

THE COCHRANE COLLABORATION
(A company limited by guarantee)

Report and Financial Statements
31 March 2004

Company Number: 3044323

Charity Number: 1045921

Mazars LLP
Chartered Accountants
St Thomas House
6 Becket Street
Oxford
OX1 1PP
UK

THE COCHRANE COLLABORATION

Registered in England
Company Number: 3044323
Charity Number: 1045921

STEERING GROUP (during the year)

Dr G Antes
Dr K Clark
Dr MJ Clarke (Co-Chair)
Dr M Davies
Mr J Deeks
Dr V Demicheli
Ms D Ghera
Dr S Green
Prof DJ Henderson-Smart
Dr S Lewis
Prof JP Neilson (Co-Chair)
Mr S Ochieng
Mr J Pardo
Dr S Simi
Dr P Tugwell
Dr J Wales

TREASURER

Dr MJ Clarke

COMPANY SECRETARY

Ms VM Hetherington

REGISTERED OFFICE

Summertown Pavilion
Middle Way
Oxford
OX2 7LG
UK

AUDITORS

Mazars LLP
Chartered Accountants
St Thomas House
6 Becket Street
Oxford
OX1 1PP
UK

BANKERS

National Westminster Bank PLC
249 Banbury Road
Summertown
Oxford
OX2 7HR
UK

SOLICITORS

Manches And Co
3 Worcester Street
Oxford
OX1 2PZ
UK

THE COCHRANE COLLABORATION

31 March 2004

INDEX

	Page
Report of the Steering Group	1
Independent Auditors' Report	7
Consolidated Statement of Financial Activities	9
Charity and Consolidated Balance Sheet	10-11
Notes to the Financial Statements	12-18

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

31 MARCH 2004

The Steering Group of The Cochrane Collaboration presents their report and financial statements for the year ended 31 March 2004. The Cochrane Collaboration is a registered charity (number 1045921), and is a company limited by guarantee (company number 3044323). The charity was incorporated on 10 April 1995. 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 2003 to the date of this report, unless otherwise stated.

	Appointed	Resigned
Dr G Antes		
Dr K Clark		
Dr MJ Clarke (Co-Chair)		
Dr M Davies	1 August 2002	
Mr J Deeks	1 August 2002	
Dr V Demicheli		29 October 2003
Ms D Ghersi		
Dr S Green	1 August 2002	
Prof DJ Henderson-Smart		
Dr S Lewis	1 August 2002	
Prof JP Neilson (Co-Chair)		
Mr S Ochieng		29 October 2003
Mr J Pardo	1 August 2002	
Dr S Simi		
Dr P Tugwell	1 August 2002	
Dr J Wale	29 October 2003	

In accordance with the Articles of Association, a proportion of the members of the Steering Group retire by rotation each year, and they are eligible for re-election. Dr MJ Clarke and Prof JP Neilson became Co-Chairs of the Steering Group on 1 August 2002. Dr Mike Clarke resigns on 3 October 2004 when Dr Kathie Clark becomes Co-Chair with Professor Neilson.

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 the organisation's 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 2003/2004, elected by the overall membership of the Collaboration for three years, with annual rotation of a proportion of its members. 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, various working groups have regular meetings by telephone conference and face to face when possible. In the year 2003/2004 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 Cochrane Collaboration's products, and overseeing the pricing, distribution and marketing arrangements for these products.

Advisory Groups to the Steering Group:

- **The Cochrane CENTRAL 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 maintaining a management plan for the Cochrane Central Register of Controlled Trials (CENTRAL).
- **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 managing the development of the Information Management System, including Review Manager (RevMan), Module Manager (ModMan), a central management system for the contact details of the organisation's members, and potentially other software.
- **The Quality Advisory Group**, responsible for co-ordinating activities aimed at improving the quality of Cochrane Reviews.

The Collaboration Secretariat is 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>). This Plan, which guided the Collaboration's evolution over the years 1996 to 2002, was updated and formally presented during the Cochrane Colloquium in Stavanger, Norway, in August 2002. The current version was approved by the CCSG on 31 March 2003.

REVIEW OF THE FINANCIAL YEAR

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

Both the level of business and the year-end financial position were highly satisfactory. The Steering Group expect that the increased level of subscriptions to *The Cochrane Library* will be sustained for the foreseeable future and that the guaranteed minimum income from the new publishing agreement with John Wiley and Sons Limited (effective from 1 March 2003) will provide a sufficient safeguard against any drop-off in this. The 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 The Cochrane Collaboration under the Gift Aid Scheme to support its charitable activities. The Directors of the CTC are Ms Monica Kjeldstrøm, Prof Jos Kleijnen (Chair) and Prof Peter Langhorne (ex-members of the CCSG). Ms Jini Hetherington is the Administrator and 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 2004, are set out in the financial statements on pages 9 to 18.

