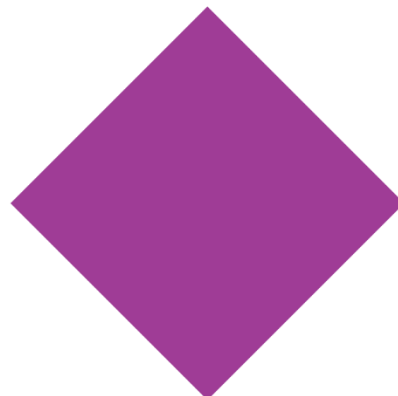


Trustees' Report and Financial Statements

The Cochrane Collaboration
(A company limited by guarantee)
For the year ended
31 December 2017

Company Number 3044323
Charity Number 1045921



31 December 2017

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The Trustees of The Cochrane Collaboration (Cochrane), who are also directors for the purposes of company law, present their report and financial statements for the year ended 31 December 2017.

Reference and Administration

Charity name: The Cochrane Collaboration

Registered and
Correspondence Address: St Albans House,
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Advisors

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EC1Y 0TL
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Bankers: National Westminster Bank PLC
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Legal advisers: Maier Blackburn
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267 Banbury Road
Oxford
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Trustees

The following Trustees, who are also the directors for the purposes of company law, held office on the Cochrane Governing Board during the year and to the date of signing these financial statements:

Prof L Bero (Co-Chair – resigned 27 July 2017)
 Prof M Burton (Treasurer until 14 September 2017; appointed Co-Chair from 14 September 2017)
 Prof C Farquhar (Co-Chair)
 Prof J Clarkson (elected 31 January 2017)
 Ms MG Faba Beaumont (appointed 27 July 2017)
 Prof G Gartlehner (elected 31 January 2017)
 Prof PC Gøtzsche (elected 31 January 2017)
 Mr D Hammerstein Mintz (appointed 27 July 2017)
 Prof T Howe (elected 27 July 2017)
 Ms M Koster (appointed Treasurer 14 September 2017)
 Ms R Lamb (appointed 27 July 2017)
 Ms C Marshall
 Dr M Makanga (resigned 1 March 2017)
 Dr J Meerpohl (elected 27 July 2017)
 Dr M Nasser (resigned 27 July 2017)
 Dr N Santesso (elected 31 January 2017)
 Ms D Thomson (resigned 27 July 2017)

Senior Staff

The senior staff of the Charity, and of its commercial subsidiary, Cochrane Innovations, during the year comprised:

Mr M Wilson, Chief Executive Officer
 Dr D Tovey, Editor in Chief, *The Cochrane Library*
 Ms S Watson, Company Secretary, Head of Finance & Core Services
 Ms M Cumpston, Head of Learning & Support
 Mr C Mavergames, Head of Informatics and Knowledge Management
 Ms C Pestridge, Cochrane Innovations Chief Executive Officer
 Ms J Wood, Head of Communications and External Affairs (to 7 September 2017)

Narrative Report

This Trustees' Report covers the twelve-month period 1 January – 31 December 2017.

1. Structure, Governance and Management

Nature of Governing Document

The governing documents of The Cochrane Collaboration are the Articles of Association, which were amended on 25 October 2016.

Trustee Appointment

Trustees of The Cochrane Collaboration serve as Governing Board 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. At least six 'internal' trustees are elected to the Governing Board by individual members of the charity from the existing membership. Up to five additional 'external' trustees are appointed by Governing Board members, who are then subject to approval by the charity's members at the next Annual General Meeting after their appointment. Two Co-Chairs

(who may serve up to two terms of two years) are similarly appointed by the Board and must be confirmed by members at the AGM.

All trustees go through an induction with a Co-Chair, another Board member and the Company Secretary; and are provided with introductory documentation to assist them. Trustees spend two days a year in Board development days to support their work.

Organisational Structure

The Cochrane Collaboration's Governing Board governs the charity on behalf of its Members. The charity owns three subsidiaries, each with its own Board of Directors:

- The Collaboration Trading Company exists solely to receive royalties from sales of The Cochrane Library and to gift aid its profits to the charity. During 2017 Collaboration Trading was non-trading in the year and it is our intention to make this subsidiary dormant in 2019;
- Cochrane Innovations is a commercial trading company that exists to develop and sell derivative products and services from Cochrane's content and tools, to return a profit to the charity and support the charity's mission and objects; During 2017 Innovations performance was better than planned.
- Cochrane IKMD Denmark ApS is a Danish company set up to support the work of Cochrane's Informatics & Knowledge Management Department based in Denmark.

The charity's Governing Board determines the strategic direction of the organization, including its policies objectives and goals. The Cochrane Collaboration's Chief Executive Officer, Mark Wilson, has overarching responsibility for the management of the organization, including its Central Executive Team (CET - the staff employed by the charity or through charity funding), and the executive delivery of its activities and plans to deliver these strategic goals.

The Editor in Chief of *The Cochrane Library*, Dr David Tovey, is responsible for developing, implementing, and directing the editorial policies and vision of *The Cochrane Library* in relation to the vision and objectives of the collaboration; improving the quality in the editing process and product with respect to scientific content; providing a lead for conceptualising and developing new products derived from Cochrane Systematic Reviews in partnership with the Chief Executive Officer; and for applying ethical and scientific standards consistent with the goals of the Collaboration.

The Central Executive's Information & Knowledge Management Department (IKMD) is based in Freiburg, Germany, and Copenhagen, Denmark, and is responsible for developing and maintaining Cochrane's online presence; RevMan, the Collaboration's systematic review management software; Archie, the online repository for the Collaboration's documents and contact details; and other technological tools, products and services linked to the production of synthesized evidence. Other Central Executive team members provide leadership and support in media and communications, fundraising, training and capacity building, editorial services, finance and core services.

Cochrane Groups across the world contribute to the activities of the collaboration:

- 52 subject-based Cochrane Systematic Review Groups incorporated into 8 Networks facilitate the preparation, by research teams, of Cochrane Systematic Reviews;
- 16 Methods Groups provide support in methods for research evidence synthesis;
- 20 Cochrane Centres (with responsibility for 34 Associate Centres and Affiliates) in Europe, the Americas, Africa, Asia and Australasia provide a regional focus for the Collaboration's activities; and
- 11 thematic Fields represent crosscutting health issues and carry out knowledge translation and advocacy activity.

Each Cochrane Group has a management team appropriate to its function. For Cochrane Review Groups, for instance, this normally consists of a Co-ordinating Editor (commonly a senior healthcare professional such as a Professor or Senior Consultant with extensive knowledge of the healthcare area

concerned), a Managing Editor, an Information Specialist and administrative support. These teams support 'Cochrane Review author teams', consisting of authors and editors; with input provided by statisticians, methodologists, healthcare consumers and others.

Principal Risks and Uncertainties

The Governing Board of Trustees regularly considers 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. There were two main risks for the charity in 2017.

The first was ensuring the continued outputs and sustainability of some Cochrane Groups around the world threatened by loss of funding from long-term funders. In 2016-17 Cochrane provided C\$500,000 of Strategic Development Support (SDS) funding to Cochrane Canada Groups to support their ongoing activities and staffing following the Canadian Institute of Health Research's (CIHR) decision to end support to Cochrane activities. These Groups were maintained through 2017 and Cochrane Canada continues to seek long-term sustainable funding. Cochrane's Governing Board also approved SDS funding in 2017 to the Cochrane Review Group satellite teams in Australia, whose support from the National Health & Medical Research Council ended that year, and to the Neonatal and Lung Cancer Review Groups. SDS support is designed to form a 'bridge' for Cochrane Groups to sustain their structures and staffing at a basic level when a likely longer-term funding solution is likely to be found.

