

The Cochrane Collaboration

(A company limited by guarantee)

Report and Financial Statements

For the year ended 31 March 2008

Company Number 3044323

Charity Number 1045921

Seacourt Tower, West Way, Oxford, OX2 0JG
Tel +44 (0)1865 722744 Fax +44 (0)1865 791345

THE COCHRANE COLLABORATION

31 MARCH 2008

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THE COCHRANE COLLABORATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2008

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 2008.

Reference and Administration

Charity name: The Cochrane Collaboration

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

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

Advisors

Auditors: Mazars LLP
Chartered Accountants and Registered Auditors
Seacourt Tower
West Way
Oxford
OX2 0JG
UK

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

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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2008 (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:

Mr G Aja (Resigned 24 October 2007)
Prof L Becker (Co-Chair)
Prof L Bero
Prof J Craig
Prof J Deeks
Dr Z Fedorowicz
Ms RE Foxlee
Dr D Gillies (Treasurer)
Prof A Grant (Co-Chair)
Prof S Green
Mrs J Oliver Dr R Scholten
Dr P Tugwell
Dr J Wale
Ms E Whamond (Appointed 24 October 2007)
Prof E Waters (Resigned 24 October 2007)
Dr K Williams (Appointed 24 October 2007)
Mrs N Willis
Dr H van der Wouden

Senior Staff

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

Narrative Report

1. Structure, Governance and Management

Nature of Governing Document

The governing documents of The Cochrane Collaboration are the Memorandum and Articles of Association, as amended on 03 October 2004.

Trustee Appointment

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

Organisational Structure

The Charity is organised as follows:

An elected Steering Group (CCSG) of seventeen people governs The Cochrane Collaboration on behalf of its members. A small staff co-ordinates the central functions of The Cochrane Collaboration, consisting of a Chief Executive Officer, Company Secretary and Administrator, Deputy Administrator and Secretary/Administrative Assistant. Twelve geographical Centres manage the devolved activities of the Cochrane Entities (individual operating units of The Cochrane Collaboration) geographically or linguistically linked to its 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/Networks (which represent issues relevant to more than one CRG, including healthcare consumers)
- Methods Groups (who develop appropriate methodologies for systematic review preparation). Each Cochrane entity has a devolved management team appropriate to its function. For CRGs this normally consists of a Co-ordinating Editor (commonly a senior medical professional such as a

professor or senior consultant with extensive knowledge of the healthcare area concerned), a Review Group Co-ordinator, a Trials Search Co-ordinator and administrative support. These people 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 and healthcare consumers.

Risk Management

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

- the catastrophic loss of core publishing income, which funds the Collaboration's core activities
- the risk of publishing a systematic review containing significant errors that might affect public safety.

Contingency plans have been developed to manage both of these events.

Induction and Training of Trustees

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

2. Objectives and Activities

Legal Objects

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

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

Significant Activities

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

- Production of systematic reviews. The following were published during the past year:
 - New protocols for forthcoming reviews: 527
 - New systematic reviews: 387
 - Substantially updated systematic reviews: 253
- 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 all people with internet access living in the world's poorest economies. This means that around half the world's population now has free one-click access to our output through various provisions.
- International conferences: The Cochrane Collaboration's annual conference in 2007 – the 'Colloquium' - was held in São Paulo, Brazil, and was well attended by people from all over the world.
- New methodological development: development of systematic reviews of diagnostic test accuracy has continued, using the newly developed methodology.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2008 (continued)

Contribution of volunteers

The charity makes extensive use of volunteers, with around 16,000 professionals in 100 countries volunteering their time.

Volunteers were involved in the following activities:

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

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

Aims of the Charity

The aims of the charity are as follows:

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

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

Main objectives for the year

The main objectives for the year were:

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

This was achieved through a strategy of:

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

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

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

- Identifying and responding to the needs of users of reviews.
- Developing plain language summaries for the remaining 20 per cent of reviews without them.
- Ensuring that cost is not a barrier to use, by seeking opportunities to provide global access.
- With Wiley, developing a marketing strategy for reviews that includes promotion and public relations.

- Raising awareness and demand within potential user groups, including those communities for whom English is not the first language.
- Reviewing the success of the publication arrangements for The Cochrane Collaboration's output, taking action as appropriate.

