350,000)	-	-
Discretionary	11,981	14,298	(11,448)	14,831
	<u>361,981</u>	<u>(335,702)</u>	<u>(11,448)</u>	<u>14,831</u>

The charity designates to the Discretionary Fund a maximum of £15,000 of its unrestricted funds annually in support of those Cochrane entities which require funding for their activities which are in line with the charity's mission. Each successful application is restricted to £3,000 (exclusive of any administration charges).

The Contingency Fund was primarily a cash reserve to fund the running costs of the Secretariat for one year which was considered to be £350,000. This amount has been released to undesignated unrestricted funds following amendment of the reserves policy as stated in the trustees report.

Funds utilised in the year were expended as follows:

	Discretionary 2006 £	Total 2006 £	Total 2005 £
Christian Medical College, Vellore, <i>Exploratory meeting to investigate set up of a South Asian Cochrane Network.</i>	-	-	3,019
CRG Procedures Collection Working Party, <i>for the provision of 'good practice' examples of editorial process.</i>	2,502	2,502	-
South African Cochrane Centre, <i>for the evaluation of the HIV/AIDS Mentoring Programme.</i>	1,355	1,355	-
Acute Respiratory Infections Group, <i>for updating the evidence on interventions for avian 'flu.</i>	3,070	3,070	-
UK Cochrane Centre, <i>for a research project on 'Implications for research' in Cochrane Reviews.</i>	500	500	-
Colloquium Policy Advisory Group, <i>for a pilot project to make Colloquium presentations available on the Collaboration website.</i>	596	596	-
South African Cochrane Centre, <i>for further evaluation of the HIV/AIDS Mentoring Programme.</i>	425	425	-
Statistical Methods Group, <i>for dissemination of statistical and methodological expertise to individuals and entities in South and Central America and South Asia.</i>	3,000	3,000	-
Total utilised	<u>11,448</u>	<u>11,448</u>	<u>3,019</u>

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Charity	Restricted £	Unrestricted £	Total £
Fixed assets	-	1,100	1,100
Current assets	106,476	861,516	967,992
Current liabilities	-	(427,792)	(427,792)
	<u>106,476</u>	<u>434,824</u>	<u>541,300</u>
Group	Restricted £	Unrestricted £	Total £
Fixed assets	-	6,811	6,811
Current assets	106,476	911,152	1,017,628
Current liabilities	-	(483,175)	(483,175)
	<u>106,476</u>	<u>434,788</u>	<u>541,264</u>

18. FINANCIAL COMMITMENTS

At 31 March 2006 the charitable company had annual commitments in respect of premises rental as follows:

	Cochrane Collaboration and Group Total 31 March 2006 £	Cochrane Collaboration and Group Total 31 March 2005 £
Expiry date of premises lease:		
Between two and five years	<u>24,572</u>	-

In addition, the following initiatives and one-off grants expenditure was approved, but not committed at 31 March 2006. These have not been provided for in these financial statements:

	£
CENTRAL support	20,000
Chris Silagy Prize (Colloquium attendance)	2,000
Colloquium Manager software development	7,400
Colloquium sponsored entity registration fees	31,000
Complimentary subscriptions to The Cochrane Library for entities and contact authors	34,000
Discretionary Fund	15,000
Umbrella Reviews Working Group	2,000
Visiting Fellowship	4,000
	<u>115,400</u>

19. 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 in consolidated financial statements.



Collaboration Trading Company Limited

Report and Financial Statements

For the year ended 31 March 2006

Company Number 3657122

COLLABORATION TRADING COMPANY LIMITED

COMPANY INFORMATION

Directors	Prof MJ Clarke Ms M Kjeldstrøm Prof P Langhorne
Secretary	VM Hetherington
Company number	3657122
Registered office	Summertown Pavilion 18-24 Middle Way Oxford OX2 7LG
Auditors	Mazars LLP Seacourt Tower West Way Oxford OX2 0JG
Business address	Summertown Pavilion 18-24 Middle Way Oxford OX2 7LG
Bankers	National Westminster Bank plc 249 Banbury Road Summertown Oxford OX2 7HR
Solicitors	Manches & Co 9400 Garsington Road Oxford Business Park Oxford OX4 2HN

COLLABORATION TRADING COMPANY LIMITED

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Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 8

COLLABORATION TRADING COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

The directors present their report and financial statements for the year ended 31 March 2006.

Principal activities

The principal activity of the company continued to be the collection of royalties from the sale of subscriptions to The Cochrane Library.

Both the level of business and the year-end financial position were highly satisfactory. The company continued to receive Royalty income through the year from subscriptions to The Cochrane Library. These monies were donated to The Cochrane Collaboration under the Gift Aid Scheme to support its charitable activities.

