

The Cochrane Collaboration

(A company limited by guarantee)

Report and Financial Statements

For the year ended 31 March 2009

Company Number 3044323

Charity Number 1045921

THE COCHRANE COLLABORATION

31 MARCH 2009

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THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009

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 2009.

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 0JG
UK

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

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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

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:

Prof L Becker (Co-Chair)
Prof L Bero
Prof J Craig
Prof J Deeks (Resigned 5 October 2008)
Dr Z Fedorowicz
Ms RE Foxlee
Dr D Gillies (Treasurer)
Prof A Grant (Co-Chair)
Prof S Green (Resigned 5 October 2008)
Mrs SL Henderson (Appointed 5 October 2008)
Dr JPT Higgins (Appointed 5 October 2008)
Dr S McDonald (Appointed 5 October 2008)
Mrs J Oliver (Resigned 6 February 2009)
Dr R Scholten
Dr R Soll (Appointed 5 October 2008)
Dr P Tugwell (Resigned 5 October 2008)
Dr J Wale
Mrs E Whamond
Dr K Williams
Mrs N Willis (Resigned 4 August 2008)
Dr H van der Wouden

Senior Staff

The senior staff of the charity during the year comprised Mr N Royle, Chief Executive Officer, Ms VM Hetherington, Company Secretary and Administrator, and Dr David Tovey, Editor in Chief, *The Cochrane Library* (from 1 February 2009).

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 3 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.

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, Company Secretary and Administrator, Deputy Administrator, Project Support and Business Communications Officer, and Secretary/P.A.

Thirteen geographical Centres have oversight for the devolved activities of the Cochrane Entities (individual operating units of The Cochrane Collaboration) geographically or linguistically linked to their remit, such as:

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

- 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 (whose members 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 Managing Editor (formerly 'Review Group Co-ordinator'), a Trials Search Co-ordinator, and administrative support. These people are in turn supported by a team of editors, review authors, journal handsearchers (who collate reports of relevant controlled trials), and specialist support is provided by statisticians, other methodologists, healthcare consumers and healthcare experts.

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), an organisational chart, minutes of several previous trustees' meetings, 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 Collaboration appointed its first Editor in Chief, Dr David Tovey, during the year. Dr Tovey will take primary responsibility for the publication of Cochrane reviews and related products, and for their continuing high quality.
 - The following were published during the past year:
 - New protocols for forthcoming reviews: 515

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

- New systematic reviews: 351
- Updated systematic reviews (new citation versions): 418
- Dissemination of output: Negotiations have continued, aimed at providing one-click access to more of the world's population. Successes during the reporting year include free one-click access for everyone in Denmark. Around half the world's population now has free at the point of use one-click access to our output through various provisions.
- International conferences: The Cochrane Collaboration's annual conference in 2008 - the 'Colloquium' - was held in Freiburg, Germany, in October 2008 and was attended by nearly 1000 people from fifty countries.
- New methodological development: development of systematic reviews of diagnostic test accuracy has continued, using the newly developed methodology.

Contribution of volunteers

The charity makes extensive use of volunteers, with more than 20,000 people from over 100 countries volunteering their time.

Amongst their many contributions, 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, authorship of systematic reviews and editorials, editorial activities such as peer review and refereeing, 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 calculate 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 per year.

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:

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

- 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 Blackwell, 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

Significant progress has continued to be made against the Collaboration's objectives, as defined above. This has included the following:

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

- The appointment of Dr David Tovey as the Collaboration's first Editor in Chief for *The Cochrane Library* is a seminal event in the Collaboration's continuing commitment to high quality outputs.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

- Broadening consumer participation – special consumer stipends remain available to assist a limited number of health care consumers to attend the annual Colloquia. The Steering Group agreed to ensure a minimum annual amount to underpin the funding of this provision.
- Identifying procedures to update reviews – pilot continued to assess existing procedures, and model solutions for the future.
- Continuous improvement of software – the successful completion of the launch of, and training in the use of, the Collaboration's document processing and publication management software – the Cochrane 'IMS' and RevMan 5, with new features being added and made available to authors and users; and requiring successful conversion of all published Cochrane protocols and reviews by January 2009.. With the implementation of RevMan 5 came the online availability of the full datasets for all Cochrane reviews for people to download, use and re-analyse.
- Updating the Cochrane Handbook of Systematic Reviews for Interventions – the first ever print version of the Handbook was launched at the Freiburg Colloquium in October 2008, and sales have exceeded expectations. The online version remains free at the point of use, with sales of the print version underpinning the cost.
- Liaising with methodologists about priority areas for research – projects continue, developing new methodological approaches.
- Avoiding duplication of effort (i.e. in reviews, contact information) – new approaches are being considered to co-ordinate projects and communication better across the Collaboration.

