

**Company Number: 3044323**

**Charity Number: 1045921**

**THE COCHRANE COLLABORATION**  
**(A company limited by guarantee)**

**Report and Financial Statements**  
**31 March 1999**

**Mazars Neville Russell**  
**Chartered Accountants**  
**St. Thomas House**  
**6 Becket Street**  
**Oxford**  
**OX1 1PP**

## THE COCHRANE COLLABORATION

Registered in England  
Company Number: 3044323

Charity Number: 1045921

### STEERING GROUP

Dr Z Alfirevic  
Dr G Antes  
Ms H Bastian  
Dr L Bero  
Dr M Clarke  
Ms M Fischer  
Mrs G Gyte  
Dr P Jones  
Dr P Langhorne  
Mr M Lodge  
Dr A Oxman (Chair)  
Ms B Shea  
Dr J Volmink  
Dr C Williams

### REGISTERED OFFICE

PO Box 726  
Summertown Pavilion  
Middle Way  
Oxford  
OX2 7UX

### COMPANY SECRETARY

Dr JA Muir Gray

### AUDITORS

Mazars Neville Russell  
Chartered Accountants  
St. Thomas House  
6 Becket Street  
Oxford  
OX1 1PP

### BANKERS

National Westminster Bank plc  
249 Banbury Road  
Summertown  
Oxford  
OX2 7HR

# THE COCHRANE COLLABORATION

31 March 1999

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**THE COCHRANE COLLABORATION  
REPORT OF THE STEERING GROUP**

**31 MARCH 1999**

The Steering Group of the Cochrane Collaboration presents their report and the financial statements for the year ended 31 March 1999. The charity was incorporated on 10th April 1995. The Cochrane Collaboration is a registered charity (number 1045921), and is a company limited by guarantee (company number 3044323). The charity's governing instrument is its Memorandum and Articles of Association.

The Steering Group set out in the table below have held office during the whole of the year from 1 April 1998 to the date of this report, unless otherwise stated.

	Appointed	Resigned
Dr Z Alfirevic		
Dr G Antes	24th October 1998	
Ms H Bastian		
Dr L Bero		
Dr M Clarke	24th October 1998	
Ms M Fischer		
Mrs G Gyte		
Dr C Hammarquist	28th January 1997	7th May 1998
Dr P Jones		
Dr J Kleijnen	24th October 1996	1st April 1998
Dr P Langhorne	24th October 1998	
Mr M Lodge		
Dr A Oxman (Chair)		
Ms B Shea		
Prof C Silagy	22nd April 1995	24th October 1998
Dr J Volmink	24th October 1998	
Dr C Williams	24th October 1998	

In accordance with the Articles of Association, approximately one-third of the members of the Steering Group retires by rotation each year. The Steering Group was expanded from twelve to fourteen members in February 1998.

**THE STEERING GROUP'S RESPONSIBILITIES**

Law applicable to charities in England and Wales requires the Steering Group to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year, and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Steering Group should follow best practice and

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Steering Group is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud.

### MISSION STATEMENT

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.

### PRINCIPLES

The Cochrane Collaboration's work is based on nine key principles:

- *Collaboration .. by internally and externally fostering good communications, open decision-making and teamwork.*
- *Building on the enthusiasm of individuals .. by involving and supporting people of different skills and backgrounds.*
- *Avoiding duplication .. by good management and co-ordination to maximum economy and effort.*
- *Minimising bias .. through a variety of approaches such as scientific rigour, ensuring broad participation, and avoiding conflicts of interest.*
- *Keeping up to date .. by a commitment to ensure that Cochrane Reviews are maintained through identification and incorporation of new evidence.*
- *Striving for relevance .. by promoting the assessment of healthcare interventions using outcomes that matter to people making choices in health care.*
- *Promoting access .. by wide dissemination of the outputs of the Collaboration, taking advantage of strategic alliances, and promoting appropriate prices, content and media to meet the needs of users worldwide.*
- *Ensuring quality .. by being open and responsive to criticism, applying advances in methodology, and developing systems for quality improvement.*
- *Continuity .. by ensuring that responsibility for reviews, editorial processes and key functions is maintained and renewed.*

### MEMORANDUM AND ARTICLES OF ASSOCIATION

The Cochrane Collaboration is a not-for-profit organisation, established as a company limited by guarantee, and registered as a charity in the UK under the Charities Act 1993. A copy of its Memorandum and Articles of Association can be obtained from one of its world wide web sites (<http://www.cochrane.org>).

