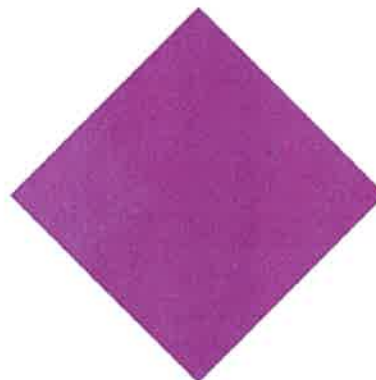


# **Trustees' Report and Financial Statements**

**The Cochrane Collaboration  
(A company limited by guarantee)  
For the year ended  
31 December 2016**

Company Number 3044323

Charity Number 1045921



**31 December 2016**

**CONTENTS**

	Page
Trustees' Report	1-15
Independent Auditor's Report	16-18
Consolidated Statement of Financial Activities	19
Charity and Consolidated Balance Sheet	20
Consolidated Statement of Cash Flows	21
Notes to the Financial Statements	22

## THE COCHRANE COLLABORATION TRUSTEES' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016

The Trustees of The Cochrane Collaboration, who are also directors for the purposes of company law, present their report and financial statements for the year ended 31 December 2016.

### Reference and Administration

Charity name: The Cochrane Collaboration

Registered and  
Correspondence Address: St Albans House,  
57-59 Haymarket,  
London SW1Y 4QX  
UK

### Advisors

Auditors: Sayer Vincent LLP  
Chartered Accountants and Statutory Auditors  
Invicta House  
108-114 Golden Lane  
London, EC1Y 0TL  
UK

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

Legal advisers: Maier Blackburn  
Prima House,  
267 Banbury Road  
Oxford, OX2 7HT  
UK

## Trustees

The governing body of The Cochrane Collaboration changed its name in 2016 through an alteration of the Charity's Articles of Association from the Cochrane Steering Group (CSG) to the Cochrane Governing Board. All references in this report are to the Governing Board though the body was known as the Steering Group until 25 October 2016. The following Trustees, who are also the directors for the purposes of company law, held office on the Governing Board during the year and to the date of signing these financial statements:

Prof L Bero (Co-Chair)  
Prof C Farquhar (Co-Chair)  
Prof A Atallah (resigned 20 October 2016)  
Prof M Burton (Treasurer)  
Ms K Dearness (resigned 25 October 2016)  
Ms M Koster (appointed 15 March 2016)  
Ms A Lyddiatt (resigned 25 October 2016)  
Ms C Marshall (appointed 15 March 2016)  
Dr M Makanga (appointed 15 June 2016)  
Dr J Meerpohl  
Dr M Nasser  
Prof H Schünemann (resigned 19 August 2016)  
Ms E Stovold (resigned 25 October 2016)  
Ms D Thomson  
Ms M Zhang (resigned 25 October 2016)

## 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 Pestrige, Cochrane Innovations Chief Executive Officer  
Ms J Wood, Head of Communications and External Affairs

## Narrative Report

This Trustees' Report covers the twelve-month period 1 January – 31 December 2016 and the period up to the date of signing of these financial statements.

### 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. From October 2016, 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;
- 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;
- 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:

- 51 subject-based Cochrane Systematic Review Groups facilitate the preparation, by volunteer contributors, of Cochrane Systematic Reviews;
- 17 Methods Groups provide support in methods for research evidence synthesis;

- 14 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
- 9 thematic Fields and Networks represent crosscutting health issues and carry out knowledge translation and advocacy activity.

Each Cochrane Group has a devolved 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 key risks in 2016. The first was securing the continued funding of Cochrane's Canadian Groups following the Canadian Institute of Health Research (CIHR) decision to end the mechanism from September 2015 through which it had funded these Groups over the previous decade. The Governing Board agreed to provide C\$500,000 of strategic support funding to Cochrane Canada Groups to support their ongoing activities and staffing until they could apply for a new open funding mechanism established by Canada's national Strategy for Patient-Oriented Research (SPOR) and the CIHR which will be decided in 2017.

