

THE COCHRANE COLLABORATION
(A company limited by guarantee)

Report and Financial Statements
31 March 2001

Company Number: 3044323

Charity Number: 1045921

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 G Antes
Ms H Bastian
Dr MJ Clarke
Dr V Demicheli
Ms D Gheri
Ms R Jepson
Dr P Langhorne (Chair)
Prof Y Li
Prof JP Neilson
Mr S Ochieng
Ms E Telaro
Dr JA Volmink
Prof D Wilkinson
Dr CJ Williams

REGISTERED OFFICE

Summertown Pavilion
Middle Way
Oxford
OX2 7LG

COMPANY SECRETARY

Dr Malcolm Newdick

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 2001

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The Steering Group of the Cochrane Collaboration presents their report and financial statements for the year ended 31 March 2001. The charity was incorporated on 10 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 instruments are 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 2000 to the date of this report, unless otherwise stated.

	Appointed	Resigned
Dr G Antes	24 October 1998	
Ms H Bastian	22 April 1995	
Dr B Berman	28 October 2000	22 December 2000
Dr MJ Clarke	24 October 1998	
Dr V Demicheli	2 March 2001	
Ms D Gherzi	8 October 1999	
Mrs G Gyte	12 October 1997	28 October 2000
Ms R Jepson	8 October 1999	
Dr P Langhorne (Chair)	24 October 1998	
Mr M Lodge	12 October 1997	28 October 2000
Prof Y Li	8 October 1999	
Prof JP Neilson	29 November 1999	
Mr S Ochieng	28 October 2000	
Dr AD Oxman	22 April 1995	28 October 2000
Ms E Telaro	8 October 1999	
Dr JA Volmink	24 October 1998	
Prof D Wilkinson	28 October 2000	
Dr CJ Williams	24 October 1998	

In accordance with the Articles of Association, approximately one-third of the members of the Steering Group retire by rotation each year.

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 that 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 that 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 ten 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.*
- *Enabling wide participation in the work of the Collaboration .. by reducing barriers to contributing and by encouraging diversity.*

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Cochrane Collaboration is a not-for-profit organisation, established as a company limited by guarantee having no share capital, and registered as a charity in the UK under the Charities Act 1993. The members of the Steering Group are the guarantors of the company each to a maximum of £10. A copy of its Memorandum and Articles of Association can be obtained from its web site (<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 2000/2001 elected by the overall membership of the Collaboration for three years, with annual rotation of a proportion of its members. The position of Chair of the CCSG during that 2000/2001 period was initially held by Dr Andy Oxman and then shared by Dr Peter Langhorne and Dr Mike Clarke.

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 the Collaboration's web site (<http://www.cochrane.org>).

In between these meetings, the various working groups have regular meetings by telephone conference and face to face if deemed necessary. In the year 2000/2001 these working groups, accountable to the CCSG, were as follows:

Sub-Groups of the Steering Group:

- **The Executive Group**, responsible for making interim decisions on behalf of the full Steering Group between its bi-annual meetings on issues other than monitoring and registration, and publishing policy. Also responsible for co-ordinating and ensuring good communication among groups responsible for core functions and the Steering Group.
- **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.

Advisory Groups to the Steering Group:

- **The CENTRAL/CCTR Advisory 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 Cochrane Library Users' Group**, responsible for advising on the content and design of *The Cochrane Library*.
- **The Colloquium Policy Advisory 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 Advisory Group**, responsible for advising on policies and procedures for managing comments and criticisms of Cochrane Reviews.
- **The Handbook Advisory Group**, responsible for the Cochrane Reviewers' Handbook for preparing and maintaining systematic reviews.
- **The Information Management System Group**, responsible for overseeing the development of any software that is mandatory for use within the Cochrane Collaboration, and for advising on Collaboration-wide use of other software.

- **The Quality Advisory Group**, responsible for co-ordinating activities aimed at improving the quality of Cochrane Reviews.
- **The Collaboration Secretariat**, responsible for supporting the CCSG and groups accountable to it.

STRATEGIC PLAN

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

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.

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. Collaboration Trading Company Limited (the CTC), a wholly owned trading subsidiary of the Cochrane Collaboration, continued to receive monies that the Collaboration is unable to receive, due to its charitable status. As a result, all profits made by the CTC are donated to Cochrane Collaboration under the Gift Aid scheme to support its charitable activities. The Directors of the CTC are Prof Jos Kleijnen, Prof Chris Silagy, Dr Malcolm Newdick and Ms Monica Fischer; Dr Malcolm Newdick is the Company Secretary of both the Cochrane Collaboration and the Collaboration Trading Company Limited.

The results of the charity and the trading company combined, for the year ended 31 March 2001, are set out in the financial statements on pages 6 to 11.


The Collaboration Trading Company's income in 2000/2001 consisted mainly of royalties from subscriptions to *The Cochrane Library*.

The Cochrane Collaboration has a policy to reserve ten percent of its incoming resources to provide a buffer against fund shortages and to allow greater flexibility in meeting its charitable objectives.

