

The Cochrane Collaboration

(A company limited by guarantee)

Report and Financial Statements

For the year ended 31 March 2012

Company Number 3044323

Charity Number 1045921

THE COCHRANE COLLABORATION

31 MARCH 2012

INDEX

	Page
Trustees' Report	1-10
Independent Auditor's Report	11
Statement of Financial Activities	12
Consolidated Statement of Financial Activities	13
Charity and Consolidated Balance Sheet	14
Notes to the Financial Statements	15-25

**THE COCHRANE COLLABORATION
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012**

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 2012.

Reference and Administration

Charity name: The Cochrane Collaboration

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

Advisors

Auditors: Mazars LLP
Chartered Accountants and Registered Auditors
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF
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

THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012 (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:

Mrs S Bell-Syer (appointed in October 2011)
Dr R Churchill (appointed in October 2011)
Prof J Craig (Co-Chair; reappointed for second term)
Dr D Gillies (Treasurer) (resigned in October 2011)
Prof J Grimshaw (Co-Chair)
Mrs SL Henderson (resigned in October 2011)
Ms GY Higgins
Dr JPT Higgins (re-elected in October 2011)
Dr S Hill
Dr S McDonald (re-elected in October 2011)
Ms Mona Nasser (appointed in October 2011)
Ms ME Schaafsma
Dr R Soll (resigned in October 2011)
Ms Denise Thomson (appointed in October 2011)
Mrs E Whamond
Prof K Williams (resigned in October 2011)
Dr H van der Wouden (resigned in October 2011)
Mrs M Zhang

Senior Staff

The senior staff of the charity during the year comprised Mr N Royle, Chief Executive Officer (who resigned in January 2012), Ms VM Hetherington, Company Secretary and Administrator, and Dr D Tovey, Editor in Chief, *The Cochrane Library*.

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 (the individual operating units, or Cochrane Entities) to specific posts, representative of their membership group.

Organisational Structure

The Charity is organised as follows:

An elected *Steering Group* (CCSG) governs The Cochrane Collaboration on behalf of its members.

The Cochrane Operations Unit (based in Oxford, UK)

A small staff co-ordinates the business, financial and organisational functions of The Cochrane Collaboration, consisting of the Chief Executive Officer, Company Secretary and Administrator, Deputy Administrator, Project Support and Business Communications Officer, Consumer Co-ordinator, Team P.A. and Administrative Assistant.

THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)

The Cochrane Editorial Unit (based in London, UK)

The Editor in Chief is supported by four Editors, a Methods Co-ordinator, an Information Specialist, a P.A. and an Administrative Assistant. Working closely with the editorial teams of Cochrane Review Groups, the Editor in Chief is responsible for:

- developing, implementing, and directing the editorial policies and vision of *The Cochrane Library* in relation to the vision and objectives of the Collaboration;
- improving the quality in the editing process and product with respect to scientific content;
- providing a strong and visionary lead for conceptualising and developing new products derived from Cochrane Reviews; and
- acting as the main focus for this work, and for applying ethical and scientific standards consistent with the goals of the Collaboration.

Cochrane Entities

Fourteen 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:

- Cochrane Review Groups (CRGs, which 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 Cochrane 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 healthcare professional such as a Professor or Senior Consultant with extensive knowledge of the healthcare area concerned), a Managing Editor, 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, and the steps taken to mitigate risk, and further action that could be taken. This matrix was updated on 17 July 2012.

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 Cochrane 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 Cochrane Operations Unit 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 Steering Group's sub- and advisory committees (some of which they will join), an organisational chart, minutes of several previous trustees' meetings, the charity's interim 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."

THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)

Significant Activities

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

- Preparation and maintenance of Cochrane Reviews.
- Dr David Tovey, Editor in Chief, has 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:
 - 637 new protocols for forthcoming Cochrane Reviews
 - 436 new Cochrane Reviews
 - 427 updated Cochrane Reviews (new citation versions)
- Dissemination of output: Providing free at the point of use one-click access to more of the world's population continues to be one of our goals. Around half the world's population now has free at the point of use one-click access to our output through various provisions. Considerable progress has been made in developing new ways in which people can access Cochrane outputs, and several new products were launched in 2012.

The Cochrane Collaboration's annual conference - the 'Colloquium' - was held in Madrid, Spain, in October 2011 and was attended by 1215 people from 60 countries.

New methodological development: Development continues to improve the presentation of Cochrane Reviews.

Contribution of volunteers

The charity makes extensive use of volunteers, with more than 28,000 people from 120 countries currently 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 Cochrane 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 were to be done at commercial rates their contributions 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 healthcare 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.

THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)

This was achieved by pursuing the following strategies:

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

- Continuing to prioritise support and resources for the Editor in Chief and the Cochrane Editorial Unit as they seek to improve the quality, relevance, usability, and impact of *The Cochrane Library*.
- Continuing to promote the updating of Cochrane Reviews.
- Strategically supporting the extension of *Cochrane Methods*, ensuring that any methodological developments can be implemented and will enhance the quality of *The Cochrane Library*.
- Taking a continuous improvement approach to the Collaboration's information management systems and technology.
- Continuing to promote the widest possible contribution to the preparation of Cochrane Reviews, including broadening consumer participation via the co-ordination of the Consumer Co-ordinator, and low- and middle-income country participation.
- Updating the *Cochrane Handbook of Systematic Reviews for Interventions* on a regular basis.

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

- Enhancing partnerships with external stakeholders of the Collaboration and *The Cochrane Library*, such as health information providers, policy-makers and funders.
- Improving the dissemination and uptake of our reviews, and enhancing our brand, through the commissioning and approval of a marketing and communications strategy.
- Increasing the translation of content, and improving the signposting of that content, into different languages.
- Developing a more author- and user-friendly and efficient approach to the organisation of topics within *The Cochrane Library*.
- Introducing a portal aimed at consumers and patients, providing plain language summaries and abstracts of Cochrane Reviews.
- Ensuring accurate dissemination of information about The Cochrane Collaboration via its various news and web presences.

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

- Realigning the functions of the Cochrane Operations Unit to support individuals and groups within the Collaboration better;
- Beginning the enhancement of the Collaboration's monitoring and management functions, particularly of individuals, groups and platforms which receive core Collaboration funding and/ or use the Cochrane brand, primarily through the Editorial and Operations Units, working with relevant group executives;
- Identifying and defining the relationships among the various entities and advisory groups within The Cochrane Collaboration;
- Looking to form an external advisory board, and enhance our partnerships with external stakeholders of the Collaboration and *The Cochrane Library*, such as health information providers, policy-makers and funders;
- Maintaining clear lines of reporting between the entities, the Steering Group and its sub-committees;
- Ensuring that entities adhere to the practices and policies of The Cochrane Collaboration.
- Updating the *Cochrane Manual* on a regular basis.

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

- Enhancing activities aimed at supporting new contributors and sustain the skills and commitment of current contributors through the continued implementation of the *Cochrane Training* initiative.
- Developing alternative funding sources.
- Developing mechanisms to enhance training and career development for Cochrane staff.
- Evaluating and reviewing the 2009 Strategic Review and Steering Group workplan at regular intervals.
- Enhancing global participation and relevance of The Cochrane Collaboration and *The Cochrane Library*.
- Promoting generational change within the organisation, particularly within the leadership, ensuring better global and gender equity.

THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)

3. Achievements and Performance

Review of Activities in the year

In January 2012, the Collaboration's CEO resigned due to family illness. The Steering Group appointed Paul Farenden as Executive Director in the interim until the appointment of his replacement. During this period of organisational change, significant progress continued to be made against the Collaboration's objectives, as defined above. Highlights for 2011-12 include:

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

- The launch of the 'Cochrane content' programme of work, to deliver improvements to *The Cochrane Library* and user experience; content creation and quality; dissemination and impact.
- The continued prioritisation of updating Cochrane Reviews to ensure that they remain relevant and accurate, as highlighted by the new versus updated review figures.
- The development of *Methodological standards for the conduct of new Cochrane Intervention Reviews* (MECIR).
- The introduction of minimum competencies for review author teams.
- The funding of six projects addressing methods priorities through the Methods Innovation Fund.
- The launch of the *Cochrane Register of Studies*, the Collaboration's bespoke management system for specialised registers of healthcare studies and their reports.
- Continued developments in the Collaboration's information management systems aimed at supporting the preparation of Cochrane Reviews, including the launch of Archie 3.8 in January 2012.

Goal 2: to promote access to Cochrane Reviews and the other products of the Cochrane Collaboration

- The preparation for a competitive tender process for the position of publisher of 'Cochrane content' from 2014, when the Collaboration's publishing agreement with John Wiley & Sons, expires. This preparation included work to identify the Collaboration's position in the marketplace, and threats to and opportunities for improving this position; clarification on what is wanted from future publishing arrangements in order that they are optimally aligned to the Collaboration's mission; a statement on the Collaboration's position for publication models for *The Cochrane Library* and its component and associated products; and a vision for the high-level functionality and 'look and feel' of Cochrane products under future publishing arrangements.
- The launch of summaries.cochrane.org, a portal aimed at consumers and patients, providing plain language summaries and abstracts of Cochrane Reviews. This portal was awarded a runner-up prize in the 2011 Plain English Campaign Annual Awards.
- The improvement of the visual presentation of Cochrane Reviews in *The Cochrane Library* and the introduction of a more user-friendly browse list.
- The continued development of *Cochrane Clinical Answers*, a new product derived from Cochrane Reviews, which tailors content to specific clinical queries.
- Continued progress on the translation and sign-posting of non-English language content, co-ordinated by the Translations Working Group and Cochrane Editorial Unit.

