

The Cochrane Collaboration

(A company limited by guarantee)

Report and Financial Statements

For the year ended 31 March 2010

Company Number 3044323

Charity Number 1045921

THE COCHRANE COLLABORATION

31 MARCH 2010

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THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010

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 2010.

Reference and Administration

Charity name: The Cochrane Collaboration

Registered and
Correspondence
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
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 2010 (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) | Dr S Hill (Appointed 12 October 2009) |
| Prof L Bero | Dr S McDonald |
| Prof J Craig (Co-Chair) | Ms ME Schaafsma (Appointed 12 October 2009) |
| Dr Z Fedorowicz | Dr R Scholten |
| Ms RE Foxlee (Resigned 12 October 2009) | Dr R Soll |
| Dr D Gillies (Treasurer) | Dr J Wale (Resigned 12 October 2009) |
| Prof A Grant (Co-Chair) (Resigned 12 October 2009) | Mrs E Whamond |
| Mrs SL Henderson | Dr K Williams |
| Ms GY Higgins (Appointed 12 October 2009) | Dr H van der Wouden |
| Dr JPT Higgins | Mrs M Zhang (Appointed 12 October 2009) |

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 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 to specific posts, representative of their membership group. At its meeting in Auckland in March 2010, the Steering Group agreed to reduce the number of trustees from 17 to 14, as the current members retire from office.

Organisational Structure

The Charity is organised as follows:

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

The Cochrane Collaboration Secretariat (based in Oxford, UK)

A small staff co-ordinates the central functions of The Cochrane Collaboration, consisting of the Chief Executive Officer, Company Secretary and Administrator, Deputy Administrator, Project Support and Business Communications Officer, and Team P.A.

The Cochrane Editorial Unit (based in London, UK)

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.

The Editor in Chief is supported by the Senior Editor, Scientific Editor, Editor, Business Manager and P.A.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (continued)

Cochrane Entities

Thirteen geographical Centres (a fourteenth Centre, the French Cochrane Centre, was registered in June 2010) 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, who facilitate the preparation, by volunteers, of Cochrane Reviews, the Charity's main output – see section 2, 'Objectives and Activities').
- Fields (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 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, the steps taken to mitigate risk, and further action that could be taken. This matrix was updated on 20 July 2010.

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:

- Preparation of systematic 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:
 - New protocols for forthcoming reviews: 645
 - New systematic reviews: 449
 - Updated systematic reviews (new citation versions): 583

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (continued)

- 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 people working in research institutions in Germany, funded by the German Research Foundation. 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 - the 'Colloquium' - was held in Singapore in October 2009 and was attended by 682 people from forty-six countries; more than twenty-five per cent of the participants were from Asia.
- New methodological development: development has continued to improve the presentation of Cochrane systematic reviews.

Contribution of volunteers

The charity makes extensive use of volunteers, with more than 27,000 people from over 110 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 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 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.

This was achieved through a strategy of:

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

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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (continued)

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. The major focus has been on the development of our response to the Strategic Review conducted by Jeremy Grimshaw and his team in 2008, and reported on in 2009. Initiatives under way and to which considerable resources have been allocated, include:

- Embedding our Editor in Chief into our procedures and structures, and expanding his team appropriately, to ensure that our published product, principally Cochrane systematic reviews, remains of the highest quality, and of relevance to key audiences including policy makers, patients, and healthcare practitioners.
- Revising our governance arrangements to ensure that our trustees are in the best position to undertake their governance role on behalf of the Collaboration. Of particular note was the decision taken in March 2010 to revise our committee structure to ensure that it is fit for purpose for the next decade and to reduce the size of the trustees' board whilst at the same time realigning its focus on core responsibilities, ensuring a clear fit between purpose and structure.
- Examining our arrangements for succession planning in our collaborating groups, with decisions on these expected in late 2010.
- Developing sets of core competencies for those involved in our processes and governance structures, due to be finalised in late 2011.
- Formalising our additional purpose of education and training by developing a new strategic training policy and plan, due to be finalised in late 2010.
- Examining the scope for additional new products in line with our charitable objectives, increasing the accessibility of Cochrane systematic reviews to different audiences.
- Revising our approach to marketing and communication, developing a new strategy, and releasing new versions of our two principle websites; our organisational website, www.cochrane.org, and the website for *The Cochrane Library*, www.thecochranelibrary.com.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (continued)

- Working to develop our partnership strategy, in particular making good progress in entering official relations with the World Health Organization.