The second, and continuing, risk and uncertainty affecting the charity is the impact in the short, medium and long term on Cochrane's revenues of its decision to make increasing numbers of its Cochrane Systematic Reviews 'open access'. The proportion of Cochrane Reviews already freely available to all users everywhere through its existing 'Green' Open Access policy (where the full text of Cochrane Reviews and Updates are made available everywhere to everyone 12 months after publication) is steadily growing – reaching 52% by the end of 2017. The Governing Board decided in 2017 to postpone *Strategy to 2020's* ambition to extend this policy still further by making the full text of all Cochrane Reviews and Updates immediately open access on publication (see Objective 2.4, below). This objective will now be reassessed sometime after 2020, once the potential impacts on future sales of an 'enhanced' Cochrane Library are better understood.

Contingency plans have also been developed by the Central Executive's Senior Management Team (SMT) to manage and reduce other, less serious, risks with a detailed Risk Management Report updated quarterly which is considered and approved by the Trustees twice a year.

2. Objectives and Activities

Legal Objects

The legal objects of the Charity, as defined in its Articles of Association and revised by its members with the approval of the Charity Commission on 25 October 2016 are: '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 or any other charitable activities, for the public benefit.'

Vision and Mission of the Charity

The Cochrane Collaboration's Vision is: 'a world of improved health where decisions about health and health care are informed by high-quality, relevant and up-to-date synthesised research evidence'.

Cochrane's Mission is: 'to promote evidence-informed health decision making by producing high-quality, relevant, accessible systematic reviews and other synthesised research evidence'.

Cochrane is a global independent network of health practitioners, researchers, patient advocates and others, responding to the challenge of making the vast amounts of evidence generated through

research useful for informing decisions about health. We are a not-for-profit organisation with more than 40,000 collaborators from over 120 countries working together to produce credible, accessible health information that is free from commercial sponsorship and other conflicts of interest.

The Charity makes extensive use of volunteers. Amongst their many contributions, volunteers in 2017 were involved in the following activities:

- Preparation of the Collaboration's outputs as members of 'Cochrane Review author teams';
- Developing the knowledge base and tools for facilitating preparation of Cochrane's outputs;
- Dissemination of Cochrane's principles and outputs through conference presentations, symposia, scientific papers, and related knowledge translation activities;
- Supporting the 'Cochrane Crowd' initiative: using citizen science to identify randomised controlled trials in bibliographic databases.

Fundraising

Cochrane does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Charity, nevertheless, observes and complies with the relevant fundraising regulations and codes where appropriate. During the year there was no non-compliance of these regulations and codes, and we received no complaints relating to our fundraising practice.

Strategy to 2020

In September 2013, the Charity's membership unanimously agreed to adopt a new *Strategy to 2020* for Cochrane. The *Strategy to 2020* identifies four principal goals and 28 objectives underpinning them and together they will guide the development of the organisation for the period 1 January 2014 – 31st December 2020.

GOAL 1: PRODUCING EVIDENCE

To produce high-quality, relevant, up-to-date systematic reviews and other synthesised research evidence to inform health decision-making.

Objectives to 2020

HIGH-QUALITY:

- 1.1 We will continue to develop and implement comprehensive quality assurance mechanisms for editorial and methodological standards throughout our production and updating processes.

RELEVANT:

- 1.2 We will engage with patients and other healthcare consumers, health practitioners, policy-makers, guidelines developers and research funders to identify questions that are most relevant and important to them; and prioritise the production and updating of Cochrane Systematic Reviews accordingly.

UP-TO-DATE:

- 1.3 We will ensure that Cochrane Systematic Reviews represent the best evidence currently available by establishing and managing performance against updating targets, particularly for high priority reviews.

WIDE COVERAGE:

- 1.4 We will continue to support the production of Cochrane Systematic Reviews across a broad range of questions in order to develop the widest possible body of reliable knowledge about health.

PIONEERING METHODS:

- 1.5 We will ensure that established methods are applied consistently and appropriately in Cochrane Systematic Reviews; and continue to develop innovative methods for designing and conducting research evidence synthesis that help us to achieve our mission.

EFFICIENT PRODUCTION:

- 1.6 We will improve our technology and revise our processes to create more timely, consistent and efficient editorial and production systems.

- 1.7 We will expand our training and capacity-building programmes, promote innovation, and improve the experience of Cochrane Systematic Review production teams to retain and develop our contributor-base.

GOAL 2: MAKING OUR EVIDENCE ACCESSIBLE

To make Cochrane evidence accessible and useful to everybody, everywhere in the world.

Objectives to 2020

USER-CENTRED DESIGN AND DELIVERY:

- 2.1 We will put the needs of our users at the heart of our content design and delivery.
- 2.2 We will consult with our users to develop creative and flexible formats and delivery solutions for our content that make it more discoverable, accessible, useful and usable in diverse contexts and settings worldwide.
- 2.3 We will engage with our users to bring the concepts and methodologies of evidence synthesis into mainstream use beyond the research and medical communities, so that people know why and how evidence should be used to inform their health decision-making.

OPEN ACCESS:

- 2.4 We will achieve universal open access to Cochrane Systematic Reviews immediately upon publication for both new and updated reviews, and the archive of existing published reviews.

ACCESSIBLE LANGUAGE:

- 2.5 We will simplify and standardise the language used across our content to improve readability and reduce ambiguity.

MULTI-LINGUAL:

- 2.6 We will translate key content into at least the five other official languages of the World Health Organization (Spanish, French, Russian, Chinese and Arabic); and make it accessible in the same way as English-language content.

GOAL 3: ADVOCATING FOR EVIDENCE

To make Cochrane the 'home of evidence' to inform health decision-making, build greater recognition of our work, and become the leading advocate for evidence-informed health care.

Objectives to 2020

GLOBAL PROFILE:

- 3.1 We will clarify, simplify and improve the way we communicate to the world by creating an overarching 'Cochrane' brand.

THE 'HOME OF EVIDENCE':

- 3.2 We will make Cochrane the 'go-to' place for evidence to inform health decision-making by offering a range of evidence-informed products and resources.
- 3.3 We will build greater recognition of Cochrane's role as an essential link between primary research and health decision-making.

GLOBAL ADVOCATE:

- 3.4 We will advocate for evidence-informed health care and the uptake of synthesized research evidence in health policy-making and services planning.
- 3.5 We will promote reliable, high-quality primary research that is prioritised to answer real world health questions and improves the evidence-base on which our work is built.
- 3.6 We will campaign for transparency and integrity in scientific conduct, including the registration and reporting of results from all clinical trials, to ensure that the totality of evidence is available to those conducting research or making health decisions.

GLOBAL PARTNER:

- 3.7 We will build international and local partnerships and alliances with organisations that help us to reach people making decisions in health, particularly guidelines developers, policy-makers, associations of healthcare practitioners and patient organisations.

GLOBAL IMPACT:

- 3.8 We will demonstrate Cochrane's value and impact to funders, users and other beneficiaries of our work.

GOAL 4: BUILDING AN EFFECTIVE & SUSTAINABLE ORGANISATION

To be a diverse, inclusive and transparent international organisation that effectively harnesses the enthusiasm and skills of our contributors, is guided by our principles, governed accountably, managed efficiently and makes optimal use of its resources.

Objectives to 2020

INCLUSIVE AND OPEN:

- 4.1 We will establish a membership structure to improve our organisational cohesiveness and to reduce barriers to participation by creating a clear and open route into the organisation for people who want to get involved.

GLOBAL AND DIVERSE:

- 4.2 We will become a truly global organisation by establishing a Cochrane organisational presence in all regions, building capacity in low- and middle-income countries; promoting gender, linguistic and geographic diversity; and enabling generational change.

FINANCIALLY STRONG:

- 4.3 We will strengthen Cochrane's financial position by diversifying and expanding our funding base, both at core and group level.

EFFICIENTLY RUN:

- 4.4 We will review and adjust the structure and business processes of the organisation to ensure that they are optimally configured to enable us to achieve our goals.

INVESTING IN PEOPLE:

- 4.5 We will make major new investments in the skills and leadership development of our contributors.