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

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

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

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

3. Achievements and Performance

Review of Activities in the year

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

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

- Broadening consumer participation - The establishment of new consumer content on the Collaboration's website
- Identifying procedures to update reviews – pilot continued to assess existing procedures, and model solutions for the future.
- Continuous improvement of software – development and rollout of the Collaboration's document processing and publication management software – the Cochrane 'IMS' and RevMan 5 – has continued apace.
- Updating the Cochrane Handbook of Systematic Reviews for Interventions – good progress with a new edition has been made, a contract for publication agreed, and launch of the new version is expected in late 2008.
- Liaising with methodologists about priority areas for research – projects continue, developing new methodological approaches.
- Avoiding duplication of effort (i.e. in reviews, contact information) – new approaches are being considered to co-ordinate projects and communication better across the Collaboration.
- Expanding low- and middle-income country participation in reviews – a Developing Countries Network has been active, developing proposals to invigorate and expand its activities.

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

- Identifying and responding to the needs of users of reviews – the lessons from last year's user testing of the internet sites have been considered and where appropriate implemented.
- Developing plain language summaries for the remaining 20 per cent of reviews without them – work has continued, together with innovative ways of presenting the content.
- Ensuring that cost is not a barrier to use, by seeking opportunities to provide global access – a new agreement has been reached to give all people in the world's poorest countries - the HINARI 'band 1' countries – free one-click access to Cochrane Systematic Reviews.
- With Wiley, developing a marketing strategy for reviews that includes promotion and public relations – new approaches to marketing and media relations have been embedded, and work continues to ensure that this has an effective global reach, including in languages other than English.
- Raising awareness and demand within potential user groups, including those communities for whom English is not the first language – a new translation project for non-scientific website and other content is to be launched. Agreement has been reached to translate scientific abstracts into Chinese and French.
- Reviewing the success of the publication arrangements for The Cochrane Collaboration's output, taking action as appropriate – agreement has been reached with the Publisher, Wiley Blackwell, on a revised publishing contract to extend the current publishing contract to the end of December 2013, with improved terms and conditions.

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 – this remains a core activity for the Chief Executive Officer; a major development to enhance the quality of product, editorial and publishing procedures has been begun, with consideration of an editorial board, and looking towards the appointment of the Collaboration's first Editor-in-Chief later in 2008/09.
- Identifying and defining the relationships among the various entities and advisory groups within The Cochrane Collaboration – a review of the governance, structure and processes of the Collaboration has begun, to be completed by early 2009.
- Establishing clear lines of reporting between the entities, the Steering Group and its advisory groups – a review of the Steering Group reported in October 2006, and the lessons from this are now being considered and enacted.
- Ensuring that entities adhere to the practices and policies of The Cochrane Collaboration – the Monitoring and Registration Group has continued to provide guidance and leadership in this area.
- Developing appropriate information management systems – new software systems are being introduced and staff capabilities increased to better allow the CEO and Steering Group to manage the complex web of tasks, processes and communication channels arising from the Strategic Plan.
- Establishing and maintaining an up-to-date, evidence-based, user-friendly website: funding is in place to support the Collaboration's website for the next three years.
- Ensuring accurate dissemination of information about The Cochrane Collaboration via CCInfo and Cochrane News – a communications survey instrument was developed to understand the organisation's communication needs better.
- Developing and implementing a strategy for establishing alliances with major international organisations – discussions continue with national and international organisations on a regular basis.

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

- Ensuring an adequate income stream for The Cochrane Collaboration – overall income to Cochrane entities globally has continued to rise above inflation. The revised publishing contract improves the Collaboration's return on its outputs.
- Developing mechanisms to enhance training and career development – an induction and mentoring programme for Review Group Co-ordinators is being piloted . Web-based training is also being developed.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2008 (continued)

- Evaluating and reviewing the Strategic Plan every three years – the Strategic Plan is included in the documents for each six-monthly Steering Group meeting. All items of expenditure identified in the Cash Flow Forecast are cross-referenced to the Strategic Plan. Next full review due on completion of the current strategic review of the Collaboration.

Statement of Investment Performance

Performance against objectives set

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

Fundraising performance

The Cochrane Collaboration's core income is derived principally from publication royalties from its main output, *The Cochrane Library*, published on its behalf by John Wiley & Sons, Ltd. During the period the income from this source increased by around 13%.