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 2009-10 the income from this source increased by around 34% compared to 2008-09.

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, that 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, and 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 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 2009-10, the level of the contingency fund was set at £432,259.

Agreed payments for the projects funded by the first round of the Collaboration's Opportunities Fund and Prioritisation Fund continued in the year 2009-10. Payments were started for the projects awarded funding in the third round of the Opportunities Fund, made available from April 2009. The Steering Group 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 is not contributing sufficiently as hoped to the Collaboration's strategic goals.

Opportunities Fund

The Steering Group approved funding for the following five projects at its meeting in Auckland, New Zealand, in March 2010:

- Terry Klassen, PICO in Respiratory Child Health, Child Health Field.
- Philippe Ravaud, Hybrid machine/human translation vs. machine translation vs. human translation of Cochrane abstracts and plain language summaries, French Cochrane Centre.
- Mark Petticrew, Extrapolation: Applying the results from Cochrane Reviews to whom, when, and how? Campbell and Cochrane Equity Methods Group.
- Paul Montgomery, How empty are empty reviews? Developing guidelines for the discussion of excluded studies, Developmental, Psychosocial and Learning Problems Review Group.
- Taryn Young, Cochrane Africa Editing Skills Workshop, South African Cochrane Centre.

Prioritisation Fund

In the financial year 2009-10, final payments were made for projects funded by the one-off Prioritisation Fund, which was announced in 2007. On completion of the projects, a discussion session was held at the 2009 Colloquium in Singapore, which assessed the success of the projects in the context of the aims of the Fund. More information about the outcomes of the Fund is available on the Collaboration's website (cochrane.org).

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. Three projects received funding this year:

- Course on diagnostic test accuracy reviews at the University of Birmingham, U.K.
- Summaries on the management of burns by the Australasian Cochrane Centre.
- External review of the Cochrane Consumer Network.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (continued)

Other designated funds are set out in note 16 of these financial statements.

Funds in deficit

There were no funds in deficit in the year.

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 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 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 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 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 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%).

During 2009-10, funding was renewed for Cochrane activities in Australia, Canada and the UK. 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. A Foundation Fund was established in 2005 to accept donations from conflicted sources. (By 'commercial source' is meant any for-profit manufacturer or provider of healthcare, 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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (continued)

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 continue to consider and implement the recommendations of the Strategic Review, which summarises that The Cochrane Collaboration needs:

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.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (continued)

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. 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 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 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, nearly 27,000 people now contribute their time to this task, principally health professionals, patients and their representatives, and academics. But 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.

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 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 directors 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

Dr D Gillies

Trustee and Treasurer

Date:

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 2010 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 statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Report and Financial Statements and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including our opinion, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Stephen Brown (Senior statutory auditor)
for and on behalf of Mazars LLP, Chartered Accountants (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 2010
Charity only (see over for group accounts)

| | | Restricted | Designated | Unrestricted | 2010 | 2009 |
|---|-------------|----------------|----------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ | £ |
| | Note | | | | | |
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Voluntary Income | 3 | 315 | - | 72,154 | 72,469 | 89,427 |
| Investment Income | 4 | 870 | - | 2,260,855 | 2,261,725 | 1,656,547 |
| Incoming resources from charitable activities | | | | | | |
| | 6 | - | - | 6,381 | 6,381 | 27,161 |
| Total Incoming Resources | | <u>1,185</u> | <u>-</u> | <u>2,339,390</u> | <u>2,340,575</u> | <u>1,773,135</u> |
| RESOURCES EXPENDED | | | | | | |
| Costs of Generating Funds | 7 | - | - | 152,042 | 152,042 | 138,928 |
| Charitable Activities | 8 | 11,914 | 117,028 | 1,071,491 | 1,200,433 | 875,058 |
| Governance Costs | 9 | - | - | 248,852 | 248,852 | 329,454 |
| Total Resources Expended | | <u>11,914</u> | <u>117,028</u> | <u>1,472,385</u> | <u>1,601,327</u> | <u>1,343,440</u> |
| Net (Outgoing)/Incoming Resources Before Transfers | | | | | | |
| | | (10,729) | (117,028) | 867,005 | 739,248 | 429,695 |
| Fund Transfers | 16 | - | 10,342 | (10,342) | - | - |
| Net (Outgoing)/Incoming Resources | | (10,729) | (106,686) | 856,663 | 739,248 | 429,695 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward at 1 April | | <u>111,166</u> | <u>247,677</u> | <u>1,728,004</u> | <u>2,086,847</u> | <u>1,657,152</u> |
| TOTAL FUNDS CARRIED FORWARD AT 31 MARCH | | | | | | |
| | 15,16 | <u>100,437</u> | <u>140,991</u> | <u>2,584,667</u> | <u>2,826,095</u> | <u>2,086,847</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 funds carried forward at 31 March 2010 of £2,826,095 differ from the consolidated funds of £2,826,058 on page 12 due to the net reserves retained in the trading subsidiary, Collaboration Trading Company Limited.