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 – the lessons from previous year's user testing of the internet sites continue to be implemented. Podcasts for Cochrane reviews are increasingly available and widely used.
- Developing plain language summaries – the number of plain language summaries available in languages other than English continue to expand.
- With Wiley Blackwell, developing a marketing strategy for reviews that includes promotion and public relations – new approaches to marketing and media relations have been embedded, and work continues to ensure that this has an effective global reach, including in languages other than English.
- Raising awareness and demand within potential user groups, including those communities for whom English is not the first language – a new translation project for our content other than systematic reviews is to be launched. Agreement has been reached to translate scientific abstracts into Chinese and French.
- Reviewing the success of the publication arrangements for The Cochrane Collaboration's output, taking action as appropriate – the revised publishing contract to extend the current publishing contract to the end of December 2013, is now in operation, with the improved terms and conditions bringing considerable benefit to the Collaboration.

Goal 3: To ensure an efficient, transparent organisational structure and management system for The Cochrane Collaboration, and Goal 4: To achieve sustainability of The Cochrane Collaboration:

- A major focus for the past year has been a Strategic Review of the Collaboration, conducted by Jeremy Grimshaw, assisted by Mary Ellen Schaafsma and Lisa McGovern of the Canadian Cochrane Centre, and Lucie Jones of the Secretariat. The report of the Review is available on the Collaboration's website.

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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

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 35%.

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 twelve months in the event of the loss of core income from publishing. The resources necessary to enact the contingency plan are reviewed on an annual basis. For the year 2008-09, the level of the contingency fund was set at £319,153.

Agreed payments for the projects funded by the first round of the Collaboration's Opportunities Fund and Prioritisation Fund continued in the year 2008-09. Payments were started for the projects awarded funding in the second round of the Opportunities Fund, made available from April 2008. A third round of this fund was agreed at the Colloquium in Freiburg in October 2008, for which another £100,000 was ring-fenced, and a Request for Proposals (RFP) was released in December 2008.

Opportunities Fund

- Making Cochrane information accessible to people in Nigeria.
- Beyond the database search: developing inclusive global registers of studies.
- Approaches to estimate and present baseline risks: recommendations for Cochrane review Summary of Findings (SoF) tables.
- Disseminating thousands of previously undiscovered trials.
- A portal to breast cancer clinical trials.

Prioritisation Fund

This one-off Fund allocated up to £100,000 to facilitate research into how the Collaboration can better prioritise topic selection for Cochrane reviews. Successful projects were:

- Prioritizing Cochrane Review topics to reduce the know-do gap in low- and middle-income countries.
- Using practice guidelines to determine review priorities: a pilot project.
- Piloting and evaluation of a patient-professional partnership approach to prioritising Cochrane Reviews and other research.
- Prioritisation of Cochrane Reviews for consumers and the public in low- and high-income countries as a way of promoting evidence-based health care.
- Delivering on priorities: developing and implementing effective collaboration between a Cochrane Review Group and a Cochrane Field.

Discretionary Fund

A Fund to the value of £15,000 per year, designed to facilitate small projects of general benefit to a majority of the Collaboration's entities. One project received funding this year:

- Analysis of the content of the Cochrane Central Register of Controlled Trials, by Cochrane Review Group specialized register.

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 continued to sponsor registration fees (one per entity) for the Colloquium, to develop and maintain The Cochrane Collaboration website, and for the substantial development of The Cochrane Collaboration's Information Management System, including maintaining a small team of people to support the editorial bases of Cochrane Review Groups in implementing the system.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

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 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 'in-kind' contributions of health professionals, researchers and their employers. Funding derived from sales of *The Cochrane Library* is used to invest in core activities such as software development (in partnership with other funders such as the Nordic Cochrane Centre, for which the Collaboration is deeply grateful) and in projects of Collaboration-wide application. 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%);
- Non-pharmaceutical sponsorship funding (<1%);
- Conferences (including colloquia and symposia) (1%); and
- Host institution in-kind funding (6%).