Goal 3: to ensure an efficient, transparent organisational structure and management system for the Cochrane Collaboration

- Continued progress towards improving the Collaboration's monitoring and management functions via the Cochrane Operations Unit and Cochrane Editorial Unit, and entity executives.
- Consolidation of the Steering Group and entity executives' reporting structure, including the appointment of a part-time Review Group Executives' Support Officer.
- Revision of the Collaboration's Colloquium Sponsorship Policy.
- The introduction of the Anne Anderson Award to recognize and stimulate individuals contributing to the enhancement of women's visibility and participation in the leadership of the Collaboration.
- Continued activities aimed at supporting new contributors and sustaining the skills and commitment of current contributors through the implementation of the *Cochrane Training* initiative.
- The introduction of Steering Group teleconferences in addition to bi-annual face-to-face meetings to improve the efficiency of the Group, which sets policy for the organisation as a whole.
- Acceptance of the invitation of the New Zealand branch of the Australasian Cochrane Centre to host the annual Cochrane Colloquium in Auckland, New Zealand, in 2012.

THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)

Goal 4: to achieve the sustainability of the Cochrane Collaboration

- Progress towards the establishment of the 'Cochrane Academy', a formal training and mentoring programme to support first time authors of Cochrane Reviews, wherever they are in the world.
- As part of moves to diversify our funding model, the provision of start-up funding for a new Collaboration trading company, *Cochrane Innovations*. The purpose of *Cochrane Innovations* is to provide an avenue for the marketing of new Cochrane products without compromising our principal obligations as a charity.
- The launch of preparations to celebrate the 20th anniversary of the Collaboration's existence in 2013.
- Continued work on implementing the Collaboration-wide marketing and communications strategy.
- Continued work with the World Health Organization, with whom we are in official relations, including sending delegates to the annual World Health Assembly in Geneva and contributing to the WHO Guidelines Review Committee.
- The launch of a bespoke web application to manage the Collaboration's meetings and Colloquia ('Event Manager').

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 2011-12 the income from this source increased, compared to 2010-11, exceeding expectations based on global economic conditions.

4. Financial Review

Reserves Policy

The aim of the reserves policy is to accumulate sufficient funds to enable us to achieve our long-term strategic aims, and then to allocate these funds to projects of Collaboration-wide impact over single- or multi-year projects as required. We have a strategic plan of work going forward that is managed through our cash flow forecast, which details known and expected annual expenditure over the next decade. In addition to the known and expected items of expenditure there are a number of expected projects that have not yet been costed, such as new product development, increased support to resource-poor settings, and expanding our training provision, which are expected to entail considerable outlay. Taking these into account, it is judged that there are sufficient resources to allow us to achieve our strategic aims over the next few years, whilst still being able to react flexibly to and take advantage of opportunities as they arise.

It is also the policy of the trustees to have a contingency plan for maintaining the Collaboration's basic functions 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 2011-12, the level of the contingency fund was set at £767,000.

Core funds are directed at programmes considered of key strategic importance, including *Cochrane Training* and *Cochrane Methods*. These initiatives include budgets allocated by application to groups conducting research, development, training and advocacy projects in relevant subject areas.

Discretionary Fund

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

- A face-to-face meeting of the Archie Development Advisory Committee before the Madrid Colloquium.
- A scoping exercise into the viability of producing a social history of The Cochrane Collaboration.
- A training workshop for Editors in Bogota, Colombia.

Other designated funds are set out in the notes to these financial statements.

Funds in deficit

There were no funds in deficit in the year.

THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)

Investment policy

The Cochrane Collaboration has no investments other than deposit accounts. 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 continuing 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 (the IMS Support team).

Principal funding sources

Funding model

Core income referred to in this report comes from publishing income, as described above ('Fundraising performance'). The groups ('entities') who contribute towards the work of The Cochrane Collaboration 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 Cochrane 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 subscriptions to and sales of *The Cochrane Library* are 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 extremely 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 Committee, are as follows:

- National and trans-national government funding (including EU), typically from health and related ministries (79%);
- National and international charitable body funding (8%);
- 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 (3%).

Funds are currently available for the day-to-day operations of most of The Cochrane Collaboration's Review Groups and Centres. However, a number of these continue to face 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 continue to struggle 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. A Foundation Fund was established in 2005 to accept donations from conflicted sources. (A 'commercial source' is 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.

THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)

The Collaboration's policy with respect to commercial sponsorship of Cochrane Colloquia was tightened up in 2012 following a review by the Colloquium Policy Advisory Committee and approval by the Steering Group. Previously, commercial sponsorship had been allowed under limited circumstances. The revised policy prohibits any sponsorship from commercial sources (as defined above) thus bringing the policy for Colloquia in line with the Collaboration's overall policy on commercial sponsorship.