The notes on pages 14 to 22 form part of these accounts.

THE COCHRANE COLLABORATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2010

| | | Restricted | Designated | Unrestricted | Group 31 March 2010 | Group 31 March 2009 |
|---|-------------|----------------|----------------|------------------|------------------------|------------------------|
| | | £ | £ | £ | £ | £ |
| | Note | | | | | |
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Voluntary Income | 3 | 315 | - | 72,154 | 72,469 | 89,427 |
| Investment Income | 4 | 870 | - | 31,684 | 32,554 | 51,457 |
| Incoming resources from charitable activities | 6 | - | - | 2,427,578 | 2,427,578 | 1,829,552 |
| Total Incoming Resources | | <u>1,185</u> | <u>-</u> | <u>2,531,416</u> | <u>2,532,601</u> | <u>1,970,436</u> |
| RESOURCES EXPENDED | | | | | | |
| Costs of Generating Funds | 7 | - | - | 192,223 | 192,223 | 179,276 |
| Charitable Activities | 8 | 11,914 | 117,028 | 1,156,627 | 1,285,569 | 958,743 |
| Governance Costs | 9 | - | - | 315,561 | 315,561 | 402,722 |
| Total Resources Expended | | <u>11,914</u> | <u>117,028</u> | <u>1,664,411</u> | <u>1,793,353</u> | <u>1,540,741</u> |
| Net Incoming/(Outgoing) Resources Before Transfers | | (10,729) | (117,028) | 867,005 | 739,248 | 429,695 |
| Funds Transfers | 16 | - | 10,342 | (10,342) | - | - |
| Net Incoming/(Outgoing) Resources | | (10,729) | (106,686) | 856,663 | 739,248 | 429,695 |
| Fund balances brought forward at 1 April | | <u>111,166</u> | <u>247,677</u> | <u>1,727,967</u> | <u>2,086,810</u> | <u>1,657,115</u> |
| FUND BALANCES CARRIED FORWARD | | | | | | |
| AT 31 MARCH | 15,16 | <u>100,437</u> | <u>140,991</u> | <u>2,584,630</u> | <u>2,826,058</u> | <u>2,086,810</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 14 to 22 form part of these accounts.

THE COCHRANE COLLABORATION

**BALANCE SHEETS
As at 31 March 2010**

COMPANY NO. 3044323

| | Note | Cochrane Collaboration 31 March 2010 £ | Group 31 March 2010 £ | Cochrane Collaboration 31 March 2009 £ | Group 31 March 2009 £ |
|--|-------------|---|--|---|--|
| FIXED ASSETS | | | | | |
| Fixtures, Fittings & Equipment | 11 | 10,699 | 15,090 | 2,887 | 7,896 |
| Investments | 12 | 1,100 | 1,000 | 1,100 | 1,000 |
| | | <u>11,799</u> | <u>16,090</u> | <u>3,987</u> | <u>8,896</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 13 | 1,293,713 | 680,937 | 1,031,305 | 648,544 |
| Cash at bank and in hand | | 1,779,092 | 2,512,768 | 1,329,279 | 1,825,908 |
| | | <u>3,072,805</u> | <u>3,193,705</u> | <u>2,360,584</u> | <u>2,474,452</u> |
| CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR | | | | | |
| | 14 | (258,509) | (383,737) | (277,724) | (396,538) |
| | | <u>2,814,296</u> | <u>2,809,968</u> | <u>2,082,860</u> | <u>2,077,914</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | <u>2,826,095</u> | <u>2,826,058</u> | <u>2,086,847</u> | <u>2,086,810</u> |
| INCOME FUNDS | | | | | |
| Restricted funds | 15 | 100,437 | 100,437 | 111,166 | 111,166 |
| Unrestricted funds: | | | | | |
| Designated | 16 | 140,991 | 140,991 | 247,677 | 247,677 |
| Other unrestricted | | 2,584,667 | 2,584,630 | 1,728,004 | 1,727,967 |
| | 17 | <u>2,826,095</u> | <u>2,826,058</u> | <u>2,086,847</u> | <u>2,086,810</u> |