Funds are currently available for the day-to-day operations of most of The Cochrane Collaboration's Review Groups and Centres. However, 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.

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

Over the next few years the Collaboration will consider and implement the recommendations of the Strategic Review, which summarises that The Cochrane Collaboration needs:

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

Clarity of purpose, and should:

- Reaffirm our primary purpose to be the production of systematic reviews
- Formalise additional purposes including training, methods development and advocacy for evidence-based decision-making and identify responsibilities of entities for these
- Identify principles for developing new products or lines of activity

Engagement of partners for mutual benefits, and should:

- Develop a Marketing and Communications Strategy to promote external and internal awareness of the value arguments for and achievements of The Cochrane Collaboration
- Improve the usability of *The Cochrane Library* and other products for diverse stakeholders
- Develop a partnership strategy to engage other systematic review producers and knowledge packagers
- Establish formal membership for its contributors
- Establish an External Advisory Board

New resource options for supporting strategic objectives, and should:

- Invest in a development function for new products or lines of activities
- Investigate the development of a broad-based educational program (*'Cochrane Education'*)
- Investigate the development of a responsive review program (*'Cochrane Response'*)
- Acknowledge the reality of our current infrastructure funding model and work to maintain it
- Explore and pursue new funding opportunities

Management, accountability and effective leadership, and should:

- Clarify the roles and responsibilities of its scientific/professional, managerial and editorial leadership
- Develop and implement a formal succession planning mechanism for entity leadership
- Develop and implement performance appraisal mechanisms for entity leaders
- Enhance accountability mechanisms of entities to ensure core functions are met and Collaboration policies are implemented
- Develop and implement policy for minimal competencies for review author teams
- Develop and implement central decision-making processes that clearly identify communication, implementation and monitoring plans
- Review the membership of the Cochrane Collaboration Steering Group (CCSG) and its alignment with the purposes of the Collaboration
- Define required competencies for CCSG membership and induction and ongoing training for CCSG members
- Review terms of reference and membership of CCSG Sub-Groups and Advisory Groups

'Strategic Thinking' embedded at all levels, and at all times, in the Collaboration, and should:

- Undertake a formal environmental scan every two to three years
- Use uncommitted income strategically to develop new products/lines of activity
- Review terms of reference, and number and geographic spread of Cochrane entities to ensure efficient alignment with the purposes of the Collaboration
- Develop an ongoing and participatory approach to strategy formation

Public benefit statement

To deliver high quality healthcare services, medical and allied health professionals depend on high quality information about the effects and effectiveness of the healthcare interventions available to meet population or individual healthcare needs. Healthcare consumers and patients need to be able to make valid choices between the various options open to them, in order to facilitate dialogue between patient and provider.

THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (continued)

Huge amounts of information are available, hundreds of thousands of scientific articles are published every year. Any one individual has no possibility of assimilating this mass of information.

The primary public benefit provided by The Cochrane Collaboration therefore relates to the advancement of health and the saving of lives, by assimilating, on behalf of the population, the results of multiple clinical trials relating to individual treatments, and then to present these results in a single scientific paper (a 'Cochrane Systematic Review'), formulated to be accessible to both patient and practitioner.

The secondary public benefit relates to the advancement of education. Producing hundreds of Cochrane Systematic Reviews each year requires the assistance of thousands of volunteers. In fact, over 20,000 people – principally health professionals, consumers, and academics – contribute their time to this task. But these volunteers need to be trained in the advanced techniques necessary for the work, and so international educational initiatives train upwards of 3500 people each year in Cochrane techniques.

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

(b) The directors have taken all the steps that they ought to have taken 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 by