The Collaboration Trading Company's income in 2003/2004 consisted mainly of royalties from subscriptions to *The Cochrane Library*.

In the financial year ending on 31 March 2004, donations totalling £5,902 were made from The Cochrane Collaboration's Discretionary Fund. No donations were made from The Cochrane Collaboration's Contingency Fund.

MAJOR CHANGES IN THE YEAR 2003/2004

The major developments in the past year have been the development of strategic alliances with potential funders and partners (led by the Chief Executive Officer) and the migration of *The Cochrane Library* from the product developed by the original publisher, Update Software, to the new product being developed by John Wiley and Sons Limited.

FUTURE DEVELOPMENTS

The major developments for the coming year are:

- Implementing the new Information Management System which will be 'rolled out' to The Cochrane Collaboration during 2005 to 2006.
- Working increasingly closely with John Wiley and Sons on their plans for increased dissemination of and access to *The Cochrane Library*.

- Increasing efforts to raise funds to increase the sustainability of The Cochrane Collaboration and its entities.
- Becoming involved in global initiatives to increase access to healthcare evidence, in particular in developing countries.

RISK ASSESSMENT

An assessment of risk was carried out on 25 May 2004 in which governance, operational, external and financial risks were considered and appropriate measures were taken to reduce or mitigate risks where applicable. The results were tabulated and where gaps in existing procedures were identified, individuals were nominated to implement the necessary changes. This is an ongoing process, reviewed annually by the Steering Group.

RESERVES POLICY

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. This is added to The Cochrane Collaboration's Contingency Fund.

The Contingency Fund is primarily a cash reserve to fund the running costs of the Secretariat for one year. It can also be used for larger items of expenditure than are permitted from the Discretionary Fund, with no predetermined limit, in particular for items of Collaboration-wide benefit; decisions on expenditure from this fund are made by the Steering Group.

In addition, the Collaboration has a Discretionary Fund for items of up to £3,000 that will be of Collaboration-wide benefit. Expenditure from this fund is approved by the Executive of the Steering Group on a first-come, first-served basis, up to an annual total expenditure of £15,000.

INVESTMENT POLICY

The charity's current policy regarding investment is to put all surplus income into interest-bearing savings accounts. The funds for these items of expenditure need to be readily available, in keeping with the notice periods on these accounts. Commitments have been made to sponsoring registration fees (one per entity) for the Colloquium, redesigning the Collaboration web site, and to the substantial development of the Collaboration's Information Management System, including establishing a team of staff to support the editorial bases of Collaborative Review Groups in implementing this new system.

ROYALTY AUDIT

An independent audit of the calculations by John Wiley and Son Limited of the royalty income was undertaken in the year ended 31 March 2004 for the subsidiary entity Collaboration Trading Company Limited.

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

31 MARCH 2004

AUDITORS

With effect from 31 August 2004, Mazars LLP succeeded to Mazars as the independent auditor to the charitable company. Mazars LLP have expressed their willingness to continue in office and a resolution to reappoint Mazars LLP as auditors to the charitable company and to authorise the Trustees to fix their remuneration will be proposed at the forthcoming Annual General Meeting on 3 October 2004.

Approved by the board on 3 September 2004
and signed on its behalf by

Dr Michael J Clarke, Trustee

Summertown Pavilion
Middle Way
Oxford OX2 7LG, UK

Independent auditors' report to the members of The Cochrane Collaboration

We have audited the financial statements for the year ended 31 March 2004 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets and related notes. These financial statements have been prepared under the historical cost convention and the 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, for the purposes of company law the charitable activities of The Cochrane Collaboration are responsible for the preparation of 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 Trustees'/ Directors' Report is not consistent with the financial statements, if 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'/ Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 of state of affairs of the group and the charity as at 31 March 2004 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars LLP
Chartered Accountants
and Registered Auditors

St Thomas House
6 Becket Street
Oxford, OX1 1PP

Date.....