The notes on pages 14 to 22 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

and signed on their behalf by

Dr D Gillies
Trustee and Treasurer

Date:

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

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 (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 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 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 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 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 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 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 designed for specific purposes. These are classified under "designed 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 2010

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 2010 £ | Collaboration Trading Co. 2010 £ | Group 2010 £ | Group 2009 £ |
|---|--|---|-----------------------------|-----------------------------|
| The surplus is after charging: | | | | |
| Auditors' remuneration – audit services | 3,500 | 1,500 | 5,000 | 7,500 |
| | <u>3,500</u> | <u>1,500</u> | <u>5,000</u> | <u>7,500</u> |

3. VOLUNTARY INCOME

| | Restricted £ | Designated £ | Unrestricted £ | Cochrane Collaboration 2010 £ | Collaboration Trading Co. 2010 £ | Group 2010 £ | Group 2009 £ |
|-----------|-------------------------|-------------------------|---------------------------|--|---|-----------------------------|-----------------------------|
| Donations | 315 | - | 72,154 | 72,469 | - | 72,469 | 89,427 |
| | <u>315</u> | <u>-</u> | <u>72,154</u> | <u>72,469</u> | <u>-</u> | <u>72,469</u> | <u>89,427</u> |

4. INVESTMENT INCOME

| | Cochrane Collaboration 2010 £ | Collaboration Trading Co. 2010 £ | Group 2010 £ | Group 2009 £ |
|---------------|--|---|-----------------------------|-----------------------------|
| Bank interest | 22,588 | 9,966 | 32,554 | 51,457 |
| | <u>22,588</u> | <u>9,966</u> | <u>32,554</u> | <u>51,457</u> |

Investment income in the Charity SOFA of £2,261,725 (2008 - 2009: £1,656,547) also includes monies receivable from Collaboration Trading Company Limited for donations made under Gift Aid.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

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 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 2010 £ | Collaboration Trading Co. 2010 £ | Group 2010 £ | Group 2009 £ |
|--|--|---|--------------------|--------------------|
| Unrestricted funds | | | | |
| Freiburg Colloquium administration | - | - | - | 22,006 |
| Royalties from the sale of The Cochrane Library and other income | - | 2,421,197 | 2,421,197 | 1,802,390 |
| Other income | 6,381 | - | 6,381 | 5,156 |
| | <u>6,381</u> | <u>2,421,197</u> | <u>2,427,578</u> | <u>1,829,552</u> |

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.

7. COSTS OF GENERATING FUNDS

| | Restricted £ | Designated £ | Unrestricted £ | Cochrane Collaboration 2010 £ | Collaboration Trading Co. 2010 £ | Group 2010 £ | Group 2009 £ |
|------------------|-----------------|-----------------|-------------------|--|---|--------------------|--------------------|
| Meeting expenses | - | - | 179 | 179 | - | 179 | 760 |
| Staff salaries | - | - | 45,942 | 45,942 | 40,181 | 86,123 | 104,502 |
| Editorial costs | - | - | 105,921 | 105,921 | - | 105,921 | 74,014 |
| | <u>-</u> | <u>-</u> | <u>152,042</u> | <u>152,042</u> | <u>40,181</u> | <u>192,223</u> | <u>179,276</u> |