Dr D Gillies
Trustee and Treasurer

THE COCHRANE COLLABORATION

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2009

	Note	Restricted	Designated	Unrestricted	2009	2008
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary Income	3	10,145	-	79,282	89,427	183,852
Investment Income	4	1,489	-	1,655,058	1,656,547	1,196,310
Incoming resources from charitable activities	6	-	-	27,161	27,161	4,149
Total Incoming Resources		<u>11,634</u>	<u>-</u>	<u>1,761,501</u>	<u>1,773,135</u>	<u>1,384,311</u>
RESOURCES EXPENDED						
Costs of Generating Funds	7	-	-	138,928	138,928	32,978
Charitable Activities	8	39,096	63,877	772,085	875,058	610,804
Governance Costs	9	-	-	329,454	329,454	201,751
Total Resources Expended		<u>39,096</u>	<u>63,877</u>	<u>1,240,467</u>	<u>1,343,440</u>	<u>845,533</u>
Net Incoming/(Outgoing) Resources Before Transfers		(27,462)	(63,877)	521,034	429,695	538,778
Fund Transfers	16	1,751	130,293	(132,044)	-	-
Net Incoming/(Outgoing) Resources		<u>(25,711)</u>	<u>66,416</u>	<u>388,990</u>	<u>429,695</u>	<u>538,778</u>
Reconciliation of funds						
Total funds brought forward at 1 April 2008		<u>136,877</u>	<u>181,261</u>	<u>1,339,014</u>	<u>1,657,152</u>	<u>1,118,374</u>
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2009	15, 16	<u><u>111,166</u></u>	<u><u>247,677</u></u>	<u><u>1,728,004</u></u>	<u><u>2,086,847</u></u>	<u><u>1,657,152</u></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 15 to 20 form part of these accounts.

THE COCHRANE COLLABORATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2009

	Note	Restricted	Designated	Unrestricted	Group 31 March 2009	Group 31 March 2008
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary Income	3	10,145	-	79,282	89,427	183,852
Investment Income	4	1,489	-	49,968	51,457	62,091
Incoming resources from charitable activities	6	-	-	1,829,552	1,829,552	1,336,784
Total Incoming Resources		<u>11,634</u>	<u>-</u>	<u>1,958,802</u>	<u>1,970,436</u>	<u>1,582,727</u>
RESOURCES EXPENDED						
Costs of Generating Funds	7	-	-	179,276	179,276	71,496
Charitable Activities	8	39,096	63,877	855,770	958,743	700,570
Governance Costs	9	-	-	402,722	402,722	271,884
Total Resources Expended		<u>39,096</u>	<u>63,877</u>	<u>1,437,768</u>	<u>1,540,741</u>	<u>1,043,950</u>
Net Incoming/(Outgoing) Resources before transfers		(27,462)	(63,877)	521,034	429,695	538,777
Fund Transfers	16	1,751	130,293	(132,044)	-	-
Net Incoming/(Outgoing) Resources		(25,711)	66,416	388,990	429,695	538,777
Fund balances brought forward at 1 April 2008		<u>136,877</u>	<u>181,261</u>	<u>1,338,977</u>	<u>1,657,114</u>	<u>1,118,337</u>
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2009	15,16	<u>111,166</u>	<u>247,677</u>	<u>1,727,967</u>	<u>2,086,811</u>	<u>1,657,114</u>

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 15 to 20 form part of these accounts.

THE COCHRANE COLLABORATION

BALANCE SHEETS
as at 31 March 2009

	Cochrane Collaboration 31 March 2009 £	Group 31 March 2009 £	Cochrane Collaboration 31 March 2008 £	Group 31 March 2008 £
FIXED ASSETS				
Fixtures, Fittings & Equipment	11	2,887	7,896	-
Investments	12	1,100	1,000	1,100
		<u>3,987</u>	<u>8,896</u>	<u>1,100</u>
CURRENT ASSETS				
Debtors	13	1,031,305	648,544	1,188,561
Cash at bank and in hand		1,329,279	1,825,909	666,714
		<u>2,360,584</u>	<u>2,474,453</u>	<u>1,855,275</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(277,724)	(396,538)	(199,223)
		<u>2,082,860</u>	<u>2,077,915</u>	<u>1,656,052</u>
NET CURRENT ASSETS				
		<u>2,086,847</u>	<u>2,086,811</u>	<u>1,657,152</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>2,086,847</u>	<u>2,086,811</u>	<u>1,657,152</u>
INCOME FUNDS				
Restricted funds	15	111,166	111,166	136,877
Unrestricted funds:				
Designated	16	247,677	247,677	181,261
Other unrestricted		1,728,004	1,727,967	1,339,014
	17	<u>2,086,847</u>	<u>2,086,811</u>	<u>1,657,152</u>

The notes on pages 15 to 20 form part of these accounts.