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2004

	Note	Restricted	Designated	Unrestricted	Group 31 March 2004	Group 31 March 2003
		£		£	£	£
INCOMING RESOURCES						
Donations, Legacies and similar income		15,810	-	20	15,830	71,511
Gifts in Kind		-	-	-	-	1,000
Royalties		-	-	553,184	553,184	402,916
Investment Income - Interest Received	3	1,307	-	15,641	16,948	18,044
Other incoming resources		-	-	835	835	
Total Incoming Resources		17,117	-	569,680	586,797	493,471
CHARITABLE EXPENDITURE						
Scholarship in furtherance of charitable objectives	5	3,150	-	-	3,150	6,969
Grants paid	6	11,317	5,209	83,767	100,293	127,023
Costs of activities in furtherance of charitable objectives	7	16,175	-	353,757	369,932	291,134
Management and Administration	8	-	-	14,751	14,751	19,255
Total Resources Expended	9	30,642	5,209	452,275	488,126	444,381
Net Incoming/(Outgoing) Resources before transfers		(13,525)	(5,209)	117,405	98,671	49,089
Fund Transfers	16	-	218,741	(218,741)	-	-
Net Incoming/(Outgoing) Resources		(13,525)	213,532	(101,336)	98,671	49,089
Fund balances brought forward at 1 April 2003		85,381	137,170	298,482	521,033	471,944
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2004	15,16	£71,856	£350,702	£197,146	£619,705	£521,033

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 12 to 18 form part of these accounts.

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2004

	Note	Restricted £	Designated £	Unrestricted £	2004 £	2003 £
INCOMING RESOURCES						
Donations, Legacies and similar income		15,810	-	20	15,830	72,511
Incoming resources from activities in furtherance of the charity's objectives		-	-	344,701	344,701	178,110
Investment Income - Interest Received	3	1,307	-	9,080	10,387	7,738
Total Incoming Resources		17,117	-	353,801	370,918	258,359
CHARITABLE EXPENDITURE						
Charitable expenditure:						
Scholarship in furtherance of charitable objectives	5	3,150	-	-	3,150	6,969
Grants paid in furtherance of charitable objectives	6	11,317	5,209	83,767	100,293	127,023
Costs of activities in furtherance of charitable objectives	7	16,175	-	137,878	154,053	56,022
Management and Administration	8	-	-	14,751	14,751	19,217
Total Resources Expended	9	30,642	5,209	236,396	272,247	209,230
Net Incoming/(Outgoing) Resources Before Transfers		(13,525)	(5,209)	117,405	98,671	49,128
Fund Transfers		-	218,741	(218,741)	-	-
Net Incoming/(Outgoing) Resources		(13,525)	213,532	(101,336)	98,671	49,128
Fund balances brought forward at 1 April 2003		85,381	137,170	298,520	521,071	471,944
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2004	15,16	71,856	350,702	197,184	619,742	521,071

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 12 to 18 form part of these accounts.

BALANCE SHEETS

For the year ended 31 March 2004

	Note	Cochrane Collaboration 31 March 2004 £	Group 31 March 2004 £	Cochrane Collaboration 31 March 2003 £	Group 31 March 2003 £
FIXED ASSETS					
Fixtures and Fittings	11	-	5,529	-	4,500
Investments	12	1,100	1,000	1,100	1,000
		<u>1,100</u>	<u>6,529</u>	<u>1,100</u>	<u>5,500</u>
CURRENT ASSETS					
Debtors	13	247,813	£143,181	101,462	71,816
Cash at bank and in hand		403,354	511,813	441,856	571,266
		<u>651,167</u>	<u>654,994</u>	<u>543,318</u>	<u>643,082</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR					
	14	(32,525)	(41,819)	(23,347)	(127,549)
		<u>618,642</u>	<u>613,175</u>	<u>519,972</u>	<u>515,532</u>
NET CURRENT ASSETS					
		<u>618,642</u>	<u>613,175</u>	<u>519,972</u>	<u>515,532</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>619,742</u>	<u>619,704</u>	<u>521,071</u>	<u>521,033</u>
INCOME FUNDS					
Restricted funds	15	71,856	71,856	85,381	85,381
Unrestricted funds:					
Designated	16	350,702	350,702	137,170	137,170
Other unrestricted		197,184	197,146	298,520	298,482
	17	<u>619,742</u>	<u>619,704</u>	<u>521,071</u>	<u>521,033</u>

The notes on pages 12 to 18 form part of these accounts.

Approved by the trustees on
and signed on their behalf by**Dr Michael J Clarke**
Treasurer

NOTES TO THE ACCOUNTS
For the year ended 31 March 2004**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards including the provisions of the Statement of Recommended Practice 2000 for Charities issued by the Charities Commission with the approval of the Accounting Standards Board and the Charities Regulations.