4. Financial Review

Reserves Policy

It is the policy of the trustees to have a contingency plan for maintaining basic functions of the Secretariat for 12 months in the event of the loss of core income from publishing. The resources necessary to enact the contingency fund are reviewed on an annual basis. For the year 2007-08, the level of the contingency fund was set at £228,400.

Given the current healthy financial position, the charity had devised a funding programme in 2006 – the 'Opportunities Fund' - by which entities would be able to apply for financial resources for specific projects linked to the strategic plan through a simple competitive application process. Criteria and processes were devised, and a pilot programme was launched in October 2006. In the first round £100,000 was made available for awards from April 2007. This funding was in addition to the £15,000 which is made available annually for awards up to £3,000 through the discretionary fund, and was subsequently repeated in 2007 (awards still to be finalised). A further programme was undertaken on the specific issue of prioritisation of systematic review topics. The sum of £100,000 was allocated to each of these programmes. The following projects were funded through these programmes:

Opportunities Fund 2006:

- Web-based training for Cochrane Review authors
- Making Cochrane Reviews more accessible to policy makers
- Analytical methods to guide decisions as to whether, and when, to update Cochrane Reviews
- Developing and evaluating a plain language summary template for Cochrane Reviews
- RGC induction and mentoring programme

Prioritisation Projects:

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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2008 (continued)

Discretionary Fund (2007-08):

- Colloquium Policy Advisory Group, to complete the task of making Colloquium presentations available on the Collaboration website
- Nigerian Effective Health Care Alliance, to support a meeting of the Nigerian Consumer Network

Funds in deficit

There were no funds in deficit in the year.

Investment policy

The charity's current policy regarding investment is to put all surplus income into interest-bearing savings accounts. The funds for items of expenditure need to be readily available, in keeping with the ten-day notice periods on these accounts. Commitments have been continued to sponsor registration fees (one per entity) for the Colloquium, to develop and maintain The Cochrane Collaboration website, and to 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 this new system.

Ethical stance of investment policy

The Cochrane Collaboration has no investments other than deposit accounts.

Principal funding sources

Funding model

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

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

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

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

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

Policy on commercial sponsorship

After a period of extensive consultation during 2004, there was overwhelming consensus that The Cochrane Collaboration should maintain a clear barrier between the production of Cochrane reviews and any funding from commercial sources with financial interests in the conclusions of the reviews.

Thus, sponsorship of a Cochrane review by any commercial source or sources is prohibited. (By 'commercial source' is meant any for-profit manufacturer or provider of health care, or any other for-profit source with a real or potential vested interest in the findings of a specific review.) Whilst government departments, not-for-profit medical insurance companies and health management organisations may find the conclusions of Cochrane reviews carry financial consequences for them, these are not included in this definition. Also not included are for-profit companies that do not have real or potential vested interests in Cochrane reviews (e.g. banks).

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

5. Plans for the future

The Collaboration's plans for the future are:

- 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 will be 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.
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- Updating the Cochrane Handbook of Systematic Reviews for Interventions.
- Liaising with methodologists about priority areas for research.
- Avoiding duplication of effort (i.e. in reviews, contact information).
- Expanding low- and middle-income country participation in reviews.

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

- Identifying and responding to the needs of users of reviews.
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- With Wiley, developing a marketing strategy for reviews that includes promotion and public relations.
- Raising awareness and demand within potential user groups, including those communities for whom English is not the first language.
- Reviewing the success of the publication arrangements for The Cochrane Collaboration's output, taking action as appropriate.

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

- Taking stock annually to ensure that the organisational focus supports the core function of preparing, maintaining and promoting the accessibility of reviews.
- Identifying and defining the relationships among the various entities and advisory groups within The Cochrane Collaboration.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2008 (continued)

- 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.

Statement of Trustees' responsibilities

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

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

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

Statement of disclosure to auditor

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

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

Approved and signed on behalf of the board on by

Dr D Gillies
Trustee and Treasurer

Independent auditors' report to the members of The Cochrane Collaboration

We have audited the financial statements of The Cochrane Collaboration for the year ended 31 March 2008 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets and related notes. These financial statements have been prepared under accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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.