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 ...13/15/...2001
and signed on its behalf by


.....
Dr Malcolm Newdick, Company Secretary

Summertown Pavilion
Middle Way
Oxford OX2 7LG

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

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Steering Group's Report is not consistent with the financial statements, if the charitable company and the group have 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 steering group members' remuneration and transactions with the charitable company and the group are not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom 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 2001 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

13 October 2001

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2001

	Note	Restricted £	Unrestricted £	Group 31 March 2001 £	Group 31 March 2000 £
INCOMING RESOURCES					
Donations		17,808	-	17,808	17,490
Interest earned	4	223	4	227	316
Other income		-	-	-	247
Net income from trading subsidiary	2	-	191,312	191,312	131,289
Total Incoming Resources		18,031	191,316	209,347	149,342
RESOURCES EXPENDED					
Direct charitable expenditure	6	5,416	40,977	46,393	27,930
Administration costs	7	32	14,147	14,179	12,520
Total resources expended	8	5,448	55,124	60,572	40,450
NET INCOMING / (OUTGOING) RESOURCES					
		12,583	136,192	148,775	108,892
Fund balances brought forward		10,068	170,026	180,094	71,202
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2001	13,14	£22,651	£306,218	£328,869	£180,094

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

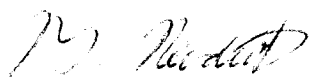
The notes on pages 8 to 11 form part of these accounts.

BALANCE SHEET

For the year ended 31 March 2001

	Note	Cochrane Collaboration 31 March 2001 £	Group 31 March 2001 £	Cochrane Collaboration 31 March 2000 £	Group 31 March 2000 £
FIXED ASSETS					
Investment in Subsidiary	10	100	-	100	-
CURRENT ASSETS					
Debtors	11	184,983	73,272	143,925	36,817
Cash at bank and in hand		147,886	288,464	46,737	165,578
		332,869	361,736	190,662	202,395
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR					
	12	(4,062)	(32,867)	(10,630)	(22,301)
NET CURRENT ASSETS / (LIABILITIES)		£328,807	£328,869	£180,032	£180,094
TOTAL ASSETS LESS CURRENT LIABILITIES		£328,907	£328,869	£180,132	£180,094
INCOME FUNDS					
Restricted funds	13	22,651	22,651	10,068	10,068
Unrestricted funds	14	306,256	306,218	170,064	170,026
	15	£328,907	£328,869	£180,132	£180,094

The notes on pages 8 to 11 form part of these accounts.

Approved by the trustees on 13th OCTOBER 2001


Dr Malcolm Newdick
Company Secretary

NOTES TO THE ACCOUNTS
For the year ended 31 March 2001

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards, and the Statement of Recommended Practice (SORP) 1995 - "Accounting for Charities".

a) Accounting Convention

The financial statements are prepared under the historical cost convention.

c) Income

Charity income includes royalties from the sale of The Cochrane Library credited to the trading company.

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 Cochrane Collaboration.

All amounts in respect of inter-company 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) Restricted funds

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

h) Unrestricted Funds

Unrestricted funds represent revenue grants and donations 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.

i) Reserving policy

The Cochrane Collaboration holds unrestricted reserves at a level necessary for the organisation to continue to meet its current needs.

2. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The charity has a wholly owned trading subsidiary incorporated in the UK. Collaboration Trading Company Limited collects royalties from the sale of The Cochrane Library and donated its taxable profits to The Cochrane Collaboration under the Gift Aid scheme. A summary of its trading results for the year ended 31 March 2001 is shown below. Audited accounts for this period have been filed with the Registrar of Companies.

	Collaboration Trading Co. 31 March 2001	Collaboration Trading Co. 31 March 2000
	£	£
Turnover	283,070	195,941
Cost of sales	(61,346)	(55,796)
Gross profit	221,724	140,145
Administration	(32,492)	(11,220)
Interest receivable	2,080	2,364
Net profit	191,312	131,289

NOTES TO THE ACCOUNTS

For the year ended 31 March 2001

3. SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR

	Cochrane Collaboration 31 March 2001	Collaboration Trading Co. 31 March 2001	Group 31 March 2001	Group 31 March 2000
	£	£	£	£
The surplus/(deficit) is after charging:				
Operating leases - rent	-	5,065	5,065	5,065
Auditors remuneration - audit services	3,750	1,500	5,250	4,500
Auditors remuneration - non audit services	-	500	500	400

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Cochrane Collaboration 31 March 2001	Collaboration Trading Co. 31 March 2001	Group 31 March 2001	Group 31 March 2000
	£	£	£	£
Bank interest	£227	£2,080	£2,307	£2,680

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

	Cochrane Collaboration and Group Total 31 March 2001	Cochrane Collaboration and Group Total 31 March 2000
	£	£
Biomed 2 project	-	3,505
Staff salaries and expenses	1,677	-
Steering Group expenses	44,716	24,425
	<u>£46,393</u>	<u>£27,930</u>