The charity's main accounting policies are as follows:

a) Accounting Convention

The financial statements are prepared under the historical cost convention.

b) Income

Charity income includes royalties from the sale of The Cochrane Library credited to the trading company. Donations income is recognised on a receipts basis.

c) Expenditure

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

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

e) 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.

f) Restricted funds

Some income is donated to the charity on the understanding that it is to be used for a specific project as specified by the donor.

g) Unrestricted Funds

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

h) Reserving policy

The Cochrane Collaboration holds designated reserves at £350,000, estimated to be one years running costs of the charity.

i) Allocation of expenditure

All expenditure is considered to be directly chargeable to the appropriate heading and there are no costs which are allocated across headings.

j) Grant expenditure

Grants payable are charged in the year when the offer is conveyed to 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.

k) Investments

Investments are included at cost or deemed cost.

NOTES TO THE ACCOUNTS
For the year ended 31 March 2004

2. SURPLUS FOR THE FINANCIAL YEAR

	Cochrane Collaboration 2004 £	Collaboration Trading Co. 2004 £	Group 2004 £	Group 2003 £	
The surplus is after charging:					
Auditors remuneration	- audit services	3,000	2,400	5,400	5,300
	- royalty audit	-	1,500	1,500	-
	- non audit services	1,000	1,435	2,435	1,630

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Cochrane Collaboration 2004 £	Collaboration Trading Co. 2004 £	Group 2004 £	Group 2003 £
Bank interest	10,387	6,561	16,948	18,044

4. 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 will be donated in full to its charitable parent entity.

5. SCHOLARSHIP IN FURTHERANCE OF CHARITABLE OBJECTIVES

	Cochrane Collaboration	Collaboration Trading Co.	Group 2004 £	Group 2003 £
Aubrey Sheiham Scholarship Paid	1,300	-	1,300	6,969
Travel and other costs reimbursed to scholar	1,850	-	1,850	-
	3,150	-	3,150	6,969

6. GRANTS PAID IN FURTHERANCE OF CHARITABLE OBJECTIVES

	Cochrane Collaboration	Collaboration Trading Co.	Group 2004 £	Group 2003 £
Grants paid to:				
Milton Keynes Primary Care Trust, <i>Assessment of CENTRAL</i>	-	-	-	4,786
New England Cochrane Centre, <i>Grant for CENTRAL</i>	-	-	-	48,376
Nordic Cochrane Centre, <i>Grant for IMS</i>	42,085	-	42,085	38,031
University of East Anglia, <i>Grant to assess cost of reviews</i>	-	-	-	13,000
University of York, <i>Grant for conversion of abstracts</i>	4,250	-	4,250	-
MRC South Africa, <i>Grant for copies of course textbook</i>	1,041	-	1,041	-
International Conference Services, <i>Grant for Ottawa Colloquium entity registration</i>	25,170	-	25,170	-
German Cochrane Centre, <i>Grant for beta testing of website</i>	997	-	997	-
University of Liverpool, <i>Grant for emergency editors' meeting</i>	3,000	-	3,000	-
Canadian Cochrane Centre, <i>inventory of resources that use Cochrane systematic reviews.</i>	7,224	-	7,224	-
Total grants made from unrestricted funds	83,767	-	83,767	104,193
Iberoamerican Cochrane Centre, <i>Rockefeller Foundation grant for developing country stipends</i>	11,317	-	11,317	-
Kenneth Warren Prize <i>Rockefeller Foundation fund grant</i>	-	-	-	-
Total grants made from restricted funds	11,317	-	11,317	-
Total grants made from designated funds	5,209	-	5,209	22,830
	100,293	-	100,293	127,023

note 16

NOTES TO THE ACCOUNTS
For the year ended 31 March 2004

7. COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITABLE OBJECTIVES

	restricted	designated	unrestricted	Cochrane Collaboration 2004 TOTAL	Collaboration Trading Co. 2004 Unrestricted	Group 2004	Group 2003
	£	£	£	£	£	£	£
Consultancy Fee	-	-	2,972	2,972	-	2,972	1,314
Staff salaries	-	-	64,447	64,447	86,116	150,563	99,170
CEO meetings and related expenses	-	-	7,231	7,231	-	7,231	52,978
Steering Group expenses	-	-	58,575	58,574	-	58,574	43,476
Direct costs	-	-	-	-	26,849	26,849	31,830
Running costs	-	-	4,654	4,654	102,914	107,568	60,636
Kenneth Warren Prize	3,580	-	-	3,580	-	3,580	1,730
Aubrey Sheiham scholarship fund expenses	12,595	-	-	12,595	-	12,595	-
	16,175	-	137,879	154,053	215,879	369,932	291,134