Respective responsibilities of trustees and auditors

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

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

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

We read the Trustees' 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 judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity and the group's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of state of affairs of the group and the charity as at 31 March 2008 and of the group's 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 the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

Mazars LLP
Chartered Accountants
and Registered Auditors

Seacourt Tower
West Way
Oxford
OX2 0JG

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STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2008

	Note	Restricted £	Designated £	Unrestricted £	2008 £	2007 as restated £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary Income	3	50,136	-	133,716	183,852	253
Investment Income	4	2,712	-	1,193,598	1,196,310	933,386
Incoming resources from charitable activities	6	4,149	-	-	4,149	8,139
Total Incoming Resources		<u>56,997</u>	<u>-</u>	<u>1,327,314</u>	<u>1,384,311</u>	<u>941,778</u>
RESOURCES EXPENDED						
Costs of Generating Funds	7	-	-	32,978	32,978	32,889
Charitable Activities	8	35,711	136,672	438,421	610,804	185,643
Governance Costs	9	-	-	201,751	201,751	146,172
Total Resources Expended		<u>35,711</u>	<u>136,672</u>	<u>673,150</u>	<u>845,533</u>	<u>364,704</u>
Net Incoming/(Outgoing) Resources Before Transfers		21,286	(136,672)	654,164	538,778	577,074
Fund Transfers	16	-	103,817	(103,817)	-	-
Net Incoming/(Outgoing) Resources		<u>21,286</u>	<u>(32,855)</u>	<u>550,347</u>	<u>538,778</u>	<u>577,074</u>
Reconciliation of funds						
Total funds brought forward at 1 April 2007		<u>115,591</u>	<u>214,116</u>	<u>788,667</u>	<u>1,118,374</u>	<u>541,300</u>
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2008	15, 16	<u>136,877</u>	<u>181,261</u>	<u>1,339,014</u>	<u>1,657,152</u>	<u>1,118,374</u>

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

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

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2008

	Note	Restricted	Designated	Unrestricted	Group 31 March 2008	Group 31 March 2007 as restated
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary Income	3	50,136	-	133,716	183,852	253
Investment Income	4	2,712	-	59,379	62,091	45,238
Incoming resources from charitable activities	6	4,149	-	1,332,635	1,336,784	1,116,371
Total Incoming Resources		56,997	-	1,525,730	1,582,727	1,161,862
RESOURCES EXPENDED						
Costs of Generating Funds	7	-	-	71,496	71,496	69,112
Charitable Activities	8	35,711	136,672	528,187	700,570	294,773
Governance Costs	9	-	-	271,884	271,884	220,904
Total Resources Expended		35,711	136,672	871,567	1,043,950	584,789
Net Incoming/(Outgoing) Resources before transfers		21,286	(136,672)	654,163	538,777	577,073
Fund Transfers	16	-	103,817	(103,817)	-	-
Net Incoming/(Outgoing) Resources		21,286	(32,855)	550,346	538,777	577,073
Fund balances brought forward at 1 April 2007		115,591	214,116	788,630	1,118,337	541,264
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2008	15,16	136,877	181,261	1,338,976	1,657,114	1,118,337

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

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

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

THE COCHRANE COLLABORATION

BALANCE SHEETS

For the year ended 31 March 2008

Note	Cochrane Collaboration 31 March 2008 £	Group 31 March 2008 £	Cochrane Collaboration 31 March 2007 £	Group 31 March 2007 £	
FIXED ASSETS					
Fixtures, Fittings & Equipment	11	-	6,638	-	3,480
Investments	12	1,100	1,000	1,100	1,000
		1,100	7,638	1,100	4,480
CURRENT ASSETS					
Debtors	13	1,188,561	573,982	581,569	410,008
Cash at bank and in hand		666,714	1,384,303	809,580	1,020,349
		1,855,275	1,958,285	1,391,149	1,430,357
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR					
	14	(199,223)	(308,809)	(273,875)	(316,500)
		1,656,052	1,649,476	1,117,274	1,113,857
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
		1,657,152	1,657,114	1,118,374	1,118,337
INCOME FUNDS					
Restricted funds	15	136,877	136,877	115,591	115,591
Unrestricted funds:					
Designated	16	181,261	181,261	214,116	214,116
Other unrestricted		1,339,014	1,338,976	788,667	788,630
	17	1,657,152	1,657,114	1,118,374	1,118,337

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

Approved by the trustees on
and signed on their behalf by

Dr D Gillies
Trustee and Treasurer

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2008

1. ACCOUNTING POLICIES

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

The charity's main accounting policies are as follows:

a) Accounting Convention

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

b) Incoming Resources

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

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

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

c) Resources Expended

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

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

d) Fixed assets

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

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

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

e) Investments

Investment in subsidiary undertakings is included at cost.