Directors

The following directors have held office since 1 April 2005:

Prof MJ Clarke
Ms M Kjeldstrøm
Prof P Langhorne

Directors' interests

The directors held no beneficial interests in the shares of the company at any time during the period.

No rights to subscribe for shares in, or debentures of, the company were granted or exercised during the year.

Auditors

Mazars LLP have signified their willingness to continue in office. In accordance with section 385 of the Companies Act 1985, a resolution to reappoint Mazars LLP as auditors to the Company and to authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

COLLABORATION TRADING COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the Directors' request, and in line with the provision made in the contract for publication of The Cochrane Library with John Wiley and Sons Limited, a royalty audit was undertaken by the auditors of Wiley's systems and records for income arising from the publication contract. This audit revealed no irregularities and confirmed that the correct royalty payment had been received by the Trading Company.

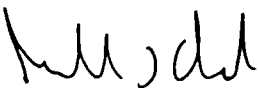
Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



Prof MJ Clarke

Director

September 6 2006

Independent auditors' report to the members of Collaboration Trading Company Limited

We have audited the financial statements of Collaboration Trading Company for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has 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 directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, 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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 March 2006 and of its profit for the 31 March 2006 then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Mazars LLP
Chartered Accountants
and Registered Auditors

Seacourt Tower
West Way
Oxford OX2 0JG

06 September 2006

COLLABORATION TRADING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

		2006	2005
	Notes	£	£
Turnover		1,022,311	529,152
Cost of sales - Complimentary subscriptions		(35,673)	(33,884)
Gross profit		<u>986,638</u>	<u>495,268</u>
Administrative expenses		(168,568)	(145,788)
Operating profit	2	<u>818,070</u>	<u>349,480</u>
Gift Aid Payment		(828,794)	(358,731)
Loss on ordinary activities before interest		<u>(10,724)</u>	<u>(9,251)</u>
Other interest receivable and similar income	3	10,724	9,251
Profit on ordinary activities before taxation		<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	4	-	-
Loss on ordinary activities after taxation	9	<u>-</u>	<u>-</u>

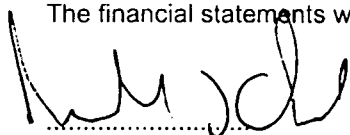
COLLABORATION TRADING COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006		2005	
		£	£	£	£
Fixed assets					
Tangible assets	5		5,809		3,216
Current assets					
Debtors	6	358,162		151,706	
Cash at bank and in hand		476,790		174,114	
		<u>834,952</u>		<u>325,820</u>	
Creditors: amounts falling due within one year	7	<u>(840,699)</u>		<u>(328,974)</u>	
Net current liabilities			<u>(5,747)</u>		<u>(3,154)</u>
Total assets less current liabilities			<u>62</u>		<u>62</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		(38)		(38)
Shareholders' funds			<u>62</u>		<u>62</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2005).

The financial statements were approved, and signed on behalf of the Board on 6 Sept- 2006 by



Prof MJ Clarke
Director

COLLABORATION TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2005).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents income net of VAT from royalties receivable from the sale of subscriptions to, and products derived from The Cochrane Library and sundry items from sale of Cochrane Collaboration memorabilia.

1.4 Tangible fixed assets and depreciation

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

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

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit	2006	2005
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	4,114	2,767
Auditors' remuneration	2,750	2,600
	<u> </u>	<u> </u>
3 Investment income	2006	2005
	£	£
Bank interest	10,724	9,251
	<u> </u>	<u> </u>

4 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

COLLABORATION TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

5	Tangible fixed assets		Plant and machinery etc
			£
	Cost		
	At 1 April 2005		13,083
	Additions		6,707
			<hr/>
	At 31 March 2006		19,790
			<hr/>
	Depreciation		
	At 1 April 2005		9,867
	Charge for the year		4,114
			<hr/>
	At 31 March 2006		13,981
			<hr/>
	Net book value		
	At 31 March 2006		5,809
			<hr/> <hr/>
	At 31 March 2005		3,216
			<hr/> <hr/>
6	Debtors	2006	2005
		£	£
	Other debtors	358,162	151,706
		<hr/>	<hr/>
7	Creditors: amounts falling due within one year	2006	2005
		£	£
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	785,314	320,449
	Taxation and social security	30,272	3,957
	Other creditors	25,113	4,568
		<hr/>	<hr/>
		840,699	328,974
		<hr/> <hr/>	<hr/> <hr/>

COLLABORATION TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

8	Share capital	2006	2005
		£	£
	Authorised		
	100 Ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
9	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 April 2005		(38)
	Balance at 31 March 2006		<u>(38)</u>

10 Control

The ultimate controlling party is The Cochrane Collaboration, a charitable company registered in England. Collaboration Trading Company Limited is its trading subsidiary.

11 Related party transactions

The 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.