8. MANAGEMENT AND ADMINISTRATION

	Cochrane Collaboration TOTAL	Collaboration Trading Co.	Group 2004	Group 2003
	£		£	£
Printing, postage and stationery	1,984	-	1,984	576
Telephone	394	-	394	5,239
Insurance	832	-	832	826
Audit and accountancy	300	-	300	4,200
Bank interest and charges	522	-	522	232
Sundry expenses	696	-	696	-
Legal and professional	(640)	-	(640)	7,877
Advertising	-	-	-	305
Website development costs	10,663	-	10,663	-
	14,751	-	14,751	19,255

All management and administration expenditure is from unrestricted funds

9. TOTAL RESOURCES EXPENDED

	Staff	Depreciation	Other	Cochrane Collaboration TOTAL 2004	Group 2004 Total	Group 2003 Total
	£	£	£	£	£	£
Charitable expenditure:						
Scholarship in furtherance of charitable objectives	-	-	3,150	3,150	3,150	6,969
Grants paid in furtherance of charitable objectives	-	-	100,293	100,293	100,293	127,023
Costs of activities in furtherance of charitable objectives	64,447	-	89,606	154,053	369,932	291,134
Management and Administration	-	-	14,751	14,751	14,751	19,255
	64,447	-	207,800	272,247	488,126	444,381

NOTES TO THE ACCOUNTS
For the year ended 31 March 2004

10. TOTAL STAFF COSTS

	Cochrane Collaboration 2004 £	Collaboration Trading Co. 2004 £	Group 2004 £	Group 2003 £
Wages and salaries	57,599	73,632	131,231	96,069
Social security costs	6,848	12,484	19,332	3,101
	<u>64,447</u>	<u>£86,116</u>	<u>£150,563</u>	<u>£99,170</u>

The average number of employees analysed by function was:

	Cochrane Collaboration		Group	
	2004	2003	2004	2003
Costs in Furtherance of the Charity's objects	<u>1</u>	<u>0</u>	<u>4</u>	<u>3</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 £58,574 (2003: £52,978).

Professional indemnity insurance was purchased in the year for £2,520.

In the year a total of £72,067 was granted to associated Cochrane entities, of this total £13,503 was granted to Cochrane entities who have a representative on the steering committee. 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 2003	3,940	3,917	7,857
Additions	1,656	3,116	4,772
Disposals	-	-	-
As at 31 March 2004	<u>5,596</u>	<u>7,033</u>	<u>12,629</u>
Depreciation			
As at 1 April 2003	985	2,372	3,357
Charge for the year	1,399	2,344	3,743
Eliminated on disposals	-	-	-
As at 31 March 2004	<u>2,384</u>	<u>4,716</u>	<u>7,100</u>
Net Book Value			
As at 31 March 2004	<u>3,212</u>	<u>2,317</u>	<u>5,529</u>
As at 31 March 2003	<u>2,955</u>	<u>1,545</u>	<u>4,500</u>

All fixed assets are held by the subsidiary undertaking.

12. FIXED ASSET INVESTMENTS

	Cochrane Collaboration 2004 £	Group 2004 £	Cochrane Collaboration 2003 £	Group 2003 £
Investment in Collaboration Trading Company Limited	100	-	100	-
Other investments	1,000	1,000	1,000	1,000
TOTAL	<u>1,100</u>	<u>1,000</u>	<u>1,100</u>	<u>1,000</u>

The investment represents a 100% shareholding in Collaboration Trading Company Limited (incorporated in England and Wales). All figures have been included in the consolidation. At the year end, the net assets of the company were £68 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.