TRANSPARENTLY GOVERNED:

- 4.6 We will increase the transparency of the organisation's governance and improve the opportunities for any contributor to participate in governing the organisation and/or to be appointed to a leadership position.

ENVIRONMENTALLY RESPONSIBLE:

- 4.7 We will review and adjust our operations to reduce their environmental impact.

Each year Cochrane's Central Executive, working with the rest of the organisation, develops annual targets linked to these Goals and Objectives. The 10 targets for 2017 approved by the Governing Board in December 2016 prioritised Cochrane's work throughout the year. The monitoring and achievement of these targets is the principal means through which the Charity measures and reports its progress towards *Strategy to 2020* Goals and Objectives.

3. Achievements and Performance

2017 was another highly successful year for Cochrane in our progress towards achieving *Strategy to 2020*, with continuing substantial increases in the demand for and use of Cochrane evidence from our online platforms, wide-ranging and transformational governance and organizational reform, and the successful completion or launching of a series of major initiatives and organizational projects, including Cochrane's new Membership scheme and its first Knowledge Translation Framework and Strategy. Nine of the 10 *Strategy to 2020* targets for 2017 were delivered; with the only major setback being the delayed launch of the Enhanced Cochrane Library – which is now expected to take place in July 2018. For a full report on the achievement against these ten organizational targets see [here](#). The highlights of Cochrane's achievements in 2017, grouped under the strategic goals include:

GOAL 1: To produce high quality, relevant, up-to-date systematic reviews and other synthesised research evidence to inform health decision-making.

- Publishing 406 new Cochrane Systematic Reviews, 321 updated Reviews (new citation versions) and 426 new protocols for forthcoming Reviews in the *Cochrane Library*. At the end of December 2017, the *Cochrane Library*, published by John Wiley & Sons, Ltd, contained 7,510 Cochrane Reviews and over 1 million records in its Central Register of Controlled Trials (CENTRAL).
- New Cochrane Reviews published in the *Cochrane Database of Systematic Reviews* (CDSR) in 2017 continued to make major contributions to our health evidence base. The most frequently downloaded new reviews were:
 - Yoga treatment for chronic non-specific low back pain
 - Implementation strategies for health systems in low-income countries: an overview of systematic reviews
 - Tobacco packaging design for reducing tobacco use
 - Parents' and informal caregivers' views and experiences of communication about routine childhood vaccination: a synthesis of qualitative evidence
 - Diet, physical activity and behavioural interventions for the treatment of overweight or obese children from the age of 6 to 11 years
- The most frequently downloaded updated Cochrane Reviews published in 2017 were:
 - Support for healthy breastfeeding mothers with healthy term babies
 - Physical activity and exercise for chronic pain in adults: an overview of Cochrane Reviews
 - Interventions to improve antibiotic prescribing practices for hospital inpatients
 - Antenatal corticosteroids for accelerating fetal lung maturation for women at risk of preterm birth
 - Beta-blockers for hypertension
- According to data from [Altmetric](#), the 2017 Cochrane Reviews most often mentioned across newspaper stories, tweets, blog posts, and other sources were:
 - Yoga treatment for chronic non-specific low back pain
 - Whole grain cereals for the primary or secondary prevention of cardiovascular disease
 - Direct-acting antivirals for chronic hepatitis C
 - Interventions to improve antibiotic prescribing practices for hospital inpatients
 - Industry sponsorship and research outcome
- Some Cochrane Reviews are accompanied by podcasts, often read by the review authors. The most accessed podcasts of 2017 were:
 - Early additional food and fluids for healthy breastfed full-term infants
 - Support for breastfeeding mothers
 - Yoga treatment for chronic non-specific low back pain
 - Apoyo para la lactancia materna en madres e hijos sanos
 - Vitamin C for preventing and treating the common cold
- Cochrane Journal Club articles provide relevant background information and related resources on a single Cochrane Review. The most popular Journal Club articles in 2017 were:
 - Comprehensive geriatric assessment for older adults admitted to hospital
 - Antiepileptic drug monotherapy for epilepsy: a network meta-analysis of individual participant data
 - Cytology versus HPV testing for cervical cancer screening in the general population
 - Antenatal corticosteroids for accelerating fetal lung maturation for women at risk of preterm birth
 - Anti-vascular endothelial growth factor for diabetic macular oedema: a network meta-analysis
- Cochrane Clinical Answers (CCAs) provide a readable, digestible, clinically focused entry point to rigorous research from Cochrane Reviews. The most viewed CCAs in 2017 were:
 - Does the use of risk assessment tools help prevent the development of pressure ulcers?
 - What are the benefits and harms of calcium antagonists in people with acute ischemic stroke?
 - Is tap water sufficient for wound cleansing?
 - How does natural cycle in vitro fertilization compare with controlled ovarian hyperstimulation in subfertile couples?

- Can honey applied topically promote wound healing?
- Special Collections (curated content collections on a specific healthcare topic) were published on the Cochrane Library in 2017, including:
 - Enabling breastfeeding for mothers and babies
 - Yoga for improving health and well-being
- Cochrane Editorials published in the CDSR evaluate ideas around the development of evidence synthesis to promote good decision-making in clinical care and health policy. The most accessed Editorials in 2017 were:
 - Antimicrobial stewardship: we know it works; time to make sure it is in place everywhere
 - Corticosteroids for preterm deliveries: missing evidence
 - Taking health systems research syntheses to the next level: overviews of systematic reviews
- The CDSR increased its impact factor again in 2017 (as calculated by the Journal Citation Report) to 6.264, ranking it as one of the top 13 medical journals in the world, with its five-year impact factor reaching 7.084. The CDSR also saw an increase in the number of citations in 2016 (the latest year for figures) to 54,740, making it one of the top five most cited journals in its category.
- Cochrane's Central Executive Team continued a screening programme that evaluates protocols and reviews at all stages of their development process at the request of the Cochrane Review Groups, those reviews that are identified as being appropriate for media release, and other reviews referred through alternative processes against a core set of *Methodological standards for the conduct of new Cochrane Intervention Reviews* (the MECIR programme) to ensure they all met the highest quality standards. Over 87% of all Cochrane Reviews and 91% of all Review Updates now contain Summary of Findings Tables, a key quality measure (up from 70% and 64% respectively in 2015).
- At the beginning of 2017 Cochrane published an updated list of new priority Reviews its stakeholders and Review Groups had identified, and 37 new Reviews and 25 Review updates from the list were published in 2017 (27 and 49 respectively in 2016).
- Cochrane's Reviews also made gradual improvements in timeliness, with 32% of new Reviews being completed in 18 months or less, and the median production time from protocol to review publication for all new priority reviews 23 months – though the figure for all reviews fell only slightly to 29 months.
- [Cochrane Crowd](#), our citizen science platform, continued its tremendous success, with over the course of the year became a global community of almost 8,500 volunteers helping to classify the research needed to support informed decision-making about healthcare treatments. These volunteers had achieved over 1.75 million classifications of randomised controlled trials.
- Significant progress was made on the new Cochrane Review production 'Ecosystem'. The 'beta' version of the new browser-based [RevMan Web](#) was launched in December 2017, the [CRS Web](#) transfer was completed (incorporating the new 'Evidence Pipeline' machine learning services from Project Transform); and further development of Cochrane's author support tool, [Covidence](#), which showed substantial growth in usage by both Cochrane and external authors.

GOAL 2: To make Cochrane evidence accessible and useful to everybody, everywhere in the world.

- Over 12.5 million pdf downloads of Cochrane Systematic Reviews were made from the *Cochrane Library* in 2017 (a rise of 28% from 2016). Total demand for Reviews from the Library is up by 70% since 2015.
- In 2017 Cochrane supported 14 translations teams working in Croatian, French, German, Japanese, Korean, Malay, Polish, Portuguese, Russian, Simplified Chinese, Spanish, Tamil, Thai and Traditional Chinese to publish 5,516 new or updated translations of Review abstracts and Plain Language Summaries over the year; with now more than 23,000 translations of Cochrane Reviews offered on the Cochrane.org website.
- The project to annotate Cochrane Reviews for PICO (Population, Intervention, Comparison & Outcome) tagging continued. These annotations allow Cochrane to make Reviews and their content and data much more discoverable in our end-user products and services, and a new 'PICO widget' will be made available on the Enhanced Cochrane Library in late 2018.