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

f) Basis of Consolidation

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

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

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

g) Funds Structure

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

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

h) Unrestricted Funds

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

i) Grant expenditure

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

j) Foreign exchange

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

k) Operating leases

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

l) Financial commitments

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

m) Prior year restatement

The classification of items of expenditure between SOFA headings has been reviewed during the year, and resulted in certain items of expenditure being reclassified between SOFA headings. There was no impact on the reported result for the year, or reserves brought forward.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2008

2. SURPLUS FOR THE FINANCIAL YEAR

	Cochrane Collaboration 2008 £	Collaboration Trading Co. 2008 £	Group 2008 £	Group 2007 £
The surplus is after charging:				
Auditors' remuneration	-	-	-	-
Audit services	5,000	2,000	7,000	8,200

3. VOLUNTARY INCOME

	restricted £	designated £	unrestricted £	Cochrane Collaboration 2008 £	Collaboration Trading Co. 2008 £	Group 2008 £	Group 2007 £
Donations	50,136	-	133,716	183,852	-	183,852	253
	50,136	-	133,716	183,852	-	183,852	253

Individual donations of more than £5,000 included:

	restricted £	designated £	unrestricted £	Total £
Wiley Blackwell	-	-	117,500	117,500
Wellcome Trust	22,544	-	-	22,544
Inclen Inc for the Kenneth Warren Prize	22,143	-	-	22,143
Sir Iain Chalmers for the Bill Silverman Prize	5,000	-	-	5,000
Cochrane Foundation donations	-	-	14,694	14,694
Other donations	449	-	1,522	1,971
	50,136	-	133,716	183,852

4. INVESTMENT INCOME

	Cochrane Collaboration 2008 £	Collaboration Trading Co. 2008 £	Group 2008 £	Group 2007 £
Bank interest	36,116	25,975	62,091	45,238
	36,116	25,975	62,091	45,238

Investment income in the Charity SOFA of £1,196,310 (2007: £933,386) also includes monies receivable from Collaboration Trading Company Limited for donations made under Gift Aid.

5. TAXATION

The Cochrane Collaboration is a registered charity, and is therefore not liable to corporation tax on its charitable activities. The Collaboration Trading Company is not a charity and is therefore subject to corporation tax on its activities. However, the net profit chargeable to corporation tax on its trading activities is considered for donation on an annual basis. On this basis, no provision has been made for Corporation Tax.

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Cochrane Collaboration £	Collaboration Trading Co. £	Group 2008 £	Group 2007 £
Restricted Funds				
EUnetHTA	4,149	-	4,149	8,139
Unrestricted Funds				
Royalties from the sale of The Cochrane Library and other income	-	1,332,635	1,332,635	1,108,232
	4,149	1,332,635	1,336,784	1,116,371

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

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2008

7. COSTS OF GENERATING FUNDS

	restricted	designated	unrestricted	Cochrane Collaboration 2008	Collaboration Trading Co. 2008	Group 2008	Group 2007 as restated
	£	£	£	£	£	£	£
Meeting expenses	-	-	6,342	6,342	-	6,342	8,177
Staff salaries	-	-	26,636	26,636	38,518	65,154	60,935
	-	-	32,978	32,978	38,518	71,496	69,112

8. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES

	restricted	designated	unrestricted	Cochrane Collaboration 2008 TOTAL	Collaboration Trading Co. 2008 Unrestricted	Group 2008	Group 2007 as restated
	£	£	£	£	£	£	£
Awards, Fellowships & Prizes							
Chris Silagy Prize	449	-	-	449	-	449	969
Visiting Fellowship	-	-	3,002	3,002	-	3,002	2,844
Kenneth Warren Prize	3,891	-	-	3,891	-	3,891	4,212
Aubrey Sheiham Scholarship	30,874	-	-	30,874	-	30,874	8,152
Thomas C Chalmers Award	497	-	-	497	-	497	531
Total Awards, Fellowships & Prizes	35,711	-	3,002	38,713	-	38,713	16,708
Consumables	-	-	-	-	-	-	380
Diagnostic test reviews	-	-	-	-	-	-	34,395
Direct/Running costs	-	-	4,569	4,569	50,545	55,114	86,896
Designated grants (note 16)	-	136,672	-	136,672	-	136,672	15,715
Developing countries	-	-	-	-	-	-	7,087
EU Project	-	-	-	-	-	-	1,692
Grants one-off	-	-	339,332	339,332	-	339,332	(18,629)
IMS maintenance, development and support team	-	-	(43,146)	(43,146)	-	(43,146)	(10,781)
Legal Fees	-	-	-	-	-	-	132
Meeting expenses	-	-	6,770	6,770	703	7,473	14,209
Staff salaries	-	-	26,636	26,636	38,518	65,154	60,935
Website and Communications	-	-	101,258	101,258	-	101,258	86,034
	35,711	136,672	438,421	610,804	89,766	700,570	311,481

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.

9. GOVERNANCE COSTS

	Cochrane Collaboration TOTAL £	Collaboration Trading Co. TOTAL £	Group 2008 £	Group 2007 £
Advisory group costs	23,274	-	23,274	13,072
Audit and accountancy	3,833	8,535	12,368	9,050
Bank interest and charges	-	413	413	551
Insurance	2,456	-	2,456	2,520
Legal and professional	3,676	466	4,142	10,452
Meeting expenses	114,705	-	114,705	87,898
Printing, postage and stationery	33	3,565	3,598	5,692
Running costs	-	15,751	15,751	19,891
Sao Paulo Colloquium - support costs	20,587	505	21,092	-
Staff salaries	26,636	38,013	64,649	60,935
Telephone	6,551	2,885	9,436	10,843
	201,751	70,132	271,884	220,904

All governance expenditure is from unrestricted funds.

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2008

10. TOTAL STAFF COSTS

	Cochrane Collaboration 2008 £	Collaboration Trading Co. 2008 £	Group 2008 £	Group 2007 £
Wages and salaries	49,948	99,181	149,128	137,720
Social security costs	29,960	16,372	46,332	44,756
	<u>79,908</u>	<u>115,553</u>	<u>195,460</u>	<u>182,476</u>

	Cochrane Collaboration 2008	Collaboration Trading Co. 2008	Group 2008	Group 2007
The average number of employees analysed by function was:				
Management	1	-	1	1
Finance	-	2	2	2
Administration	-	1	1	1
	<u>1</u>	<u>3</u>	<u>4</u>	<u>4</u>

One employee earned £50,000 or more.

Trustees' remuneration and expenses

The trustees received no remuneration during the year, apart from reimbursement of direct expenses for attendance at trustees' meetings and in furtherance of their duties of £68,531 (2007: £51,540).

Professional indemnity insurance was purchased in the year for £2,520 (2007: £2,520).

In the year a total of £682,134 (2007: £393,078) was granted to associated Cochrane entities. Of this total £24,081 (2007: £17,451) was granted to individual Cochrane entities who have a representative on the Steering Group. These members did not take part in the approval of these awards.

11. FIXED ASSETS - Group Only

	Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
As at 1 April 2007	11,901	7,889	19,790
Additions	1,861	3,682	5,543
Disposals	-	-	-
As at 31 March 2008	<u>13,762</u>	<u>11,571</u>	<u>25,333</u>
Depreciation			
As at 1 April 2007	8,902	7,410	16,312
Charge for the year	2,041	342	2,383
Eliminated on disposals	-	-	-
As at 31 March 2008	<u>10,943</u>	<u>7,752</u>	<u>18,695</u>
Net Book Value			
As at 31 March 2008	<u>2,818</u>	<u>3,820</u>	<u>6,638</u>
As at 31 March 2007	<u>2,999</u>	<u>481</u>	<u>3,478</u>

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

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2008

12. FIXED ASSET INVESTMENTS

	Cochrane Collaboration 2008 £	Group 2008 £	Cochrane Collaboration 2007 £	Group 2007 £
Investment in Collaboration Trading Company Limited	100	-	100	-
Other investments	1,000	1,000	1,000	1,000
TOTAL	1,100	1,000	1,100	1,000