### THE COCHRANE COLLABORATION STEERING GROUP (CCSG)

All registered entities are eligible to vote in the election of members to the CCSG, and to vote at the Annual General Meeting of the Cochrane Collaboration. The CCSG had fourteen members in the year 1998/99 elected by the overall membership of the Collaboration for three years, with annual rotation of a proportion of its members. The Chair of the CCSG during that 1998/99 period was Dr Andy Oxman. The CCSG meets once during the annual Cochrane Colloquium and on one other occasion in the year; the minutes of its meetings can be obtained from one of the Collaboration's world wide web sites (<http://www.cochrane.org>).

In between these meetings, the various working groups have regular meetings by teleconference.

In the year 1998/99 these working groups, accountable to the CCSG, were as follows:

- **The Executive Group**, responsible for making interim recommendations on behalf of the full Steering Group between its bi-annual meetings on issues other than monitoring, registration and publishing policy. Also responsible for co-ordinating and ensuring good communication among groups responsible for core functions and the Steering Group.
- **The Cochrane Manual Group**, responsible for ensuring that the Cochrane Manual, Brochure, Leaflet and Internet pages accurately convey Collaboration policies and procedures, and that the publications are readable.
- **The Colloquium Group**, responsible for maintaining a record of policy decisions about Cochrane Colloquia, moving forward new policies after appropriate consultation, and helping to ensure that hosts of future Colloquia know about and adhere to such policies.
- **The Criticism Management Group**, responsible for advising on policies and procedures for managing comments and criticisms of Cochrane Reviews.
- **The Handbook Group**, responsible for editorial input to the Reviewers' Handbook on preparing and maintaining systematic reviews.
- **The Software Development Group**, responsible for managing the development of the Information Management System, including Review Manager (RevMan), Module Manager (ModMan), Criticism Manager (CritMan) and potentially other software.
- **The CENTRAL/CCTR Group**, responsible for ensuring that collaborative review groups are helped to develop and maintain specialised registers of controlled trials falling within their respective scopes. Also responsible for developing a management plan for CENTRAL and the Cochrane Controlled Trials Register.
- **The Monitoring and Registration Group**, responsible for establishing and implementing processes for monitoring and registering entities, and for making recommendations to the full Steering Group about de-registration of an entity.
- **The Publishing Policy Group**, responsible for providing advice on the contents of the Collaboration's products, and overseeing the pricing, distribution and marketing arrangements for Cochrane products.
- **The Cochrane Library Users' Group**, responsible for advising on the content and design of *The Cochrane Library*.
- **The Secretariat**, responsible for supporting the CCSG and groups accountable to it.

#### STRATEGIC PLAN

The Cochrane Collaboration has developed a set of goals and objectives which are outlined in its Strategic Plan, available from one of the Collaboration's world wide web sites (<http://www.cochrane.org>).

**THE COCHRANE COLLABORATION  
REPORT OF THE STEERING GROUP (continued)**

**31 MARCH 1999**

**YEAR 2000**

All versions of The Cochrane Library comply to Year 2000 requirements, i.e. neither performance nor functionality are affected by dates prior to, during, or after the year 2000. The Cochrane Library complies with the British Standards Institute's definition of Year 2000 compliance

**REVIEW OF THE FINANCIAL YEAR**

The principal activity of the charity is the protection and preservation of public health through the preparation, maintenance and dissemination of systematic reviews of the effects of health care.

The charity is a company limited by guarantee and does not have a share capital. The members of the Steering Group are the guarantors of the company each to a maximum of £10.

Both the level of business and the year end financial position were highly satisfactory, and the Steering Group expect that the increased level of subscriptions to *The Cochrane Library* will be sustained for the foreseeable future. Due to this improvement, a trading subsidiary of the Cochrane Collaboration, the Collaboration Trading Company Limited (the CTC), was registered at Companies House, UK, in October 1998 to receive monies which the Collaboration is unable to receive, due to its charitable status. A share certificate was issued to the Cochrane Collaboration for all one hundred shares of the CTC. The Directors of the CTC are Prof Jos Kleijnen and Prof Chris Silagy (ex-members of the CCSG); the Company Secretary is Dr Malcolm Newdick.