- Cochrane is committed to making its Systematic Reviews accessible to all, but in a way that the organisation can sustain and does not undermine its ability to develop and grow in the future. Another 832 Cochrane Reviews became open access in 2017 for everyone, everywhere under the organization's Open Access Policy. Thanks to new national licence agreements in India and South Africa allowing all their citizens to access the *Cochrane Library*, global figures for the number of people able to enjoy free at the point of use access to the Library rose to over 3.66 billion (from 2 billion people in 2016).

GOAL 3: *To make Cochrane the 'home of evidence' to inform health decision-making, build greater recognition of our work, and become the leading advocate for evidence-informed health care.*

- Web traffic to Cochrane.org in 2017 continued its astonishing rise. Web visits increased to over 15 million in 2017, compared to 5.7 million 2015 (a rise of 328%).
- Cochrane's total media coverage rose substantially in 2017 but this was partly due to improved and more effective media monitoring. A total of 10,442 pieces of media coverage were recorded (up from 4,268 in 2016) with the UK, US, Australia and China showing the largest shares. Cochrane's social media following continued its steady but unspectacular growth, but there was better news with subscribers to *Cochrane Connect* monthly newsletter increasing significantly to over 8,200.
- Intensive work continued throughout the year on developing an enhanced *Cochrane Library* platform to improve user experience. The launch of the new Cochrane Library, led by Cochrane's publisher, Wiley, and specialist technology company HighWire, was continually delayed in 2017 and provided the greatest setback and source of frustration for the charity. Launch is now scheduled for July 2018. Improvements will include the display of Cochrane Reviews and CENTRAL, linking of the CDSR and CENTRAL, the search and discovery interface, and multi-language search and the display of non-English language content.
- A major highlight of 2017 was Cochrane joining forces with partner organizations to create a premiere event in evidence-based policy. Cochrane South Africa's hosting of the first Global Evidence Summit (GES) in Cape Town, South Africa in September was a triumph, supported by four other partners (Guidelines International Network, the Campbell Collaboration, Joanna Briggs Institute and the International Society for Evidence-Based Healthcare). Over 1,300 delegates from 75 countries attended the GES whose theme was 'Using Evidence. Improving Lives'. Cochrane will decide in 2018 whether to lead a GES 2 in four years' time.
- Cochrane also worked to establish new and strengthen existing partnerships. A joint Cochrane/ World Health Organisation (WHO) meeting was held at the WHO in Geneva in April 2017 at the time of Cochrane's annual Governance meetings. WHO's use of Cochrane evidence continued to increase: with 80% of all WHO Guidelines published in 2017 using Cochrane Reviews (citing 32 individual Cochrane Reviews). A new partnership with Epistemonikos was implemented, incorporating the foundation's database of systematic reviews within the new search function on the enhanced *Cochrane Library* (to be launched in 2018); and Cochrane's partnership with Wikipedia continued to flourish with Cochrane evidence being integrated within hundreds of Wiki pages on health and healthcare issues.
- The first Cochrane-REWARD (Reduce research Waste And Reward Diligence - REWARD) prize to initiatives aiming to reduce research waste were awarded in May 2017 to three joint winners: the 'Adding Value in Research' programme of the UK National Institute for Health Research (NIHR), the Systematic Review Center for Animal Experimentation (SYRCLE) in Nijmegen, Netherlands; and the Core Outcome Measures in Effectiveness Trials (COMET) Initiative coordinated in Liverpool, England. The ceremony took place at the 5th World Conference on Research Integrity in Amsterdam.

GOAL 4: *To be a diverse, inclusive and transparent international organisation that effectively harnesses the enthusiasm and skills of our contributors, is guided by our principles, governed accountably, managed efficiently and makes optimal use of its resources.*

- Following the extensive changes to Cochrane's Articles of Association in October 2016 five new 'internal' Board Members were elected by Cochrane's individual membership in separate rounds of

voting in 2017, and another four 'external' Board members appointed. This marked the largest single transformation of Cochrane's governance ever in a single year. A new advisory body, the Cochrane Council, set up as a forum for Cochrane's Groups to meet and consider key issues affecting the organisation also began its work in April.

- At the first Annual General Meeting held under the new individual membership model for the charity, members of the community provided their own perspectives on what will define a successful *Strategy to 2020* in a [video series](#) including a [flagship presentation on success in 2017](#).
- The 'Transformation Programme' for Cochrane's Review Groups completed its design and development stages and – following Board approval in September 2017 – implementation of the consolidation of Cochrane's 52 Review Groups into eight new CRG Networks began. The new Networks will cover:
 - Acute and Emergency Care;
 - Brain, Nerves and Mind;
 - Cancer;
 - Children and Families;
 - Circulation and Breathing;
 - Long-term Conditions and Ageing (two Networks); and
 - Public Health and Health Services
- New Cochrane Centres were established during the year in Argentina, Austria, Chile, Croatia and Japan; and new Associate Centres or Affiliate Cochrane Groups in Iran and Sweden, as well as the launch of the new Cochrane African Network in September 2017.
- Cochrane's new [Interactive Learning Course](#) for systematic review authors was launched to great acclaim, and better than expected early sales for Cochrane's commercial company, Cochrane Innovations. Cochrane's international network of trainers continued to provide hundreds of face-to-face training workshops to systematic review authors and users around the world and the [Cochrane Learning Live](#) series of open webinars for Cochrane's editors, authors and other communities grew increasingly popular. Other learning and development resources were added to the '[Cochrane Training](#)' website, including [Involving People](#), a resource for systematic review editors and authors to support them in getting patients, consumers and other people involved in the production of Cochrane Reviews.
- The grant of US\$1.15 million (of which £353,128 was spent in 2017) from the Bill and Melinda Gates Foundation to support Cochrane's Linked Data programme of work was successfully completed, and negotiations are ongoing in 2018 on additional projects.
- 'Cochrane Response', Cochrane's new consultancy service, had an excellent year's operations and only 18 months after establishment, returned a profit for the year in 2017.

4. Financial Review

Income

The Cochrane Collaboration's core income is overwhelmingly derived from publication royalties from its main output, the *Cochrane Library*, published by John Wiley & Sons, Ltd; although additional significant sources of revenue were received in 2017 from fundraising (from Trusts and Foundations), Cochrane Response (the charity's consultancy service) and Cochrane events. Total income received in 2017 was £8,669,000, a 27% increase from 2016 (£6,805,000).

Publishing Income

In 2017 royalties from sales of the Cochrane Library rose by 22% to £6,527,000, compared to £5,332,000 in 2016. This greatly exceeded the 5% target set for Wiley, the publisher of the *Cochrane Library*, and reflected strong growth in many markets including North and South America, as well as the sale of additional national licenses. Total publishing income in 2017 reached £6,995,000.

Donations and Legacy Income

Donations income totalled £21,000.

Technology Income

Fundraising from Trusts and Foundations focused on support for Cochrane's information technology 'Linked Data' and 'New Evidence Systems' projects. A major grant from the Bill and Melinda Gates Foundation of US\$1.15 million was secured in September 2016 - of which £353,128 was spent in 2017.

Products & Services Income

Cochrane's new consultancy service, 'Cochrane Response' launched in June 2016, generated an annual operating profit of £48,000 in 2017, with sales of £392,000 and operating costs of £333,000.

Other Charitable Activity Income

The first Global Evidence Summit (GES) generated income attributable to Cochrane of £730,000, representing 82% of the total income for the event.

Investment Income:

Interest for funds on account generated income of £3,270. No reserves were invested in funds during 2017.