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

8. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES

| | Restricted | Designated | Unrestricted | Cochrane Collaboration 2010 TOTAL | Collaboration Trading Co. 2009 Unrestricted | Group 2010 | Group 2009 |
|---|---------------|----------------|------------------|---|--|------------------|----------------|
| | £ | 2010 £ | 2010 £ | £ | £ | £ | £ |
| Awards, Fellowships & Prizes | | | | | | | |
| Chris Silagy Prize | - | - | 2,242 | 2,242 | - | 2,242 | 1,751 |
| Bill Silverman Prize | 2,386 | - | - | 2,386 | - | 2,386 | 568 |
| Visiting Fellowship | - | - | - | - | - | - | 2,258 |
| Kenneth Warren Prize * | - | - | - | - | - | - | 4,084 |
| Aubrey Sheiham Scholarship | 6,089 | - | - | 6,089 | - | 6,089 | 9,176 |
| Thomas C Chalmers Award | 614 | - | - | 614 | - | 614 | 651 |
| Total Awards, Fellowships & Prizes | 9,089 | - | 2,242 | 11,331 | - | 11,331 | 18,488 |
| Consumables | - | - | 11,498 | 11,498 | - | 11,498 | 3,329 |
| EUNetHTA Grant | 2,825 | - | 1,149 | 3,974 | - | 3,974 | 6,569 |
| Wellcome Trust | - | - | - | - | - | - | 16,297 |
| Direct/Running costs | - | - | - | - | 44,795 | 44,795 | 49,718 |
| Designated grants (note 16) | - | 117,028 | - | 117,028 | - | 117,028 | 63,877 |
| Grants | - | - | 496,579 | 496,579 | - | 496,579 | 506,678 |
| IMS Support team | - | - | 97,847 | 97,847 | - | 97,847 | 74,839 |
| Legal fees | - | - | 778 | 778 | - | 778 | 1,932 |
| Meeting expenses | - | - | 22,870 | 22,870 | 160 | 23,030 | 15,279 |
| Staff salaries | - | - | 305,302 | 305,302 | 40,181 | 345,483 | 89,156 |
| Website and Communications | - | - | 133,226 | 133,226 | - | 133,226 | 112,581 |
| | <u>11,914</u> | <u>117,028</u> | <u>1,071,491</u> | <u>1,200,433</u> | <u>85,136</u> | <u>1,285,569</u> | <u>958,743</u> |

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:

| | £ |
|--|----------------|
| IMS Project Grant | 234,317 |
| The Cochrane Library – Complimentary subscriptions | 4,978 |
| La Biblioteca Cochrane Plus translation | 20,480 |
| Diagnostic Test Reviews Support Unit | 36,864 |
| Diagnostic Test Accuracy Register | 38,089 |
| Cochrane Register of Studies | 68,740 |
| Sponsored Entity Registrations 2009 | 38,587 |
| CENTRAL Interim Measures | 20,322 |
| Other amounts individually less than £25,000 | 34,202 |
| | <u>496,579</u> |

* No expenditure was incurred in 2009-10 as the prize recipient was unable to attend the Colloquium. The costs have been deferred until 2010-11.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

9. GOVERNANCE COSTS

| | Cochrane Collaboration TOTAL £ | Collaboration Trading Co. TOTAL £ | Group 2010 £ | Group 2009 £ |
|-------------------------------------|---|--|-----------------------------|-----------------------------|
| Advisory group costs | 14,626 | - | 14,626 | 12,437 |
| Audit and accountancy | 4,656 | 7,612 | 12,268 | 9,883 |
| Bank interest and charges | 1,617 | 856 | 2,473 | 5,230 |
| Insurance | 2,479 | - | 2,479 | 3,001 |
| Legal and professional | - | 50 | 50 | 390 |
| Meeting expenses | 163,717 | - | 163,717 | 132,897 |
| Printing, postage and stationery | - | 4,173 | 4,173 | 3,198 |
| Running costs | - | 12,107 | 12,107 | 21,096 |
| Colloquium – support costs | 5,275 | - | 5,275 | 17,899 |
| Staff salaries | 45,942 | 40,181 | 86,123 | 70,005 |
| Telephone | 10,540 | 1,730 | 12,270 | 3,120 |
| Collaboration wide strategic review | - | - | - | 123,566 |
| | <u>248,852</u> | <u>66,709</u> | <u>315,561</u> | <u>402,722</u> |

All governance expenditure is from unrestricted funds.