5. Plans for the future include:

- To continue to prioritise support for the Editor in Chief and the Cochrane Editorial Unit as they seek to improve the quality, relevance, usability and impact of *The Cochrane Library*.
- To appoint a new Chief Executive Officer to provide leadership, vision and high-level management across the Collaboration.
- To expand the Cochrane Operations Unit to enable it to provide better support for Cochrane groups and individuals worldwide as they seek to implement the vision and mission of the Collaboration.
- To sign off on a new publishing contract for *The Cochrane Library*, which will enhance the use and impact of the *Library* worldwide, and ensure we can continue to provide core infrastructural support to the Collaboration.
- To celebrate our 20th anniversary, and tell the world our story.
- To enhance our monitoring and management functions, particularly of individuals, groups and platforms which receive core Collaboration funding and/or use the Cochrane brand, primarily through the Cochrane Editorial Unit and Cochrane Operations Unit, working with relevant executives.
- To continue to develop alternative funding sources, in particular via the Collaboration's second trading company, *Cochrane Innovations*.
- To form an external advisory board, and enhance our partnerships with external stakeholders of the Collaboration and *The Cochrane Library*, such as health information providers, policy-makers and funders.
- To enhance global participation and relevance of the Collaboration and *The Cochrane Library* through the 'Cochrane Academy'.
- To improve the dissemination and uptake of our reviews, and enhance our brand, through the continued implementation of a coherent marketing and communications strategy, and the development and implementation of a translations strategy.
- To enhance activities aimed at supporting new contributors, and sustain the skills and commitment of current contributors through the continued implementation of the *Cochrane Training* initiative.
- To continue to support *Cochrane Methods*, ensuring that any methodological developments can be implemented and will enhance the quality of *The Cochrane Library*.
- To continue to support consumer involvement via the Consumer Co-ordinator.
- To finalise the *Methodological standards for the conduct of new Cochrane Intervention Reviews* (MECIR).

Public benefit statement

This public benefit statement has been drawn up in accordance with the Charity Commission's January 2008 guidance on public benefit and its reporting.

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 healthcare consumers need to be able to make valid choices between the various options open to them, in order to facilitate dialogue between patient and provider. Huge amounts of information are available; hundreds of thousands of scientific articles are published every year. Nobody can assimilate 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 world's population, the results of multiple clinical trials relating to individual treatments, and then presenting these results in a single scientific paper (a 'Cochrane Review'), formulated to be accessible to both healthcare consumer and practitioner.

The secondary public benefit relates to the advancement of education. Producing hundreds of Cochrane Reviews each year requires the assistance of thousands of volunteers. In fact, around 28,000 people now contribute their time to this task, principally health professionals, patients and their representatives, and academics. These volunteers need to be trained in the advanced techniques necessary for the work, and so international educational initiatives train upwards of 3,500 people each year in Cochrane techniques.

THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2012 (continued)

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 adequate 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 2006. 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 auditors

- (a) As far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) The trustees 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.

Auditors

The auditors, Mazars LLP, have signified their willingness to continue in office. A resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.

The trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved and signed on behalf of the trustees by

.....

Date:

Ms ME Schaafsma, Trustee and Treasurer

THE COCHRANE COLLABORATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COCHRANE COLLABORATION

We have audited the financial statements of The Cochrane Collaboration for the year ended 31 March 2012 which comprise the Statement of Financial Activities, the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's and group's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime.

Stephen Brown (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date:

THE COCHRANE COLLABORATION

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2012

Charity only (see over for group accounts)

	Note	Restricted	Designated	Unrestricted	2012	2011
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary Income	3	36,177	-	149,205	185,382	407,534
Investment Income	4	481	-	2,739,099	2,739,580	2,450,962
Total Incoming Resources		36,658	-	2,888,304	2,924,962	2,858,496
RESOURCES EXPENDED						
Costs of Generating Funds	7	-	-	372,978	372,978	194,685
Charitable Activities	8	80,565	8,145	1,671,228	1,759,938	1,716,171
Governance Costs	9	-	-	192,086	192,086	256,146
Total Resources Expended		80,565	8,145	2,236,292	2,325,002	2,167,002
Net (Outgoing)/Incoming Resources						
Before Transfers		(43,907)	(8,145)	652,012	599,960	691,494
Fund Transfers	15,16	(7,796)	8,145	(349)	-	-
Net (Outgoing)/Incoming Resources		(51,703)	-	651,663	599,960	691,494
Reconciliation of funds						
Total funds brought forward at 1 April		264,976	55,098	3,197,515	3,517,589	2,826,095
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH	15,16	213,273	55,098	3,849,178	4,117,549	3,517,589

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 funds carried forward at 31 March 2012 of £4,117,549 differ from the consolidated funds of £4,114,514 on page 13 due to the net reserves retained in the trading subsidiaries, Collaboration Trading Company Limited and Cochrane Innovations Limited.