Principal Funding Sources

Funding model

Core income referred to in this report comes from publishing income, as described above. Core funds used to support the Central Executive are also directed at programmes considered of key strategic importance, including Review quality oversight, Cochrane Review Group transformation, Knowledge Transfer activities, IT infrastructure development, Cochrane Training and Cochrane Methods.

Funding to support Cochrane Systematic Review preparation and related activities comes principally from national and trans-national government sources (typically from health, research and related ministries); and national and international charitable bodies. Some Cochrane Groups also raise funds through training activities.

The Groups who contribute towards the work of Cochrane are based within other organisations - such as universities and hospitals - which provide direct or indirect funding to support them. Groups are responsible for their own funding and for sourcing funding to support Cochrane Review preparation and related activities. In addition, many Cochrane review authors fund their own costs and time related to writing their reviews, though some authors are funded to undertake reviews. It is impossible to calculate the monetary value of volunteers' contributions, but if the work they perform were to be done at commercial rates their contributions would cost tens of millions of pounds per year.

Policy on commercial sponsorship

Cochrane maintains a clear barrier between the production of Cochrane Reviews and any funding from commercial sources with financial interests in the conclusions of the reviews.

Sponsorship of a Cochrane Systematic Review by any commercial source or sources is prohibited (a 'commercial source' is 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). While 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 the definition of commercial sources. For-profit companies that do not have real or potential vested interests in Cochrane Reviews are also not included.

Other sponsorship of Cochrane's activities 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 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. Cochrane's policy surrounding commercial sponsorship of its annual Colloquia prohibits any sponsorship from commercial sources (as defined above).

Expenditure

Cochrane's Governing Board endorsed continuing major investments in *Strategy to 2020* projects and initiatives in 2017, approving projected expenditure of £8.72 million against projected income of £7.46 million. Expenditure in 2017 was lower than budgeted at £8,107,000 due to delays in project spending (note this figure includes GES expenditure of £564,000). The effect of the better than projected income and lower than expected expenditure in 2017 is an operating surplus of £563,000.

Cost of Raising Funds

Direct expenditure of £170,000 was incurred in 2017 in generating the funding Cochrane received.

Publishing Costs

Cochrane's direct central publishing costs relating to editorial support (provided by the Cochrane Editorial Unit) and continuing provision of the basic IT infrastructure to support Review production (including its software tools RevMan and Archie) were £1,872,000 in 2017.

Products Costs

Direct expenditure of £332,000 was incurred in 2017 in the development of new derivative products and services to support Cochrane's long-term sustainability, including costs for *Cochrane Innovations* and costs associated with Cochrane Response.

Future Technology Project Costs

Direct expenditure of £530,000 was incurred in 2017. This expenditure includes the project-related costs for the grant from the Bill and Melinda Gates Foundation, Linked Data costs, and investment in Project Transform and 'New Evidence System' costs.

Other Charitable Activities' Costs

Direct expenditure of £1,376,000 was incurred in 2017. This expenditure includes £259,000 for Cochrane's Methods development; £162,000 for Translations of Cochrane evidence; £65,000 for development of the Cochrane Membership scheme; £564,000 for Global Evidence Summit Support; and £76,000 for strategic support funding to Cochrane Groups.

Governance Costs

Expenditure of £237,000 was incurred in 2017. This expenditure includes the costs of the Governing Board, Cochrane Group Executives, the new Cochrane Council, as well as audit and accountancy costs in the year.

Support Costs

Expenditure of £3,590,000 was incurred in 2017. This expenditure includes IT costs of £150,000, premises costs (in the UK, Denmark and Germany) of £332,000; £399,266 for training and learning for Cochrane collaborators, and Central Executive Team people-related costs of £2,416,000 covering the leadership, facilitation and support activities of staff in the Chief Executive's Office; Communications & External Affairs Department; Information & Knowledge Management Department; Learning, Support & Development Department; and Finance and Core Services Department. Descriptions of the work of all Central Executive Team members are available on Cochrane's website at: <http://community.cochrane.org/organizational-info/people/cet-teams>.

Remuneration and Pay Policy for Staff

Cochrane is committed to ensuring it pays staff fairly and in a way that ensures it attracts and retains the right skills to have the greatest impact in delivering its charitable objectives. It aims to pay a fair

salary that is competitive within the charitable sector, proportionate to the complexity of each role, and in line with organizational objectives.

The Governing Board reviews the salaries of staff as part of its consideration of the annual Plan & Budget. Central Executive staff salaries were increased by 2% in 2017 to cover the necessary cost of living adjustments for salaries in the following year. The Board has established a Remuneration Sub-Committee to oversee and provide advice on Cochrane's remuneration policy and practice.

Reserves Policy

The aim of the Charity's Reserves Policy is to accumulate sufficient funds to enable us to achieve our long-term strategic aims; and then to allocate these funds to projects of organization-wide impact over single- or multi-year projects as required. In December 2017 the Governing Board reviewed its Reserves Policy and decided to retain a minimum of between £2 million and £2.5 million for its strategic reserves and recommended that those reserves also not exceed £5 million, with reserves being used for the Charity's activities that support its *Strategy to 2020* needs.

In the Trustees' judgement, this allocation of the Charity's strategic reserves means that there will be sufficient resources to allow us to achieve our strategic goals and objectives over the next five years while still being able to react flexibly to sudden financial needs or take advantage of other opportunities and challenges as they arise.

It is also the policy of the Trustees to have a contingency plan for maintaining Cochrane's basic functions for twelve months in the event of the loss of core income from publishing. The resources necessary to enact the contingency plan are reviewed on an annual basis.

Reserves at the end of 2017 were £5,959,000. Free reserves (unrestricted funds minus those related to fixed assets) were £5,854,000. The Trustees intend to continue investing in the implementation of Cochrane's *Strategy to 2020* and this will draw down on the charity's Reserves in the coming years.

Discretionary Fund & Funds in Deficit

The Cochrane Governing Board's Discretionary Fund provides £20,000 per year to facilitate small projects of general benefit to the organization (with no project receiving more than £5,000). However, no applications were made to the Fund in 2017. There were no Funds in deficit in the year.

Investment Policy

The Charity developed a new Investment Policy in 2015 that was approved by its Governing Board in January 2016; and established a Finance, Audit & Investment Sub-Committee of the Governing Board to oversee the financial and investment activities of the Charity.

5. Future Plans

The Charity's Goals and Objectives for 2018 are set out above (see *Strategy to 2020*, page 5). For 2018 five priority targets have been approved by the Governing Board. These are:

1. Form eight new Cochrane Review Group Networks, and begin implementation of Network plans and improved ways of working together.
2. Complete the new standardized technology workflow for Cochrane Review production.
3. Agree Cochrane's future priority review types, methods and data sources through the development of a 'content strategy', and begin associated implementation activities.
4. Deliver more features and enhancements of the Cochrane Library after its re-launch.
5. Build capacity and engagement in Knowledge Translation activities across the organization.

SMART measures of success have been established for each of these Targets, and further details can be found at: <http://community.cochrane.org/organizational-info/resources/strategy-to-2020>.

Public Benefit Statement

This public benefit statement has been drawn up in accordance with the Charity Commission's January 2008 guidance on public benefit:

To deliver high quality healthcare services, medical and allied health professionals depend on high-quality information about the effects and effectiveness of the health interventions available to meet population or individual health and healthcare needs. Health consumers, including patients, need to be able to make valid choices between the various options open to them. Huge amounts of information are available; hundreds of thousands of scientific articles are published every year. Nobody can assimilate this mass of information.

The primary public benefit provided by Cochrane, therefore, relates to the advancement of health by assimilating, on behalf of the world's population, the results of primary research relating to individual health care interventions, and then presenting these results in a single scientific paper (a 'Cochrane Systematic Review'), formulated to be accessible to both healthcare consumers and practitioners.

The secondary public benefit relates to the advancement of education. Producing hundreds of Cochrane Systematic Reviews each year requires the assistance of 36,000 contributors, principally health professionals, patients and their representatives, and academics. These contributors need to acquire the necessary research skills, and so international educational initiatives are a key part of Cochrane's activities.