10. TOTAL STAFF COSTS

| | Cochrane Collaboration 2010 £ | Collaboration Trading Co. 2010 £ | Group 2010 £ | Group 2009 £ |
|-----------------------|--|---|-----------------------------|-----------------------------|
| Wages and salaries | 384,895 | 117,181 | 502,076 | 248,009 |
| Social security costs | 12,291 | 3,362 | 15,653 | 15,653 |
| | <u>397,186</u> | <u>120,543</u> | <u>517,729</u> | <u>263,662</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 2010 £ | Collaboration Trading Co. 2010 £ | Group 2010 £ |
|--|--|---|-----------------------------|
| Costs of generating funds | 45,942 | 40,181 | 86,123 |
| Costs in Furtherance of the Charity's objectives | 305,302 | 40,181 | 345,483 |
| Governance costs | 45,942 | 40,181 | 86,123 |
| | <u>397,186</u> | <u>120,543</u> | <u>517,729</u> |

| | Cochrane Collaboration 2010 £ | Collaboration Trading Co. 2010 £ | Group 2010 £ | Group 2009 £ |
|---|--|---|-----------------------------|-----------------------------|
| The average number of employees analysed by function was: | | | | |
| Management | 4 | - | 4 | 2 |
| Finance | - | 2 | 2 | 2 |
| Administration | 1 | 1 | 2 | 1 |
| | <u>5</u> | <u>3</u> | <u>8</u> | <u>5</u> |

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

10. TOTAL STAFF COSTS (continued)

Trustees' remuneration and expenses

The trustees received no remuneration during the year, apart from reimbursement for attendance at trustees' meetings in furtherance of their duties of £147,332 (2008-2009: £102,853). One trustee's employer was also reimbursed for their work as a member of the IMS Support team (see Note 8), and one trustee received remuneration for editing the Cochrane Handbook for Systematic Reviews of Interventions.

Professional indemnity insurance was purchased in the year for £1,860 (2008-2009: £2,520).

In the year a total of £94,945 (2008-2009: £244,223) was granted to associated Cochrane entities. Of this total £56,899 (2008-2009: £71,068) was approved 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 £ | Fixtures & Fittings £ | Total £ | Computer Equipment £ | Fixtures & Fittings £ | Total £ |
| Cost | | | | | | |
| As at 1 April 2009 | 2,996 | - | 2,996 | 18,272 | 11,571 | 29,843 |
| Additions | 3,827 | 6,416 | 10,243 | 4,991 | 6,567 | 11,558 |
| Disposals | - | - | - | - | - | - |
| As at 31 March 2010 | <u>6,823</u> | <u>6,416</u> | <u>13,239</u> | <u>23,263</u> | <u>18,138</u> | <u>41,401</u> |
| Depreciation | | | | | | |
| As at 1 April 2009 | 109 | - | 109 | 13,135 | 8,812 | 21,947 |
| Charge for the year | 1,496 | 935 | 2,431 | 2,505 | 1,859 | 4,364 |
| Eliminated for disposals | - | - | - | - | - | - |
| As at 31 March 2010 | <u>1,605</u> | <u>935</u> | <u>2,540</u> | <u>15,640</u> | <u>10,671</u> | <u>26,311</u> |
| Net book value | | | | | | |
| As at 31 March 2010 | <u>5,218</u> | <u>5,481</u> | <u>10,699</u> | <u>7,623</u> | <u>7,467</u> | <u>15,090</u> |
| As at 31 March 2009 | <u>2,887</u> | <u>-</u> | <u>2,887</u> | <u>5,137</u> | <u>2,759</u> | <u>7,896</u> |

12. FIXED ASSETS INVESTMENTS

| | Cochrane Collaboration 2010 £ | Group 2010 £ | Cochrane Collaboration 2009 £ | Group 2009 £ |
|---|-------------------------------------|--------------------|-------------------------------------|--------------------|
| Investment in Collaboration Trading Company Limited | 100 | - | 100 | - |
| Other investments | 1,000 | 1,000 | 1,000 | 1,000 |
| | <u>1,100</u> | <u>1,000</u> | <u>1,100</u> | <u>1,000</u> |

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.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2010

13. DEBTORS

| | Cochrane Collaboration 2010 £ | Group 2010 £ | Cochrane Collaboration 2009 £ | Group 2009 £ |
|----------------------------|--|--------------------|--|--------------------|
| Accrued income | 19,176 | 616,340 | 16,939 | 522,630 |
| Amount due from subsidiary | 1,210,950 | - | 896,838 | - |
| Other debtors | 63,587 | 64,597 | 117,528 | 125,914 |
| | <u>1,293,713</u> | <u>680,937</u> | <u>1,031,305</u> | <u>648,544</u> |