The notes on pages 15 to 25 form part of these accounts.

THE COCHRANE COLLABORATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2012

	Note	Restricted	Designated	Unrestricted	Group 31 March 2012	Group 31 March 2011
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary Income	3	36,177	-	149,205	185,382	407,534
Investment Income	4	481	-	35,590	36,071	32,885
Incoming resources from charitable activities	6	-	-	2,806,039	2,806,039	2,454,166
Total Incoming Resources		36,658	-	2,990,834	3,027,492	2,894,585
RESOURCES EXPENDED						
Costs of Generating Funds	7	-	-	372,978	372,978	194,685
Charitable Activities	8	80,565	8,145	1,671,228	1,759,938	1,716,171
Governance Costs	9	-	-	297,128	297,128	292,721
Total Resources Expended		80,565	8,145	2,341,334	2,430,044	2,203,577
Net Incoming/(Outgoing) Resources before transfers		(43,907)	(8,145)	649,500	597,448	691,008
Fund Transfers	15,16	(7,796)	8,145	(349)	-	-
Net Incoming/(Outgoing) Resources		(51,703)	-	649,151	597,448	691,008
Fund balances brought forward at 1 April		264,976	55,098	3,196,992	3,517,066	2,826,058
FUND BALANCES CARRIED FORWARD AT 31 MARCH	15, 16	213,273	55,098	3,846,143	4,114,514	3,517,066

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 25 form part of these accounts.

THE COCHRANE COLLABORATION

BALANCE SHEETS
As at 31 March 2012

COMPANY NO. 3044323

		Cochrane		Cochrane	
		Collaboration	Group	Collaboration	Group
		31 March	31 March	31 March	31 March
Note		2012	2012	2011	2011
		£	£	£	£
FIXED ASSETS					
Fixtures, Fittings & Equipment	11	11,922	13,923	14,951	17,807
Investments	12	151,200	1,000	1,100	1,000
		<u>163,122</u>	<u>14,923</u>	<u>16,051</u>	<u>18,807</u>
CURRENT ASSETS					
Debtors	13	1,180,247	1,324,488	933,175	662,904
Cash at bank and in hand		3,029,462	3,564,035	2,907,917	3,294,935
		<u>4,209,709</u>	<u>4,888,523</u>	<u>3,841,092</u>	<u>3,957,839</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(255,282)	(788,932)	(339,554)	(459,580)
		<u>3,954,427</u>	<u>4,099,591</u>	<u>3,501,538</u>	<u>3,498,259</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,117,549</u>	<u>4,114,514</u>	<u>3,517,589</u>	<u>3,517,066</u>
INCOME FUNDS					
Restricted funds	15	213,273	213,273	264,976	264,976
Unrestricted funds:					
Designated	16	55,098	55,098	55,098	55,098
Other unrestricted		3,849,178	3,846,143	3,197,515	3,196,992
	17	<u>4,117,549</u>	<u>4,114,514</u>	<u>3,517,589</u>	<u>3,517,066</u>

The notes on pages 15 to 25 form part of these accounts.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved and authorised for issue by the trustees on October 2012 and signed on their behalf by

Ms M E Schaafsma
Trustee and Treasurer

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

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 Charity 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 (i.e. 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 (i.e. when it is virtually certain that the income will be received) under Gift Aid from the subsidiary undertakings, Collaboration Trading Company Limited and Cochrane Innovations Limited, and is recognised on a receivable basis (i.e. when the income is earned).

Group incoming resources include royalties from the subscriptions to and sales of The Cochrane Library to Collaboration Trading Company Limited, which are recognised on a receivable basis (i.e. when the income is earned). In the consolidated Statement of Financial Activities (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 for CEU staff 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

Investments in subsidiary undertakings are 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 and Cochrane Innovations Limited are consolidated within the results of The Cochrane Collaboration. All amounts in respect of group balances and transactions have been eliminated in arriving at the group figures.

Amounts disclosed in the accounts under the Trading Companies columns 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 designed 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.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

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

When 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.

2. SURPLUS FOR THE FINANCIAL YEAR

	Cochrane Collaboration 2012 £	Collaboration Trading Co. 2012 £	Cochrane Innovations 2012 £	Group 2012 £	Group 2011 £
The surplus is after charging:					
Auditors' remuneration – audit services	3,500	1,500	1000	6,000	5,000

3. VOLUNTARY INCOME

	Restricted £	Designated £	Unrestricted £	Cochrane Collaboration 2012 £	Collaboration Trading Co. 2012 £	Cochrane Innovations 2012 £	Group 2012 £	Group 2011 £
Donations	36,177	-	149,205	185,382	-	-	185,382	407,534
	36,177	-	149,205	185,382	-	-	185,382	407,534