The third public benefit relates to Cochrane's role in informing and improving the agenda for primary research by shaping it around the decisions that people are taking in health; identifying uncertainties, missing or poor evidence; and improving health research methodologies.

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of The Cochrane Collaboration for the purposes of company law) are responsible for preparing the Trustees' *Annual Report and Financial Statements* in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material 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 Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware;
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2017 was 17 (2016: 15). The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditors

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity. The Trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved and signed on behalf of the Trustees by:

.....
Ms. Marguerite Koster, Trustee and Treasurer

Date: 28 June 2018.

Independent auditor's report to the members of The Cochrane Collaboration

Opinion

We have audited the financial statements of The Cochrane Collaboration (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' Annual Report, for the financial year for which the financial statements are prepared is consistent with the financial statements;
- The Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' Annual Report, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

.....
Ms Noelia Serrano, Senior statutory auditor)

Date: 6 August 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Cochrane Collaboration

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies	2	20,724	–	20,724	72,847	–	72,847
Charitable activities	3						
Publishing		6,995,170	–	6,995,170	5,774,091	–	5,774,091
Products		459,101	–	459,101	135,251	71,149	206,400
Future Technology		–	405,905	405,905	–	524,081	524,081
Other charitable activity		714,408	70,834	785,242	10,554	146,284	156,838
Investments	4	3,270	–	3,270	71,142	–	71,142
Total income		8,192,673	476,739	8,669,412	6,063,885	741,514	6,805,399
Expenditure on:							
Raising funds	5	321,871	–	321,871	299,217	–	299,217
Charitable activities							
Publishing		3,545,322	–	3,545,322	3,188,973	–	3,188,973
Products		628,037	–	628,037	695,932	71,149	767,081
Future Technology		615,438	389,176	1,004,614	934,403	561,325	1,495,728
Other charitable activities		2,469,825	137,093	2,606,918	2,120,976	213,687	2,334,663
Total expenditure		7,580,493	526,269	8,106,762	7,239,501	846,161	8,085,662
Net income / (expenditure) for the year	7	612,180	(49,530)	562,650	(1,175,616)	(104,647)	(1,280,263)
Transfers between funds		(15,100)	15,100	–	–	–	–
Net income / (expenditure) before other recognised gains and losses		597,080	(34,430)	562,650	(1,175,616)	(104,647)	(1,280,263)
Other (losses) / gains		(104,612)	79,081	(25,531)	(92,928)	37,304	(55,624)
Net movement in funds		492,468	44,651	537,119	(1,268,544)	(67,343)	(1,335,887)
Reconciliation of funds:							
Total funds brought forward		5,372,058	50,159	5,422,217	6,640,602	117,502	6,758,104
Total funds carried forward		5,864,526	94,810	5,959,336	5,372,058	50,159	5,422,217

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 23 to the financial statements.

Balance sheets

Company no. 3044323

As at 31 December 2017

	Note	The group 2017 £	2016 £	The charity 2017 £	2016 £
Fixed assets:					
Tangible assets	12	9,439	19,685	9,439	19,685
Investments	13	1,000	1,000	675,438	306,463
		<u>10,439</u>	<u>20,685</u>	<u>684,877</u>	<u>326,148</u>
Current assets:					
Debtors	16,17	1,602,455	2,814,065	1,536,945	2,452,530
Cash at bank and in hand	27	5,443,877	4,339,026	5,417,516	4,264,593
		<u>7,046,332</u>	<u>7,153,091</u>	<u>6,954,461</u>	<u>6,717,123</u>
Liabilities:					
Creditors: amounts falling due within one year	18	(1,097,435)	(1,751,559)	(875,083)	(1,116,896)
		<u>5,948,897</u>	<u>5,401,532</u>	<u>6,079,378</u>	<u>5,600,227</u>
Net current assets					
Total net assets	22	<u>5,959,336</u>	<u>5,422,217</u>	<u>6,764,255</u>	<u>5,926,375</u>
Funds:	23				
Restricted income funds		94,810	50,159	94,810	50,159
Unrestricted income funds:					
Designated funds		20,000	20,000	20,000	20,000
General funds		6,661,052	5,856,216	6,649,445	5,856,216
Non-charitable trading funds		(816,526)	(504,158)	-	-
		<u>5,864,526</u>	<u>5,372,058</u>	<u>6,669,445</u>	<u>5,876,216</u>
Total unrestricted funds					
Total funds		<u>5,959,336</u>	<u>5,422,217</u>	<u>6,764,255</u>	<u>5,926,375</u>

Approved by the trustees on 28 June 2018 and signed on their behalf by

Ms Marguerite Koster
Trustee and Treasurer

Consolidated statement of cash flows

For the year ended 31 December 2017

	Note	2017 £	£	2016 £	£
Cash flows from operating activities	26				
Net cash provided by / (used in) operating		1,127,252		(2,016,122)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		3,270		71,142	
Purchase of fixed assets		(140)		(6,123)	
Net cash provided by investing activities		3,130		65,019	
Change in cash and cash equivalents in the year		1,130,382		(1,951,103)	
Cash and cash equivalents at the beginning of the year		4,339,026		6,345,753	
Change in cash and cash equivalents due to exchange rate movements		(25,531)		(55,624)	
Cash and cash equivalents at the end of the year	27	5,443,877		4,339,026	

1 Accounting policies

a) Statutory information

The Cochrane Collaboration is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is St Alban's House, 57–59 Haymarket, London, SW1Y 4QX, UK.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries, Collaboration Trading Company Limited, Cochrane Innovations Limited and Cochrane IKMD Denmark ApS on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the group and the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of supporting Cochrane Groups to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Foreign exchange

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

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support costs are the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function including governance costs.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Support costs including governance costs are apportioned based on the percentage of direct costs attributable to each activity.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|--------------------------|----------------------------|
| ● Fixtures and fittings | Straight-line over 4 years |
| ● Computer equipment | Straight-line over 3 years |
| ● Leasehold improvements | Straight-line over 4 years |

m) Investments

Investments in subsidiary undertakings are included at cost.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

The group operates a defined benefit scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Gifts	20,724	–	20,724	72,847
	<u>20,724</u>	<u>–</u>	<u>20,724</u>	<u>72,847</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Royalties from The Cochrane Library	6,527,609	–	6,527,609	5,332,136
John Wiley & Sons Development Grant	200,000	–	200,000	200,000
John Wiley & Sons contributions	267,561	–	267,561	170,237
Other	–	–	–	71,718
Sub-total for Publications	6,995,170	–	6,995,170	5,774,091
Cochrane Response	392,254	–	392,254	99,775
Cochrane Clinical Answers	–	–	–	71,149
Other	66,847	–	66,847	35,476
Sub-total for Products	459,101	–	459,101	206,400
Gates Foundation	–	369,857	369,857	524,081
R W Johnson	–	36,048	36,048	–
Sub-total for Future Technology	–	405,905	405,905	524,081
Global Evidence Summit	660,065	69,834	729,899	–
EU – Health in my language	–	–	–	141,036
Anne Anderson Prize	–	–	–	5,248
Other income	54,343	1,000	55,343	10,554
Sub-total for Other charitable activities	714,408	70,834	785,242	156,838
Total income from charitable activities	8,168,679	476,739	8,645,418	6,661,410

4 Income from investments

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Bank interest	3,270	–	3,270	71,142
	3,270	–	3,270	71,142