7. ADMINISTRATION COSTS

	Cochrane Collaboration and Group Total 31 March 2001	Cochrane Collaboration and Group Total 31 March 2000
	£	£
Insurance	1,314	262
Printing, postage and stationery	1,202	1,330
Telephone	4,361	2,620
Audit and accountancy	3,750	4,200
Bank interest and charges	201	25
Legal and professional	229	4,083
Sundries	62	-
Donations to other organisations	3,060	-
	<u>£14,179</u>	<u>£12,520</u>

Payments totalling £3,060 were paid from the Discretionary Fund to the Nordic Cochrane Centre (for printing and distribution of RevMan CD-ROMs) and the Centre for Statistics in Medicine (as a contribution towards the costs of running a course on Statistical Issues in Oxford in July 2001).

NOTES TO THE ACCOUNTS
For the year ended 31 March 2001

8. TOTAL RESOURCES EXPENDED

	Staff	Other	Cochrane Collaboration and consolidated Group 31 March 2001 Total £	Cochrane Collaboration and consolidated Group 31 March 2000 Total £
Direct charitable expenditure	1,677	44,716	46,393	27,930
Administration costs	-	14,179	14,179	12,520
	<u>£1,677</u>	<u>£58,895</u>	<u>£60,572</u>	<u>£40,450</u>

All group expenditure during the period was in respect of unrestricted activities.

9. TRUSTEES

The trustees received no remuneration during the year, apart from reimbursement of direct expenses for attendance at trustees' meetings of £44,716 (2000: £24,425).

10. FIXED ASSET INVESTMENTS

	Cochrane Collaboration 31 March 2001 £	Group 31 March 2001 £	Cochrane Collaboration 31 March 2000 £	Group 31 March 2000 £
Investment in Collaboration Trading Company Limited	100	-	100	-

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

11. DEBTORS

	Cochrane Collaboration 31 March 2001 £	Group 31 March 2001 £	Cochrane Collaboration 31 March 2000 £	Group 31 March 2000 £
Other debtors	790	990	789	985
Accrued income	-	72,282	-	35,832
Amount due from subsidiary	184,193	-	143,136	-
	<u>£184,983</u>	<u>£73,272</u>	<u>£143,925</u>	<u>£36,817</u>

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

	Cochrane Collaboration 31 March 2001 £	Group 31 March 2001 £	Cochrane Collaboration 31 March 2000 £	Group 31 March 2000 £
VAT creditors	-	14,383	-	8,196
Accruals	4,062	18,484	10,630	14,105
	<u>£4,062</u>	<u>£32,867</u>	<u>£10,630</u>	<u>£22,301</u>

NOTES TO THE ACCOUNTS
For the year ended 31 March 2001

13. RESTRICTED FUNDS

	Balance b/fwd	Incoming resources	Expenditure	Balance c/fwd
	£	£	£	£
Kenneth Warren Prize Fund	8,391	18,031	(3,771)	22,651
Grant for secretariat	1,677	-	(1,677)	-
	<u>£10,068</u>	<u>£18,031</u>	<u>£(5,448)</u>	<u>£22,651</u>

The Kenneth Warren Prize Fund has been formed to fund the annual prize of the same name.
The grant was for the salary of a member of support staff.

14. UNRESTRICTED FUNDS

Balance brought forward 1 April 2000	£	170,026
Excess of expenditure over income for the year ended 31 March 2001		136,192
Balance carried forward 31 March 2001		<u>£306,218</u>

The charity has designated a maximum of £10,000 of its unrestricted funds annually in support of those external organisations which require funding for their activities which are in line with the charity's mission. Each successful application will be restricted to £2,000.

15. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Restricted	Unrestricted	Total
	£	£	£
Current assets	22,651	339,085	361,736
Current liabilities	-	(32,867)	(32,867)
	<u>£22,651</u>	<u>£306,218</u>	<u>£328,869</u>

16. RELATED PARTY TRANSACTIONS

Charitable donations totalling £191,312 (2000: £204,546) gross of income tax have been received from Collaboration Trading Company Limited (CTC), its subsidiary undertaking under the Gift Aid scheme.

At 31 March 2001, the amount outstanding due to The Cochrane Collaboration in respect of the above was £191,312 (2000: £146,104)

£1,948 (2000: £453) was owed by CTC to The Cochrane Collaboration at the year end in respect of input VAT suffered by the latter but set against the former's VAT liability under the terms of the group VAT registration currently in force.

An amount of £5,098 (2000: £3,421) was owed by The Cochrane Collaboration to CTC in respect of salary payments of £1,677 paid for by CTC on behalf of The Cochrane Collaboration.

The subsidiary has also paid on behalf of the parent entity a total of £3,969 (2000: £Nil) in respect of contributions to other organisations under the Discretionary Fund established by the parent entity which is now due to the subsidiary.

These transactions are eliminated on consolidation and do not therefore appear in the Statement of Financial Activities.