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

4. INVESTMENT INCOME

	Restricted	Designated	Unrestricted	Cochrane Collaboration	Collaboration Trading Co.	Cochrane Innovations	Group	Group
	2012	2012	2012	2012	2012	2012	2012	2011
	£	£	£	£	£	£	£	£
Bank interest	481	-	31,762	32,243	3,828	-	36,071	32,885
	481	-	31,762	32,243	3,828	-	36,071	32,885

Investment income in the Charity SOFA of £2,739,580 (2010-11: £2,450,962) 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 pay corporation tax on its charitable activities. The Collaboration Trading Company and Cochrane Innovations are not charities and are therefore subject to corporation tax on their activities. However, the net profit chargeable to corporation tax on their trading activities are considered as donations 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.	Cochrane Innovations	Group	Group
	2012	2012	2012	2012	2011
	£	£	£	£	£
Unrestricted Funds					
Royalties from subscriptions to and sales of The Cochrane Library and other income	-	2,730,289	-	2,730,289	2,454,166
Other income	-	-	75,750	75,750	-
	-	2,730,289	75,750	2,806,039	2,454,166

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

7. COSTS OF GENERATING FUNDS

	Restricted	Designated	Un- restricted	Cochrane Collaboration	Collaboration Trading Co.	Cochrane Innovations	Group	Group
	2012	2012	2012	2012	2012	2012	2012	2011
	£	£	£	£	£	£	£	£
Meeting expenses	-	-	34,668	34,688	-	-	34,688	31,986
Staff salaries (see note 10)	-	-	101,602	101,602	-	-	101,602	90,480
Editorial costs	-	-	236,708	236,708	-	-	236,708	72,219
	-	-	372,978	372,978	-	-	372,978	194,685

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

8. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES

	Restricted £	Designated £	Unrestricted £	Cochrane Collaboration 2012 TOTAL £	Collaboration Trading Co. 2012 Unrestricted £	Cochrane Innovations 2012 Unrestricted £	Group 2012 £	Group 2011 £
Awards, Scholarships & Prizes								
Thomas C Chalmers Award	637	-	-	637	-	-	637	630
Aubrey Sheiham Scholarship	6,269	-	-	6,269	-	-	6,269	5,438
Chris Silagy Prize	-	-	1,087	1,087	-	-	1,087	-
Bill Silverman Prize	643	-	-	643	-	-	643	627
Kenneth Warren Prize	2,369	-	-	2,369	-	-	2,369	8,304
Total Awards, Scholarship & Prizes	9,918	-	1,087	11,005	-	-	11,005	14,999
Vitamin A Project	9,974	-	-	9,974	-	-	9,974	11,578
HTA Influenza Project	-	-	-	-	-	-	-	9,348
NHS Updating Project	36,167	-	-	36,167	-	-	36,167	111,708
Evidence Aid	24,506	-	-	24,506	-	-	24,506	24,891
Direct/Running costs	-	-	52,526	52,526	-	-	52,526	46,671
Designated grants	-	8,145	99,512	107,657	-	-	107,657	102,381
Grants	-	-	323,525	323,525	-	-	323,525	304,797
IMS Support team	-	-	96,147	96,147	-	-	96,147	86,176
IMS development	-	-	330,548	330,548	-	-	330,548	330,990
Legal Fees	-	-	26,649	26,649	-	-	26,649	1,418
Meeting expenses	-	-	9,551	9,551	-	-	9,551	22,394
Staff salaries (see note 10)	-	-	584,918	584,918	-	-	584,918	520,886
Website development	-	-	146,765	146,765	-	-	146,765	127,934
	80,565	8,145	1,671,228	1,759,938	-	-	1,759,938	1,716,171

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

8. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES (continued)

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 were made to the following projects:

	£
Methods Group grants - Year 2	9,530
Cochrane Register of Studies	97,180
CENTRAL Interim Measures	10,224
Cochrane Marketing Initiative	64,082
Colloquium Manager software development	13,845
Opportunities Fund	49,138
Anniversary Celebrations	6,696
Collaboration Review	12,429
FPAP Budget	7,765
Diagnostic Test Reviews Support Unit	7,710
Diagnostic Test Accuracy Register	43,879
Managing Editors Mentoring Scheme	2,401
Cochrane Innovations	(1,354)
	323,525

9. GOVERNANCE COSTS

	Cochrane Collaboration 2012 £	Collaboration Trading Co. 2012 £	Cochrane Innovations 2012 £	Group 2012 £	Group 2011 £
Advisory group costs	2,264	-	-	2,264	19,008
Audit and accountancy	7,000	15,622	2,883	25,505	17,531
Bank interest and charges	1,881	288	-	2,169	1,899
Insurance	6,533	-	-	6,533	4,278
Legal and professional	-	67	1,009	1,076	5,961
Meeting expenses	72,807	-	4,349	77,156	137,694
Printing, postage and stationery	-	5,975	-	5,975	4,537
Running costs	-	48,881	4,268	53,149	10,597
Staff salaries (see note 10)	101,601	-	20,313	121,914	90,480
Telephone	-	1,387	-	1,387	736
	192,086	72,220	32,822	297,128	292,721