5 Analysis of expenditure

	Charitable activities								
	Cost of raising funds £	Publishing £	Products £	Future Technology £	Other charitable activities £	Governance costs £	Support costs £	2017 Total £	2016 Total £
Staff costs (Note 8)	–	1,067,376	119,299	–	104,023	–	2,169,076	3,459,774	3,186,387
Other people costs	163,192	158,721	148,419	140,617	64,047	54,205	246,468	975,669	1,109,167
Trustees' expenses	–	–	–	–	–	154,273	–	154,273	159,261
Audit and accountancy	–	–	–	–	–	–	37,858	37,858	46,853
Advertising and marketing	–	47	5,080	–	4,233	43	16,500	25,903	24,796
Meetings and events costs	6,733	3,367	1,632	–	565,565	3,705	7,610	588,612	441,694
IT costs	–	172,991	2,623	42,171	89,929	3,217	150,158	461,089	451,753
Legal and professional	–	24	1,149	–	400	111	15,080	16,764	76,600
Other direct costs	–	268,513	47,137	251,011	76,447	14,453	374,916	1,032,477	1,375,065
Premises and office costs	–	709	54	55	363	42	332,087	333,310	313,671
Travel costs	–	56,974	6,218	5,652	27,950	–	166,778	263,572	109,750
Cochrane Community (Note 6)	–	144,228	–	90,859	422,460	7,659	82,529	747,735	775,813
Other overheads including sundry write-offs	–	(1,271)	(52)	–	20,851	(767)	(9,035)	9,726	14,852
	169,925	1,871,679	331,559	530,365	1,376,268	236,941	3,590,025	8,106,762	8,085,662
Support costs	142,538	1,570,022	278,122	444,887	1,154,456	–	(3,590,025)	–	–
Governance costs	9,408	103,621	18,356	29,362	76,194	(236,941)	–	–	–
Total expenditure 2017	321,871	3,545,322	628,037	1,004,614	2,606,918	–	–	8,106,762	
Total expenditure 2016	299,217	3,188,973	767,081	1,495,728	2,334,663	–	–		8,085,662

Of the total expenditure, £7,594,758 was unrestricted (2016: £7,239,501) and £526,269 was restricted (2016: £846,161).

6 Grant making

Total costs of £386,867 (2016: £584,876) within 'Cochrane Community' in note 5 are grants made by The Cochrane Collaboration during the year.

	Grants to individuals £	Grants to institutions £	2017 £	2016 £
Cost				
Publishing	1,550	123,579	125,129	12,600
Other charitable activities	1,555	214,999	216,554	543,851
Governance costs	13,319	–	13,319	6,389
Support costs	–	31,865	31,865	22,036
At the end of the year	16,424	370,443	386,867	584,876

7 Net income / (expenditure) for the year

This is stated after charging:

	2017 £	2016 £
Depreciation	10,386	9,393
Operating lease rentals:		
Property	162,213	177,218
Auditors' remuneration (excluding VAT):		
Under Accrual of prior year	8,329	–
Audit	8,750	8,100
Other services	3,900	5,400
Foreign exchange losses	25,531	55,624

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	3,023,178	2,836,334
Redundancy and termination costs	26,298	–
Social security costs	260,083	222,080
Employer's contribution to defined contribution pension schemes	150,215	127,973
	3,459,774	3,186,387

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2017 No.	2016 No.
£60,000 – £69,999	4	4
£70,000 – £79,999	2	2
£80,000 – £89,999	2	1
£90,000 – £99,999	2	–
£130,000 – £139,999	1	1
£160,000 – £169,000	1	1

The total employee benefits including pension contributions of the key management personnel were £674,494 (2016: £667,982).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £11,755 (2016: £78,685) incurred by 10 (2016: 15) members relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) as well as full-time equivalent during the year was as follows:

	2017 No. Head count	2016 No. Head count	2017 No. FTE	2016 No. FTE
Publishing	17.0	18.0	14.0	11.2
Products	9.0	5.0	6.3	6.3
Other charitable activities	2.0	2.0	–	1.4
Support & Governance	36.0	40.0	30.0	29.9
	64.0	65.0	50.3	48.8

10 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

During the year, the Cochrane Collaboration recharged £127,100 (2016: £36,000) salaries and management fees to Cochrane Innovations Limited. At the end of the year, Cochrane Innovations Limited owed £125,123 (2016: £166,449) to the Cochrane Collaboration. In addition, £368,975 (2016: £nil) of inter-company loan from the Cochrane Collaboration to Cochrane Innovations Limited was converted into shares.

At the year end, Collaboration Trading Limited owed £106,278 (2016: £1,463,658) to the Cochrane Collaboration relating to royalties received not yet transferred.

10 Related party transactions (continued)

During the year, the Cochrane Collaboration provided £630,339 (2016: £583,968) to Cochrane IKMD Denmark ApS. At the year end, the Cochrane Collaboration owed Cochrane IKMD Denmark ApS £57,092 (2016: £111,255).

Funding provided to the academic institutions who employ the Co-Chairs of the organisation in the year was £61,188 (2016: £153,133).

During the year the following related parties received funding from Cochrane Collaboration. The individuals involved in each transaction were not included in the decision making process. All transactions were completed at arms' length.

Nancy Santesso, a trustee of the Cochrane Collaboration, is an Assistant Professor of the Department of Clinical Epidemiology and Biostatistics of McMaster University. During the year the university received grant funding of £5,000 (2016: £nil) and was commissioned for a consultancy assignment for £9,750 (2016: £nil) by the Cochrane Collaboration. No funds were outstanding at the year end.

Cynthia Farquhar, a trustee of the Cochrane Collaboration, is a Professor of the Department of Obstetrics and Gynaecology of the University of Auckland. During the year the university received grant funding of £5,000 (2016: £4,525) and was commissioned for a consultancy assignment for £29,000 (2016: £1,744) by the Cochrane Collaboration. No funds were outstanding at the year end.

Tracey Howe, a trustee of the Cochrane Collaboration, is a Professor in the School of Health & Life Sciences of Glasgow Caledonian University. During the year the university was commissioned by the Cochrane Collaboration for £7,438 (2016 : £nil) for a consultancy assignment. No funds were outstanding at the year end.

Peter Gøtzsche, a trustee of the Cochrane Collaboration, is a Professor and Director of the Nordic Cochrane Centre. During the year the centre received a Cochrane Review Support Grant totalling £5,000 (2016: £nil). No funds were outstanding at the year end.

Lisa Bero, a trustee of the Cochrane Collaboration, is a Professor at the Charles Perkins Centre and Faculty of Pharmacy of the University of Sydney. In 2016 the university was commissioned for a consultancy assignment for £5,000 by the Cochrane Collaboration. The university did not receive any such funding in 2017.

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries Collaboration Trading Limited and Cochrane Innovations Limited gift aid available profits to the parent charity.

12 Tangible fixed assets

Group and charity

	Fixtures and fittings £	Computer equipment £	Leasehold improvements £	Total £
Cost				
At the start of the year	23,217	26,112	20,397	69,726
Additions in year	140	–	–	140
Disposals in year	–	–	–	–
At the end of the year	23,357	26,112	20,397	69,866
Depreciation				
At the start of the year	18,282	21,801	9,958	50,041
Charge for the year	2,340	2,876	5,170	10,386
At the end of the year	20,622	24,677	15,128	60,427
Net book value				
At the end of the year	2,735	1,435	5,269	9,439
At the start of the year	4,935	4,311	10,439	19,685

All of the above assets are used for charitable purposes.

13 Fixed asset investments

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Investment in Collaboration Trading	–	–	100	100
Investment in Cochrane Innovations Limited	–	–	669,075	300,100
Investment in Cochrane IKMD Denmark ApS	–	–	5,263	5,263
Other investments	1,000	1,000	1,000	1,000
	1,000	1,000	675,438	306,463

The investments represent a 100% shareholding in Collaboration Trading Company Limited, a 100% shareholding in Cochrane Innovations Limited (incorporated in England and Wales) and a 100% shareholding in Cochrane IKMD Denmark ApS (incorporated in Denmark). All figures have been included in the consolidation.