The results of the charity and the trading company combined, for the year ended 31 March 1999, are set out in the financial statements on pages 6 to 13.

The majority of the Collaboration's income in 1998/99 was related to the Biomed 2 project, funded by a grant from the European Union (EU) which ended in December 1998. After the year end, ten per cent of the grant retained by the EU was due to be paid upon submission of a report by the project participants. The report was submitted to the EU on 24 February 1999, but the retained ten per cent has not yet been received.

**AUDITORS**

Mazars Neville Russell have expressed their willingness to continue in office and a resolution proposing their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the board on **17 SEPTEMBER 1999**  
and signed on its behalf by

**DR J A MUIR GRAY**

.....  
Dr JA Muir Gray, Company Secretary

PO Box 726  
Summertown Pavilion  
Middleway  
Oxford  
OX2 7UX

**AUDITORS' REPORT TO THE MEMBERS OF  
THE COCHRANE COLLABORATION AND SUBSIDIARY**

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

**RESPECTIVE RESPONSIBILITIES OF THE STEERING GROUP AND AUDITORS**

As described on page 1 and 2, the Steering Group, who are also the directors of The Cochrane Collaboration for the purposes of Company Law, is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 Steering Group in the preparation of financial statements, and of whether the accounting policies are appropriate to the charitable company's and the group's circumstances, and are 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 affairs of the charitable company and the group as at 31 March 1999 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

**MAZARS NEVILLE RUSSELL**

Mazars Neville Russell  
CHARTERED ACCOUNTANTS  
and Registered Auditors

St Thomas House  
6 Becket Street  
Oxford  
OX1 1PP

**17 SEPTEMBER 1999**



## CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 1999

	Note	Cochrane Collaboration 31 March 1999 £	Collaboration Trading Co. 31 March 1999 £	Group 31 March 1999 £	Cochrane Collaboration 31 March 1998 £
<b>INCOME</b>					
Royalties income		33,806	85,421	119,227	42,437
Grant income	2	71,311	0	71,311	115,501
Other income		135	0	135	9,009
Total Income		105,252	85,421	190,673	166,947
<b>EXPENDITURE</b>					
Charitable activities		117,353	10,118	127,470	142,084
Administrative expenses		25,403	2,083	27,486	30,510
TOTAL EXPENDITURE		142,756	12,201	154,956	172,594
NET SURPLUS/(DEFICIT)	3	(37,504)	73,220	35,717	(5,647)
Interest receivable and similar income	4	552	0	552	1,677
EXCESS OF INCOME/(EXPENDITURE) OVER (EXPENDITURE)/INCOME FOR THE YEAR		(36,952)	73,220	36,269	(3,970)
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR		(36,952)	73,220	36,269	(3,970)
SURPLUS BROUGHT FORWARD		34,934	0	34,934	38,904
SURPLUS CARRIED FORWARD	14,15	£(2,018)	£73,220	£71,203	£34,934

Comparative figures are for the Cochrane Collaboration only. The Collaboration Trading Company Limited was incorporated in October 1998.

The charity's incoming and outgoing resources all relate to continuing activities.

The charity has no recognised gains or losses other than the Net Movement in Funds for the year.

The Net Movement in Funds has been calculated on the historical cost basis.

The notes on pages 9 to 13 form part of these accounts.

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 1999

	Note	Restricted £	Unrestricted £	Group 31 March 1999 £	Cochrane Collaboration 31 March 1999 £	31 March 1998 £
<b>INCOMING RESOURCES</b>						
Royalties income		-	119,227	119,227	33,806	42,437
Grant income	2	12,466	58,845	71,311	71,311	127,967
Donations		-	135	135	135	-
Interest earned	4	-	552	552	552	1,677
Other income		-	-	-	-	9,009
Less : Deferred income		-	-	-	-	(12,466)
Total Incoming Resources		12,466	178,759	191,225	105,804	168,624
<b>RESOURCES EXPENDED</b>						
Direct charitable expenditure	6	10,789	116,681	127,470	117,353	142,084
Administration costs	7	-	27,486	27,486	25,403	30,510
Total resources expended	8	10,789	144,167	154,956	142,756	172,594
Net incoming/(outgoing) resources		1,677	34,592	36,269	(36,952)	(3,970)
Fund balances brought forward at 1 April 1998		-	34,934	34,934	34,934	38,904
Fund balances carried forward at 31 March 1999	14,15	£1,677	£69,526	£71,203	£(2,018)	£34,934

Comparative figures are for the Cochrane Collaboration only. The Collaboration Trading Company Limited was incorporated in October 1998.