NOTES TO THE ACCOUNTS
For the year ended 31 March 2004

13. DEBTORS

	Cochrane Collaboration 2004 £	Group 2004 £	Cochrane Collaboration 2003 £	Group 2003 £
Other debtors	17,126	18,181	3,074	-
Accrued income	-	125,000	-	71,816
Amount due from subsidiary	230,687	-	98,388	-
	<u>247,813</u>	<u>143,181</u>	<u>101,462</u>	<u>71,816</u>

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

	Cochrane Collaboration 2004 £	Group 2004 £	Cochrane Collaboration 2003 £	Group 2003 £
Social security and other taxation	2,103	3,044	-	-
VAT creditors	-	-	-	23,179
Accruals	30,422	38,775	23,347	104,370
	<u>32,525</u>	<u>41,819</u>	<u>23,347</u>	<u>127,549</u>

15. RESTRICTED FUNDS

	Balance as at 31 March 2003 £	Incoming resources £	Expenditure Transfer between funds £	Balance as at 31 March 2004 £
Kenneth Warren Prize Fund	19,597	272	(3,580)	20,782
Aubrey Sheiham Scholarship Fund	65,784	1,035	(15,745)	51,074
Rockefeller Foundation Fund	-	15,810	(11,317)	(4,493)
Charity and Group	<u>85,381</u>	<u>17,117</u>	<u>(30,642)</u>	<u>71,856</u>

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

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

The Rockefeller one-off restricted grant was received to fund stipends for the Kenneth Warren Prize Fund and for people from developing countries to attend the Barcelona Colloquium.

NOTES TO THE ACCOUNTS
For the year ended 31 March 2004

16. DESIGNATED FUNDS

	Balance as at 31 March 2003 £	Transfers and new designations £	Utilised £	Balance as at 31 March 2004 £
Contingency	131,259	218,741	-	350,000
Discretionary	5,911	-	(5,209)	702
	<u>137,170</u>	<u>218,741</u>	<u>(5,209)</u>	<u>350,702</u>

The charity designates to the Discretionary Fund a maximum of £15,000 of its unrestricted funds annually in support of those Cochrane entities organisations which require funding for their activities which are in line with the charity's mission. Each successful application will be restricted to £3,000. These limits were amended from £10,000 and £2,000 respectively by the Steering Group in October 2003.

The Contingency Fund is primarily a cash reserve to fund the running costs of the Secretariat for one year which is considered to be £350,000. It can also be used for larger items of expenditure than are permitted from the Discretionary Fund, with no predetermined limit, in particular for items of Collaboration-wide benefit; decisions on expenditure from this fund are made by the Steering Group.

Funds utilised in the year were expended as follows:

	Discretionary £	Total 2004 £	Total 2003 £
Stavanger Colloquium <i>for consumer and developing country stipends</i>	-	-	10,399
Canadian Cochrane Centre, <i>to enable continuation of production of CCInfo and Cochrane News</i>	-	-	6,153
New England Cochrane Centre <i>for storage of paper records related to handsearching</i>	-	-	1,543
German Cochrane Centre, <i>registration fee for web designer</i>	-	-	646
University of Liverpool <i>testing of RevMan analyses</i>	-	-	750
Cochrane Cancer Network, <i>legal fees of 'Aid Cancer'</i>	-	-	2,000
Cochrane Consumer Network, <i>to purchase laptop computer</i>	-	-	1,339
Pregnancy and Childbirth Group, <i>Evaluation of the work of the PCG Consumer Panel</i>	2,000	2,000	
Cochrane Consumer Network, <i>legal advice on the future of Cochrane Consumer Network Incorporated</i>	633	633	
France Légaré, <i>attendance at meeting to establish French Cochrane Network</i>	1,056	1,056	
Sreekumaran Nair, <i>visit from India to Australia to ARI Group and workshop attendance</i>	1,520	1,520	
Total utilised	<u>5,209</u>	<u>5,209</u>	<u>22,830</u>

NOTES TO THE ACCOUNTS
For the year ended 31 March 2004

17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Restricted £	Unrestricted £	Total £
Fixed assets	-	6,529	6,529
Current assets	68,944	586,050	654,994
Current liabilities	-	(41,819)	(41,819)
	<u>68,944</u>	<u>550,760</u>	<u>619,704</u>

18. FINANCIAL COMMITMENTS

At 31 March 2004 the charitable company had annual commitments under constructive obligations in respect of premises rental as follows:

	Cochrane Collaboration and Group Total 31 March 2004 £	Cochrane Collaboration and Group Total 31 March 2003 £
Expiry date:		
Less than one year	8,704	-
Between two and five years	-	<u>6,352</u>

At 31 March 2004 the Cochrane Collaboration and Group have the following other financial commitments

Less than one year	120,339	-
Between one and two years	77,356	-
Greater than two years	<u>61,872</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 on the grounds that consolidated financial statements are prepared by the ultimate parent company.

The Cochrane Collaboration is situated in the same building as the UK Cochrane Centre, which is a part of the Milton Keynes Primary Care Trust.