All governance expenditure is from unrestricted funds.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

10. TOTAL STAFF COSTS

	Cochrane Collaboration 2012	Collaboration Trading Co. 2012	Cochrane Innovations 2012	Group 2012	Group 2011
	£	£	£	£	£
Wages and salaries	694,602	-	20,313	714,915	618,634
Social security costs	63,845	-	-	63,845	52,891
Pension costs	29,674	-	-	29,674	30,321
	<u>788,121</u>	<u>-</u>	<u>20,313</u>	<u>808,434</u>	<u>701,846</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 2012	Collaboration Trading Co. 2012	Cochrane Innovations 2012	Group 2012
	£	£	£	£
Costs of Generating Funds	101,602	-	-	101,602
Costs in Furtherance of the Charity's Objects	584,918	-	-	584,918
Governance Costs	101,601	-	20,313	121,914
	<u>788,121</u>	<u>-</u>	<u>20,313</u>	<u>808,434</u>

	Cochrane Collaboration 2012	Collaboration Trading Co. 2012	Cochrane Innovations 2012	Group 2012	Group 2011
The average number of employees analysed by function was:					
Management	5	-	1	6	7
Finance	4	-	-	4	2
Administration	4	-	1	5	2
	<u>13</u>	<u>-</u>	<u>2</u>	<u>15</u>	<u>11</u>

3 employees received emoluments in excess of £60,000 during the year (2010 - 2011: 3).

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 £57,415 (2010-2011: £43,321).

Professional indemnity insurance was purchased in the year for £5,915 (2010-2011: £3,318).

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

11. FIXED ASSETS

	Collaboration			Group		
	FFE	Computer Equipment	Total	Fixtures & Fittings	Computer Equipment	Total
	£	£	£	£	£	£
Cost						
As at 1 April 2011	9,216	12,409	21,625	21,250	29,285	50,535
Additions	639	1,132	1,771	920	2,614	3,534
Disposals	-	-	-	-	-	-
As at 31 March 2012	<u>9,855</u>	<u>13,541</u>	<u>23,396</u>	<u>22,170</u>	<u>31,899</u>	<u>54,069</u>
Depreciation						
As at 1 April 2011	2,710	3,964	6,674	13,403	19,325	32,728
Charge for the year	2,346	2,454	4,800	3,368	4,050	7,418
Eliminated on disposals	-	-	-	-	-	-
As at 31 March 2012	<u>5,056</u>	<u>6,418</u>	<u>11,474</u>	<u>16,771</u>	<u>23,375</u>	<u>40,146</u>
Net Book Value						
As at 31 March 2012	<u>4,799</u>	<u>7,123</u>	<u>11,922</u>	<u>5,399</u>	<u>8,524</u>	<u>13,923</u>
As at 31 March 2011	<u>6,506</u>	<u>8,445</u>	<u>14,951</u>	<u>7,847</u>	<u>9,960</u>	<u>17,807</u>

12. FIXED ASSETS INVESTMENTS

	Cochrane Collaboration 2012	Group 2012	Cochrane Collaboration 2011	Group 2011
	£	£	£	£
Investment in Collaboration Trading Company Limited	100	-	100	-
Investment in Cochrane Innovations Limited	150,100	-	-	-
Other investments	1,000	1,000	1,000	1,000
	<u>151,200</u>	<u>1,000</u>	<u>1,100</u>	<u>1,000</u>

The investments represents a 100% shareholding in Collaboration Trading Company Limited and a 100% shareholding in Cochrane Innovations Limited (incorporated in England and Wales). All figures have been included in the consolidation.

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

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2012

13. DEBTORS

	Cochrane Collaboration 2012	Group 2012	Cochrane Collaboration 2011	Group 2011
	£	£	£	£
Prepayments and accrued income	483,833	1,287,546	35,897	574,196
Amount due from subsidiary	672,464	-	819,374	-
Other debtors	1,506	1,506	56,420	64,912
Trade debtors	22,444	35,436	21,484	23,796
	<u>1,180,247</u>	<u>1,324,488</u>	<u>933,175</u>	<u>662,904</u>

Included in trade debtors is an amount owed from Singapore General Hospital. Correspondence with the hospital is ongoing to ensure full payment is received.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Cochrane Collaboration 2012	Group 2012	Cochrane Collaboration 2011	Group 2011
	£	£	£	£
Trade creditors	95,743	99,777	124,296	136,813
Social security and other taxation	17,732	17,733	21,469	21,469
VAT creditors	-	134,387	-	104,654
Accruals and deferred income	141,807	537,035	193,789	196,644
	<u>255,282</u>	<u>788,932</u>	<u>339,554</u>	<u>459,580</u>