The notes on pages 9 to 13 form part of these accounts.

THE COCHRANE COLLABORATION

31 MARCH 1999

BALANCE SHEET

As at 31 March 1999

	Note	Cochrane Collaboration 31 March 1999 £	Group 31 March 1999 £	31 March 1998 £
<b>FIXED ASSETS</b>				
Investment in Subsidiary	11	100	-	-
<b>CURRENT ASSETS</b>				
Debtors	12	33,700	77,172	22,175
Cash at bank and in hand		5,277	35,357	31,959
		38,977	112,529	54,134
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
	13	(41,095)	(41,326)	(19,200)
<b>NET CURRENT ASSETS</b>				
		£(2,118)	£71,203	£34,934
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
		£(2,018)	£71,203	£34,934
<b>INCOME FUNDS</b>				
Restricted funds	14	1,677	1,677	-
Unrestricted funds	15	(3,695)	69,526	34,934
	16	£(2,018)	£71,203	£34,934

The comparative figures are for the Cochrane Collaboration only. The Collaboration Trading Company Limited was incorporated in October 1998.

The notes on pages 9 to 13 form part of these accounts.

Approved by the trustees on 17 SEPTEMBER 1999

**DR J A MUIR GRAY**

.....  
Dr. J A Muir Gray  
Company Secretary

NOTES TO THE ACCOUNTS

For the year ended 31 March 1999

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards, and the Statement of Recommended Practice - "Accounting for Charities".

a) **Accounting Convention**

The financial statements are prepared under the historical cost convention.

b) **Grants receivable**

Grants are credited to the Statement of Financial Activity in the year to which they relate.

c) **Income**

Charity income represents income from medical research and royalties in respect of the sale of goods and services to customers. In October 1998 the rights to royalty income were transferred to the trading company. All royalty income after this date was credited to the trading company.

d) **Foreign exchange**

All transactions relating to the ECU account are translated at the rate on the day that the grant from the EU is received. This ensures that the costs are matched against the income received.

e) **Fixed assets**

Expenditure is charged to the profit and loss as it is incurred.

f) **Basis of Consolidation**

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

All comparative figures relate to The Cochrane Collaboration only.

The Collaboration Trading Company Limited was incorporated in October 1998.

g) **Restricted funds**

The restricted funds relate to revenue grants received. The use of restricted funds are determined by the nature of the funder.

h) **Unrestricted Funds**

Unrestricted funds represent revenue grants and interest receivable etc., which can be applied to the objects of the charity.

The terms restricted and unrestricted are a technical requirement of the charity SORP.

## NOTES TO THE ACCOUNTS

For the year ended 31 March 1999

## 2. INCOME

Grant income includes a grant from the EU for the Biomed Project which is in its final year and also a grant for the employment of one additional member of staff support.

## 3. SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR

	Cochrane Collaboration 31 March 1999	Collaboration Trading Co. 31 March 1999	Group 31 March 1999	31 March 1998
	£	£	£	£
The surplus/(deficit) is after charging:				
Operating leases - rent	5,065	-	5,065	5,065
Auditors remuneration	3,500	-	3,500	3,300
- audit services				
- other services	-	-	-	2,828

## 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Cochrane Collaboration 31 March 1999	Collaboration Trading Co. 31 March 1999	Group 31 March 1999	31 March 1998
	£	£	£	£
Bank interest	£552	-	£552	£1,677

## 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.

## 6. DIRECT CHARITABLE EXPENDITURE

	Restricted	Unrestricted	Group Total 31 March 1999	Cochrane Collaboration Total 31 March 1999	Total 31 March 1998
	£	£	£	£	£
Biomed 2 project	-	85,106	85,106	85,106	110,903
Consultancy fee	-	4,254	4,254	3,216	1,040
Fellowship	-	6,280	6,280	6,280	9,774
Staff expenses	10,789	13,706	24,495	15,997	6,554
Steering Group expenses	-	7,335	7,335	6,754	13,544
Secretarial expenses	-	-	-	-	138
Sundry expenses	-	-	-	-	131
	£ 10,789	£116,681	£127,470	£117,353	£142,084