Approved by the trustees on
and signed on their behalf by

Dr D Gillies
Trustee and Treasurer

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1. 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 (i.e. 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-entity 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) Operating leases

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

l) Financial commitments

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

m) Liabilities

Where an obligation exists that will probably lead to expended resources after the year end, a liability is recognised.

n) Governance costs

Expended resources are recognised as governance costs where they relate to the oversight of the charity.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

2. SURPLUS FOR THE FINANCIAL YEAR

		Cochrane Collaboration 2009 £	Collaboration Trading Co. 2009 £	Group 2009 £	Group 2008 £
The surplus is after charging:					
Auditors' remuneration	- audit services	3,500	1,400	4,900	9,000

3. VOLUNTARY INCOME

	restricted £	designated £	unrestricted £	Cochrane Collaboration 2009 £	Collaboration Trading Co. 2009 £	Group 2009 £	Group 2008 £
Donations	10,145	-	79,282	89,428	-	89,428	183,852
	10,145	-	79,282	89,428	-	89,428	183,852

4. INVESTMENT INCOME

	Cochrane Collaboration 2009 £	Collaboration Trading Co. 2009 £	Group 2009 £	Group 2008 £
Bank interest	23,710	27,747	51,457	62,091
	23,710	27,747	51,457	62,091

Investment income in the Charity SOFA of £1,656,547 (2008: £1,196,310) also includes monies receivable from Collaboration Trading Company Limited for donations made under Gift Aid.

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 2009 £	Group 2008 £
Restricted Funds				
EUnetHTA	-	-	-	4,149
Unrestricted Funds				
Freiburg Colloquium administration	22,006	-	22,006	-
Royalties from the sale of The Cochrane Library and other income	-	1,802,390	1,802,390	1,332,635
Other income	5,156	-	5,156	-
	27,162	1,802,390	1,829,552	1,332,635

Donations made from Collaboration Trading Company Limited to The Cochrane Collaboration under Gift Aid are included in the charity's income as Investment Income and are shown in note 4.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

7. COSTS OF GENERATING FUNDS

	restricted	designated	unrestricted	Cochrane Collaboration 2009	Collaboration Trading Co. 2009	Group 2009	Group 2008
	£	£	£	£	£	£	£
Meeting expenses	-	-	760	760	-	760	6,342
Staff salaries	-	-	64,153	64,153	40,348	104,502	65,154
Editorial costs	-	-	74,014	74,014	-	74,014	-
	-	-	138,928	138,928	40,348	179,276	71,496

8. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES

	restricted	designated	unrestricted	Cochrane Collaboration 2009 TOTAL	Collaboration Trading Co. 2009 Unrestricted	Group 2009	Group 2008
	£	£	£	£	£	£	£
Awards, Fellowships & Prizes							
Chris Silagy Prize	1,751	-	-	1,751	-	1,751	449
Bill Silverman Prize	568	-	-	568	-	568	-
Visiting Fellowship	-	-	2,258	2,258	-	2,258	3,002
Kenneth Warren Prize	4,084	-	-	4,084	-	4,084	3,891
Aubrey Sheiham Scholarship	9,176	-	-	9,176	-	9,176	30,874
Thomas C Chalmers Award	651	-	-	651	-	651	497
Total Awards, Fellowships & Prizes	16,230	-	2,258	18,489	-	18,489	38,713
Consumables	-	-	3,329	3,329	-	3,329	-
EUNetHTA Grant	6,569	-	-	6,569	-	6,569	-
Wellcome Trust	16,297	-	-	16,297	-	16,297	-
Direct/Running costs	-	-	6,432	6,432	43,286	49,718	55,114
Designated grants (note 16)	-	63,877	-	63,877	-	63,877	136,672
Grants one-off	-	-	506,678	506,678	-	506,678	339,332
IMS maintenance, development and support team	-	-	74,839	74,839	-	74,839	(43,146)
Legal Fees	-	-	1,932	1,932	-	1,932	-
Meeting expenses	-	-	15,228	15,228	51	15,278	7,473
Staff salaries	-	-	48,808	48,808	40,348	89,156	65,154
Website and Communications	-	-	112,582	112,582	-	112,582	101,258
	39,096	63,877	772,085	875,058	83,685	958,743	700,570

Items of negative expenditure, shown in parentheses, represent projects committed and provided in prior years where the actual costs were lower than originally provided. Overprovided amounts have been released to the Statement of Financial Activities in the year.