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

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

13. DEBTORS

	Cochrane Collaboration 2008 £	Group 2008 £	Cochrane Collaboration 2007 £	Group 2007 £
Accrued income	26,947	471,891	19,794	386,640
Amount due from subsidiary	1,087,283	-	555,348	-
Other debtors	74,331	102,091	6,426	23,368
	1,188,561	573,982	581,568	410,008

14. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	Cochrane Collaboration 2008 £	Group 2008 £	Cochrane Collaboration 2007 £	Group 2007 £
Social security and other taxation	-	1,347	-	-
VAT creditors	-	70,818	-	36,508
Accruals and deferred income	199,223	236,644	42,942	49,059
Grants approved but not paid	-	-	230,933	230,933
	199,223	308,809	273,875	316,500

15. RESTRICTED FUNDS

	Balance as at 31 March 2007 £	Incoming resources £	Expenditure £	Transfer between funds £	Balance as at 31 March 2008 £
Chris Silagy Prize	-	449	(449)	-	-
Kenneth Warren Prize	11,684	22,143	(3,891)	-	29,936
Bill Silverman	-	5,000	-	-	5,000
Wellcome Trust	-	22,544	-	-	22,544
Thomas C Chalmers Award	6,177	-	(497)	-	5,680
EUNetHTA Grant	6,446	2,948	-	-	9,394
Aubrey Sheiham Scholarship	91,284	3,913	(30,874)	-	64,323
Charity and Group	115,591	56,997	(35,711)	-	136,877

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

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

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

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

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

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

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

THE COCHRANE COLLABORATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2008

16. DESIGNATED FUNDS

	Balance as at 31 March 2007 £	Transfers and new designations £	Utilised £	Balance as at 31 March 2008 £
Discretionary	14,116	3,817	(2,933)	15,000
Prioritisation Fund	100,000	-	(46,090)	53,910
Opportunities Fund	100,000	100,000	(87,649)	112,351
	<u>214,116</u>	<u>103,817</u>	<u>(136,672)</u>	<u>181,261</u>

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

The Cochrane Prioritisation Fund was established by the Cochrane Collaboration Steering Group in January 2007, to build on the experience and enthusiasm of Cochrane entities in the area of prioritisation of key review topics, both to meeting the Collaboration's own goals, and also the needs of national and international stakeholders. Cochrane entities were encouraged to apply for resources from a total fixed budget of £100,000, via a formal Request for Proposals.

The Cochrane Opportunities Fund was established by the Cochrane Collaboration Steering Group in December 2006, to provide Cochrane entities with an opportunity to obtain core Collaboration funds to undertake project work of their own initiative. The Fund was organized as an annual competition, with Cochrane entities being encouraged to apply for resources from a total fixed budget of £100,000, via a formal Request for Proposals. It was anticipated that several projects would be funded, but no maximum funding per project was specified. Grants were awarded on merit and applicability to the aims of The Cochrane Collaboration's Strategic Plan. 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 year of implementation of this Fund was deemed to be a success, and was repeated in 2008.

17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Charity	Restricted £	Unrestricted £	Total £
Fixed assets	-	1,100	1,100
Current assets	136,877	1,718,398	1,855,275
Current liabilities	-	(199,223)	(199,223)
	<u>136,877</u>	<u>1,520,275</u>	<u>1,657,152</u>
Group	Restricted £	Unrestricted £	Total £
Fixed assets	-	7,638	7,638
Current assets	136,877	1,821,408	1,958,285
Current liabilities	-	(308,809)	(308,809)
	<u>136,877</u>	<u>1,520,237</u>	<u>1,657,114</u>

18. FINANCIAL COMMITMENTS

At 31 March 2008 the charitable company had annual commitments in respect of premises rental as follows:

	Cochrane Collaboration and Group Total 31 March 2008 £	Cochrane Collaboration and Group Total 31 March 2007 £
Expiry date of premises lease: Between two and five years	<u>24,572</u>	<u>24,572</u>

In addition, the following initiatives and one-off grants expenditure were approved, but not committed at 31 March 2008. These have not been provided for in these financial statements:

	£
Colloquium sponsored entity registration fees	40,000
Complimentary subscriptions to The Cochrane Library for entities, contact authors and consumers	36,400
	<u>76,400</u>

19. RELATED PARTY TRANSACTIONS

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