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

14 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Collaboration Trading Company Limited and Cochrane Innovations Limited, both are companies registered in England, and Cochrane IKMD Denmark ApS, a company registered in Denmark. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiaries is shown below:

	Collaboration Trading Company Limited		Cochrane Innovations Limited		Cochrane IKMD Denmark ApS	
	2017 £	2016 £	2017 £	2016 £	2017 £	2016 £
Turnover	-	5,774,091	161,102	75,608	630,339	583,968
Gross profit	-	5,774,091	161,102	75,608	630,339	583,968
Administrative expenses	-	(11,803)	(433,783)	(407,237)	(624,517)	(567,558)
Other operating income	-	955	-	90	-	-
Profit / (loss) on ordinary activities	-	5,763,243	(272,681)	(331,539)	5,822	16,410
Donation to parent undertaking	-	(9,575,473)	-	-	-	-
Profit / (loss) for the financial year	-	(3,812,230)	(272,681)	(331,539)	5,822	16,410
The aggregate of the assets, liabilities and funds was:						
Assets	198,875	2,098,059	90,988	34,221	57,092	88,548
Liabilities	(198,775)	(2,097,959)	(238,440)	(277,966)	-	(89,319)
Funds	100	100	(147,452)	(243,745)	57,092	(771)

15 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2017 £	2016 £
Gross income	8,635,511	10,644,860
Result for the year	797,659	2,807,981

16 Debtors: falling due within one year

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	64,265	152,384	–	145,236
Other debtors	276,256	105,919	274,863	105,477
Prepayments	155,278	306,525	155,278	306,525
Accrued income (note 17)	1,106,656	1,923,714	1,106,804	105,400
VAT debtor	–	125,523	–	125,523
Amounts due from subsidiaries	–	–	–	1,664,369
	1,602,455	2,614,065	1,536,945	2,452,530

17 Debtors: falling due after one year

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Accrued income	–	200,000	–	–
	–	200,000	–	–

Accrued income in 2016 relates to a development grant for 2018. It was received in January 2017 and is included in deferred income in note 18 below.

18 Creditors: amounts falling due within one year

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	226,310	557,764	211,559	546,714
Accruals	224,403	338,664	215,550	322,664
Deferred income (note 19)	231,077	415,000	32,477	15,000
Taxation and social security	79,619	58,724	72,933	55,360
Other creditors	34,155	65,903	34,157	65,903
VAT creditor	301,871	315,504	308,407	–
Amounts due to subsidiaries	–	–	–	111,255
	1,097,435	1,751,559	875,083	1,116,896

19 Deferred income

	The group		The charity	
	2017	2016	2017	2016
	£	£	£	£
Balance at the beginning of the year	415,000	650,487	15,000	35,636
Amount released to income in the year	(415,000)	(250,487)	(15,000)	(35,636)
Amount deferred in the year	231,077	15,000	32,477	15,000
	231,077	415,000	32,477	15,000
Balance at the end of the year	231,077	415,000	32,477	15,000

21 Pension scheme

The group operates a defined contribution scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £150,365 (2016: £127,973). Contributions totalling £34,157 (2016: £29,659) were payable to the fund at the balance sheet date and are included in creditors.

22a Analysis of group net assets between funds – current year

	General unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	9,439	–	–	9,439
Investments	1,000	–	–	1,000
Net current assets	5,834,087	20,000	94,810	5,948,897
	5,844,526	20,000	94,810	5,959,336
Net assets at the end of the year	5,844,526	20,000	94,810	5,959,336

22b Analysis of group net assets between funds – prior year

	General unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	19,685	–	–	19,685
Investments	1,000	–	–	1,000
Net current assets	5,331,373	20,000	50,159	5,401,532
Net assets at the end of the year	5,352,058	20,000	50,159	5,422,217

23a Movements in funds – current year

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Future Techology					
R W Johnson	–	36,048	(36,048)	–	–
Gates Foundation					
Funding received	–	369,857	(353,128)	–	16,729
Foreign exchange gains	–	79,081	–	–	79,081
Other Charitable activities					
Global Evidence Summit	–	69,834	(69,834)	–	–
Awards, prizes and scholarships	50,159	1,000	(67,259)	15,100	(1,000)
Total restricted funds	50,159	555,820	(526,269)	15,100	94,810
Unrestricted funds:					
Designated funds:					
Discretionary Fund	20,000	–	–	–	20,000
Total designated funds	20,000	–	–	–	20,000
General funds	5,352,058	8,192,673	(7,685,105)	(15,100)	5,844,526
Total unrestricted funds	5,372,058	8,192,673	(7,685,105)	(15,100)	5,864,526
Total funds	5,422,217	8,748,493	(8,211,374)	–	5,959,336

23b Movements in funds – prior year

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Awards, prizes and scholarships	48,795	5,248	(3,884)	–	50,159
Evidence Aid	18,753	–	(18,753)	–	–
Health in My Language	49,954	141,096	(191,050)	–	–
Cochrane Clinical Answers	–	71,149	(71,149)	–	–
Future Technology – Gates Foundation	–	561,325	(561,325)	–	–
Total restricted funds	117,502	778,818	(846,161)	–	50,159
Unrestricted funds:					
Designated funds:					
Discretionary Fund	20,000	–	–	–	20,000
Total designated funds	20,000	–	–	–	20,000
General funds	6,620,602	6,063,885	(7,332,429)	–	5,352,058
Total unrestricted funds	6,640,602	6,063,885	(7,332,429)	–	5,372,058
Total funds	6,758,104	6,842,703	(8,178,590)	–	5,422,217

24 Purposes of restricted funds

Awards, prizes and scholarships – each year at our annual Colloquium, Cochrane presents a number of awards and prizes to contributors to recognise contributions to our work and organisation made in various ways. These awards and prizes include; The Thomas C Chalmers Award, The Kenneth Warren Prize, The Chris Silagy Prize, The Bill Silverman Prize, The Aubrey Sheiham Scholarship and The Anne Anderson Award. More information can be found on our website: <http://www.cochrane.org/news/2016-cochrane-contributor-prize-and-award-winners> .

Global Evidence Summit – Income and expenditure related to the Global Evidence Summit, a conference held in South Africa from which Cochrane is entitled to an 82% profit share.

Evidence Aid – an initiative to improve access to information for people and organisations facing health and healthcare challenges arising in natural disasters and other larger-scale health emergencies and crises. Evidence Aid became a stand alone entity in 2016 to which Cochrane transferred the fund balance and closed the bank account it had held on behalf of Evidence Aid.

Health in My Language – this is funded by the European Commission to use recent advances in machine translation to create and deploy a system for the automatic translation of public health information, with a special focus on meaning preservation.

Cochrane Clinical Answers (CCAs) – this is a grant which supports CCAs which provide a readable, digestible, clinically focused entry point to rigorous research from Cochrane Systematic Reviews.

Gates Foundation – this is a grant from The Bill and Melinda Gates Foundation which supports the development of Cochrane's next generation evidence system, with a specific focus on maternal and child health. This system is a major component of Cochrane's wider technology development program designed to address the challenge of ever-increasing health data, often with conflicting research findings, and builds on Cochrane's initial investment in projects including Linked Data and Project Transform.

25 Purposes of designated funds

The Cochrane Governing Board's Discretionary Fund provides £20,000 per year to facilitate small projects of general benefit to the organisation (with no project receiving more than £5,000). No applications were made to the fund in 2016.

26 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	562,650	(1,280,263)
Depreciation charges	10,386	9,393
Dividends, interest and rent from investments	(3,270)	(71,142)
(Profit)/loss on the disposal of fixed assets	–	–
Decrease/(increase) in debtors	1,211,610	(676,061)
(Decrease)/increase in creditors	(654,124)	1,951
Net cash provided by / (used in) operating activities	1,127,252	(2,016,122)

	At 1 January 2016 £	Cash flows £	Other changes £	At 31 December 2017 £
27 Analysis of cash and cash equivalents				
Cash at bank and in hand	4,339,026	1,130,382	(25,531)	5,443,877
Total cash and cash equivalents	4,339,026	1,130,382	(25,531)	5,443,877

28 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Land and buildings 2017 £	2016 £
Less than one year	162,213	162,213
One to five years	135,177	270,354
	297,390	432,567

29 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.