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Cochrane Collaboration 2010 £ | Group 2010 £ | Cochrane Collaboration 2009 £ | Group 2009 £ |
|------------------------------------|--|--------------------|--|--------------------|
| Social security and other taxation | - | 14,159 | - | 1,418 |
| VAT creditors | 13,222 | 2,446 | - | 78,170 |
| Accruals and deferred income | 245,287 | 367,132 | 277,724 | 316,950 |
| | <u>258,509</u> | <u>383,737</u> | <u>277,724</u> | <u>396,538</u> |

15. RESTRICTED FUNDS

| | Balance as at 1 April 2009 £ | Incoming Resources £ | Utilised/ Expenditure £ | Transfer between funds £ | Balance as at 31 March 2010 £ |
|----------------------------|------------------------------------|----------------------------|-------------------------------|--------------------------------|-------------------------------------|
| Kenneth Warren Prize | 25,853 | 9 | - | - | 25,862 |
| Bill Silverman Prize | 4,432 | - | (2,386) | - | 2,046 |
| Wellcome Trust | 6,247 | - | - | - | 6,247 |
| Thomas C Chalmers Award | 5,028 | - | (614) | - | 4,414 |
| EUNetHTA Grant | 2,825 | - | (2,825) | - | - |
| Aubrey Sheiham Scholarship | 66,781 | 1,176 | (6,089) | - | 61,868 |
| | <u>111,166</u> | <u>1,185</u> | <u>(11,914)</u> | <u>-</u> | <u>100,437</u> |

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.

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 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 2010

16. DESIGNATED FUNDS

| | Balance as at 1 April 2009 £ | Transfers and new designations £ | Utilised/ Expenditure £ | Balance as at 31 March 2010 £ |
|---------------------|------------------------------------|--|-------------------------------|-------------------------------------|
| Discretionary Fund | 15,000 | 10,342 | (10,342) | 15,000 |
| Prioritisation Fund | 17,527 | - | (4,343) | 13,184 |
| Opportunities Fund | 185,257 | - | (90,076) | 95,181 |
| Colloquium Fund | 29,893 | - | (12,267) | 17,626 |
| | <u>247,677</u> | <u>10,342</u> | <u>(117,028)</u> | <u>140,991</u> |

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

A transfer has been made from the unrestricted reserve to increase the balance back up to £15,000 at the year end following expenditure of £10,342 from the fund in the year.

Agreed payments for the projects funded by the first two rounds of the Collaboration's Opportunities Fund and the only round of the Prioritisation Fund continued in the year 2009-10. Payments were started for the projects awarded funding in the third round of the Opportunities Fund, made available from May 2009. A fourth round of this Fund was agreed at the Steering Group's mid-year meeting in April 2009, to which up to another £100,000 was designated, and a Request for Proposals (RFP) was issued in December 2009. 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 three years of implementation of the Opportunities Fund were deemed to have been a success; however, the Steering Group decided in Auckland in March 2010 that this fourth round will be the final one.

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

17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Charity

| | Restricted £ | Unrestricted £ | Total £ |
|---------------------|-----------------|-------------------|------------------|
| Fixed assets | - | 11,799 | 11,799 |
| Current assets | 100,437 | 2,972,368 | 3,072,805 |
| Current liabilities | - | (258,509) | (258,509) |
| | <u>100,437</u> | <u>2,725,658</u> | <u>2,826,095</u> |

Group

| | Restricted £ | Unrestricted £ | Total £ |
|---------------------|-----------------|-------------------|------------------|
| Fixed assets | - | 16,090 | 16,090 |
| Current assets | 100,437 | 3,093,268 | 3,193,705 |
| Current liabilities | - | (383,737) | (383,737) |
| | <u>100,437</u> | <u>2,725,621</u> | <u>2,826,058</u> |

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2010

18. FINANCIAL COMMITMENTS

At 31 March 2010 the charitable company had annual commitments in respect of premises rental as follows:

| | Cochrane Collaboration and Group Total 31 March 2010 £ | Cochrane Collaboration and Group Total 31 March 2009 £ |
|--|---|---|
| Expiry date of premises lease: Between two and five years | 21,650 | 24,572 |

The premises are subject to a rent review in 2016.

In addition, the following initiatives and one-off grants expenditure were approved at 31 March 2010. These have been provided for in these financial statements:

| | £ |
|---|---------------|
| Colloquium sponsored registration fees: Keystone Colloquium, October 2010 (64,524 USD) | 41,943 |
| Complimentary subscriptions to The Cochrane Library for entities, contact authors and consumers (2010-11) | 13,325 |
| | <u>55,268</u> |

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.