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

15. RESTRICTED FUNDS

	Balance as at 1 April 2011	Incoming resources	Expenditure	Transfer between funds	Balance as at 31 March 2012
	£	£	£	£	£
Kenneth Warren Prize	17,558	-	(2,369)	-	15,189
Bill Silverman Prize	1,419	-	(643)	1,725	2,501
Wellcome Trust	6,247	-	-	(6,247)	-
Thomas C Chalmers Award	3,784	-	(637)	-	3,147
Aubrey Sheiham Scholarship	57,129	481	(6,269)	-	51,341
Vitamin A Project	15,422	-	(9,974)	-	5,448
HTA Influenza Project	2,459	815	-	(3,274)	-
NHS Updating Project	36,167	-	(36,167)	-	-
Evidence Aid	124,791	28,582	(24,506)	-	128,867
Anne Anderson Award	-	6,780	-	-	6,780
Charity and Group	264,976	36,658	(80,565)	(7,796)	213,273

The Kenneth Warren Prize was formed to fund the annual prize of the same name.

The Bill Silverman Prize was 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 was 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.

WHO Vitamin A project – A commission from the World Health Organization to update a number of Cochrane Reviews on Vitamin A Supplementation in specific population groups.

HTA Influenza project – A grant awarded by the NIHR as part of the HTA programme to support a review team evaluating the effects of neuraminidase inhibitors in influenza.

NHS updating project – A grant received as part of the NHS Engagement Award; its main focus was to develop and circulate recommendations aimed at improving Cochrane Review Group/Author performance in updating Cochrane Reviews.

Evidence Aid – An initiative to improve access to information for people and organisations facing health and healthcare challenges arising in natural disasters and other large-scale health emergencies and crises. A transfer of £25,000 was made from unrestricted funds in the year, to cover specific costs incurred in assessing whether the project was feasible.

The Anne Anderson Prize was formed to fund the annual prize of the same name.

The bracketed figures represent expenditure which is deducted from the fund balances.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

16. DESIGNATED FUNDS

	Balance as at 1 April 2011	Transfers and new designations	Expenditure	Balance as at 31 March 2012
	£	£	£	£
Discretionary Fund	15,000	8,145	(8,145)	15,000
Prioritisation Fund	13,184	-	-	13,184
Opportunities Fund	15,106	-	-	15,106
Colloquium Fund	11,808	-	-	11,808
	<u>55,098</u>	<u>8,145</u>	<u>(8,145)</u>	<u>55,098</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 £5,000 (exclusive of any administration charges).

A transfer has been made from the unrestricted reserves to increase the balance back up to £15,000 at the year end following expenditure of £8,145 from the fund in the year.

Agreed payments for the projects funded by the fourth and final round of the Collaboration's Opportunities Fund began in the year 2010-11, with all invoices for older projects settled as final reports were received. The Steering Group had agreed at its meeting in Auckland, New Zealand, in March 2010, to discontinue the Opportunities Fund on completion of the fourth round, considering that it was not contributing sufficiently to achieving the Collaboration's strategic goals. Instead, core funds will be directed at programmes considered of key strategic importance, including *Cochrane Training* and *Cochrane Methods*. These initiatives will include budgets allocated by application to groups conducting research, development, training and advocacy projects in relevant subject areas.

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

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2012

17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Charity	Restricted	Unrestricted	Total
	£	£	£
Fixed assets	-	163,122	163,122
Current assets	213,273	3,996,436	4,209,709
Current liabilities	-	(255,282)	(255,282)
	<u>213,273</u>	<u>3,904,276</u>	<u>4,117,549</u>

Group	Restricted	Unrestricted	Total
	£	£	£
Fixed assets	-	14,923	14,923
Current assets	213,273	4,675,250	4,888,523
Current liabilities	-	(788,932)	(788,932)
	<u>213,273</u>	<u>3,901,241</u>	<u>4,114,514</u>

18. FINANCIAL COMMITMENTS

Operating lease commitments

At 31 March 2012 the charitable company had annual commitments in respect of premises rental as follows:

	Charity and Group		Charity and Group	
	2012	2012	2011	2011
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
In one year or less	-	-	-	-
Over one and less than two	-	1,485	-	-
Over two and less than five	31,203	-	-	1,485
Over five years	21,650	-	21,650	-
	<u>52,853</u>	<u>1,485</u>	<u>21,650</u>	<u>1,485</u>

Pension Commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £29,674 (2010 - 2011: £30,321). Contributions totalling £498 (2010 - 2011: £5,050) were payable to the fund at the balance sheet date and are included in creditors.

19. RELATED PARTY TRANSACTIONS

The charitable company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirements to disclose transactions with group companies in consolidated financial statements.