## NOTES TO THE ACCOUNTS

For the year ended 31 March 1999

## 7. ADMINISTRATION COSTS

	Restricted £	Unrestricted £	Group Total 31 March 1999 £	Cochrane Collaboration	
				31 March 1999 £	Total 31 March 1998 £
Rent and rates	-	5,065	5,065	3,801	5,065
Insurance	-	1,040	1,040	1,040	-
PO Box number	-	104	104	104	104
Printing, postage and stationery	-	4,310	4,310	4,310	496
Telephone	-	7,106	7,106	7,106	6,541
Audit and Accountancy	-	4,553	4,553	4,553	7,504
Bank interest and charges	-	85	85	85	301
Legal and professional	-	2,246	2,246	1,785	6,198
Sundries	-	(173)	(173)	(173)	30
Freight	-	-	-	-	2,414
Training	-	1,672	1,672	1,672	-
Computer and office equipment	-	1,478	1,478	1,120	1,858
	£ -	£27,486	£27,486	£25,403	£30,511

## 8. TOTAL RESOURCES EXPENDED

	Staff £	Other £	Group	
			31 March 1999 Total £	31 March 1998 Total £
Direct charitable expenditure	24,495	102,975	127,470	142,084
Administration costs	-	27,486	27,486	30,511
	£24,495	£130,461	£154,956	£172,595

## 9. STAFF COSTS

Jini Hetherington (Secretariat Administrator) received a salary from the EU grant until 31 December 1998.

Paula Feakes, a member of support staff, started on 18 June 1998 and her salary was paid out of the grant in restricted funds.

## 10. TRUSTEES

The trustees received no remuneration during the year, apart from reimbursement of direct expenses for attendance at trustees' meetings of £7,336 (1997: £13,544).

## NOTES TO THE ACCOUNTS

For the year ended 31 March 1999

## 11. FIXED ASSET INVESTMENTS

	Group	Cochrane Collaboration	
	31 March 1999	31 March 1999	31 March 1998
	£	£	£
Investment in Collaboration Trading Company Limited	-	100	-

The investment in Collaboration Trading Company Limited represents a 100% shareholding. All figures have been included in the consolidation.

## 12. DEBTORS

	Group	Cochrane Collaboration	
	31 March 1999	31 March 1999	31 March 1998
	£	£	£
Other debtors	-	-	11,888
Accrued income (see note 13)	77,172	33,700	10,287
	<u>£ 77,172</u>	<u>£ 33,700</u>	<u>£22,175</u>

13. CREDITORS: AMOUNTS FALLING DUE  
IN LESS THAN ONE YEAR

	Group	Cochrane Collaboration	
	31 March 1999	31 March 1999	31 March 1998
	£	£	£
Creditors	37,813	32,244	-
Accruals	3,513	3,513	6,734
Deferred income	-	-	12,466
Amount owed to subsidiary	-	5,338	-
	<u>£41,326</u>	<u>£41,095</u>	<u>£19,200</u>

Included in accrued income is the final EU grant receipt due for the BIOMED II project which had not been received at the year end. When the EU grant is received it will be disbursed to the four BIOMED II participants. This has been estimated and included in creditors as a payment due at the year end.

## 14. RESTRICTED FUNDS

	Balance b/fwd	Incoming resources	Expenditure	Deferred income	Balance c/fwd
		£	£	£	£
Grant for secretariat	-	12,466	10,789	-	1,677

The grant received was for the salary of a member of support staff who was appointed during the year.

## 15. UNRESTRICTED FUNDS

Balance brought forward 1 April 1998	£	34,934
Excess of expenditure over income for the year ended 31 March 1999		34,592
Balance carried forward 31 March 1999		<u>£69,526</u>

## NOTES TO THE ACCOUNTS

For the year ended 31 March 1999

## 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted £	Unrestricted £	Total £
Current assets	1,677	110,852	112,529
Current liabilities	-	(41,326)	(41,326)
	<u>£1,677</u>	<u>£69,526</u>	<u>£71,203</u>