Grants one-off includes payments to the following projects:

	£
IMS Project Grant	136,650
Cochrane Library - Complimentary subscriptions	50,015
La Biblioteca Cochrane Plus translation	25,370
Diagnostic Test Reviews Support Unit	71,068
Diagnostic Test Accuracy Register	25,037
Editorial Board Development Project	28,074
RevMan5 conversion of reviews	54,485
Other amounts, individually less than £25,000	115,978
	<u>506,678</u>

9. GOVERNANCE COSTS

	Cochrane Collaboration TOTAL £	Collaboration Trading Co. TOTAL £	Group 2009 £	Group 2008 £
Advisory group costs	12,437	-	12,437	23,274
Audit and accountancy	3,900	5,983	9,883	12,368
Bank interest and charges	4,794	435	5,230	413
Insurance	3,001	-	3,001	2,456
Legal and professional	-	390	390	4,142
Meeting expenses	132,897	-	132,897	114,705
Printing, postage and stationery	137	3,061	3,198	3,598
Running costs	-	21,096	21,096	15,751
Colloquium - support costs	17,899	-	17,899	21,092
Staff salaries	29,656	40,348	70,005	64,649
Telephone	1,166	1,955	3,121	9,436
Collaboration wide strategic review	123,566	-	123,566	-
	<u>329,454</u>	<u>73,268</u>	<u>402,722</u>	<u>271,884</u>

All governance expenditure is from unrestricted funds.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

10. TOTAL STAFF COSTS

	Cochrane Collaboration 2009 £	Collaboration Trading Co. 2009 £	Group 2009 £	Group 2008 £
Wages and salaries	130,327	117,683	248,009	149,128
Social security costs	12,291	3,362	15,653	46,332
	<u>142,619</u>	<u>121,045</u>	<u>263,662</u>	<u>195,460</u>

Staff Costs have been apportioned between the headings in the Statement of Financial Activities in accordance with the accounting policy, as follows:

	Cochrane Collaboration 2009 £	Collaboration Trading Co. 2009 £	Group 2009 £
Costs of Generating Funds	64,153	40,348	104,502
Costs in Furtherance of the Charity's Objects	48,808	40,348	89,156
Governance Costs	29,656	40,348	70,005
	<u>142,618</u>	<u>121,045</u>	<u>263,662</u>

	Cochrane Collaboration 2009	Collaboration Trading Co. 2009	Group 2009	Group 2008
The average number of employees analysed by function was:				
Management	2	-	2	1
Finance	-	2	2	2
Administration	-	1	1	1
	<u>2</u>	<u>3</u>	<u>5</u>	<u>4</u>

One employee earned £70,000 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 in furtherance of their duties of £102,853 (2008: £68,531).

Professional indemnity insurance was purchased in the year for £2,520 (2008: £2,520).

In the year a total of £244,223 (2008: £682,134) was granted to associated Cochrane entities. Of this total £71,068 (2008: £24,081) was granted to individual 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

	Collaboration		Group		
	Computer Equipment £	Total £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost					
As at 1 April 2008	-	-	13,762	11,571	25,333
Additions	2,996	2,996	4,510	-	4,510
Disposals	-	-	-	-	-
As at 31 March 2009	<u>2,996</u>	<u>2,996</u>	<u>18,272</u>	<u>11,571</u>	<u>29,843</u>
Depreciation					
As at 1 April 2008	-	-	10,943	7,752	18,695
Charge for the year	109	109	2,192	1,060	3,252
Eliminated on disposals	-	-	-	-	-
As at 31 March 2009	<u>109</u>	<u>109</u>	<u>13,135</u>	<u>8,812</u>	<u>21,947</u>
Net Book Value					
As at 31 March 2009	<u>2,887</u>	<u>2,887</u>	<u>5,137</u>	<u>2,759</u>	<u>7,896</u>
As at 31 March 2008	<u>-</u>	<u>-</u>	<u>2,819</u>	<u>3,819</u>	<u>6,638</u>

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

12. FIXED ASSET INVESTMENTS

	Cochrane Collaboration 2009 £	Group 2009 £	Cochrane Collaboration 2008 £	Group 2008 £
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 2009 £	Group 2009 £	Cochrane Collaboration 2008 £	Group 2008 £
Accrued income	16,939	522,630	26,947	471,891
Amount due from subsidiary	896,838	-	1,087,283	-
Other debtors	117,528	125,914	74,331	102,091
	1,031,305	648,544	1,188,561	573,982

14. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	Cochrane Collaboration 2009 £	Group 2009 £	Cochrane Collaboration 2008 £	Group 2008 £
Social security and other taxation	-	1,418	-	1,347
VAT creditors	-	78,170	-	70,818
Accruals and deferred income	277,724	316,950	199,223	236,644
	277,724	396,538	199,223	308,809

15. RESTRICTED FUNDS

	Balance as at 31 March 2008 £	Incoming resources £	Expenditure £	Transfer between funds £	Balance as at 31 March 2009 £
Chris Silagy Prize	-	-	(1,751)	1,751	0
Kenneth Warren Prize	29,936	-	(4,084)	-	25,853
Bill Silverman Prize	5,000	-	(568)	-	4,432
Wellcome Trust	22,544	-	(16,297)	-	6,247
Thomas C Chalmers Award	5,680	-	(651)	-	5,028
EUNetHTA Grant	9,394	-	(6,569)	-	2,825
Aubrey Sheiham Scholarship	64,323	11,633	(9,176)	-	66,781
Charity and Group	136,877	11,634	(39,096)	1,751	111,166

The Chris Silagy Prize Fund has been formed to fund the annual prize of the same name.

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

The Bill Silverman Fund has been formed to fund the annual prize of the same name.

The Wellcome Trust funded a short-term project to assess the Collaboration's need to archive its written and electronic materials.

The Thomas C Chalmers Award has been formed to fund the annual prize of the same name.

EUNetHTA - the European Union (EU) Network for Health Technology Assessment (HTA) is an EU part-funded project to develop common tools for conducting HTA across Europe.

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 COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

16. DESIGNATED FUNDS

	Balance as at 31 March 2008 £	Transfers and new designations £	Utilised £	Balance as at 31 March 2009 £
Discretionary Fund	15,000	400	(400)	15,000
Prioritisation Fund	53,910	-	(36,383)	17,527
Opportunities Fund	112,351	100,000	(27,094)	185,257
Colloquium Fund	-	29,893	-	29,893
	<u>181,261</u>	<u>130,293</u>	<u>(63,877)</u>	<u>247,677</u>

The charity designates to the Discretionary Fund to 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).

Agreed payments for the projects funded by the first round of the Collaboration's Opportunities Fund and Prioritisation Fund continued in the year 2008-9. Payments were started for the projects awarded funding in the second round of the Opportunities Fund, made available from April 2008. A third round of this fund was agreed at the Colloquium in Freiburg in October 2008, for which another £100,000 was ring-fenced, and a Request for Proposals (RFP) was released in December 2008.

Project proposals which were deemed by the selection panel to have the most Collaboration-wide benefit stood a greater chance of being funded. The first two years of implementation of this Fund were deemed to have been a success.

The Colloquium Fund has been established for activities associated with the preparation, administration, oversight, management and reporting related to the organization of Cochrane Colloquia.

17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Charity	Restricted £	Unrestricted £	Total £
Fixed assets	-	3,987	3,987
Current assets	111,166	2,249,418	2,360,584
Current liabilities	-	(277,724)	(277,724)
	<u>111,166</u>	<u>1,975,681</u>	<u>2,086,847</u>
Group	Restricted £	Unrestricted £	Total £
Fixed assets	-	8,896	8,896
Current assets	111,166	2,363,287	2,474,453
Current liabilities	-	(396,538)	(396,538)
	<u>111,166</u>	<u>1,975,645</u>	<u>2,086,811</u>

18. FINANCIAL COMMITMENTS

At 31 March 2009 the charitable company had annual commitments in respect of premises rental as follows:

	Cochrane Collaboration and Group Total 31 March 2009 £	Cochrane Collaboration and Group Total 31 March 2008 £
Expiry date of premises lease: Between two and five years	<u>24,572</u>	<u>24,572</u>

In addition, the following initiatives and one-off grants expenditure were approved, but not committed at 31 March 2009. These have not been provided for in these financial statements:

	£
Colloquium sponsored entity registration fees	14,919
Complimentary subscriptions to The Cochrane Library for entities, contact authors and consumers	50,015
	<u>64,934</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.