The other main, 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 is steadily growing (to 42% of all Reviews in 2016); and Cochrane's response is to increase investments from its reserve funds in the development of new products and services to establish diversified revenue sources and an 'enhanced' Cochrane Library offering that will protect and grow future licence income.

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 2016 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 the Collaboration's outputs;
- Dissemination of the Collaboration's principles and outputs through conference presentations, symposia, scientific papers, and related knowledge translation activities; and
- Engagement of healthcare consumers in the Collaboration's activities.

### **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 next six years.

#### **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 17 targets approved by the Steering Group in January 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

2016 was another successful year for Cochrane in our progress towards achieving *Strategy to 2020*, with substantial increases in the demand for and use of Cochrane evidence from our online platforms, significant governance and organizational reform, and considerable progress made in the major projects that will be delivered in 2017: including the launch of the Enhanced Cochrane Library, Cochrane's new Membership scheme, and our first organizational Knowledge Translation Strategy. Fifteen of the 17 *Strategy to 2020* targets for 2016 were delivered (or will be completed in the first half of 2017). The highlights of Cochrane's achievements in 2016, 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 417 new Cochrane Systematic Reviews, 380 updated Reviews (new citation versions) and 443 new protocols for forthcoming Reviews in the *Cochrane Library*. At the end of December 2016, the *Cochrane Library*, published by John Wiley & Sons, Ltd, contained 7,133 Cochrane Reviews and nearly 1 million records in its Central Register of Controlled Trials (CENTRAL).

- New Cochrane Reviews published in 2016 continued to make major contributions to our health evidence base. Some of the most high-profile Reviews covered:
  - Motor control exercise for chronic non-specific low-back pain
  - Vitamin D for the management of asthma
  - Mini-Mental State Examination (MMSE) for the detection of dementia in clinically unevaluated people aged 65 and over in community and primary care populations
  - Psychosocial interventions for self-harm in adults
  - Surgical versus conservative interventions for treating anterior cruciate ligament injuries

The five most frequently downloaded updated Cochrane Reviews published in 2016 were:

- Midwife-led continuity models versus other models of care for childbearing women
  - Electronic cigarettes for smoking cessation
  - Discharge planning from hospital
  - Vitamin D supplementation for women during pregnancy
  - Workplace interventions for reducing sitting at work
- The Cochrane Database of Systematic Reviews increased its impact factor again in 2016 (as calculated by the Journal Citation Report) to 6.103, ranking it as one of the top 13 medical journals in the world, with its five-year impact factor reaching 6.665. The CDSR also saw an increase in the number of citations in 2015 (the latest year for figures) to 47,899, making it one of the top five most cited journals in its category.
  - Cochrane's Editorial Unit (CEU) 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 three-quarters (76%) of all Cochrane Reviews and Updates now contain Summary of Findings Tables, a key quality measure (up from 70% and 64% respectively in 2015).
  - At the beginning of 2016 Cochrane published an updated list of new priority Reviews its stakeholders and Review Groups had identified, and 27 new Reviews and 49 Review updates from the list were published in 2016.
  - Cochrane's Reviews also made gradual improvements in timeliness, with 30% 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 falling to 22 months – though the figure for all reviews increased slightly to 30 months.
  - Cochrane Crowd, our new citizen science platform, was launched, and over the course of the year became a global community of almost 4,000 volunteers helping to classify the research needed to support informed decision-making about healthcare treatments. By the end of 2016, these volunteers had achieved one million classifications of randomised controlled trials.
  - Significant progress was made on the new Cochrane Review production 'Ecosystem', including development of a new browser-based RevMan Web (launching Quarter 2 2017); release of CRS Web (incorporating the new 'Evidence Pipeline' machine learning services from Project Transform); further development of Cochrane's author support tool, Covidence; and backend developments of the Reviews Database and APIs for further integration of our systems.

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

- Over 9.7 million pdf downloads of Cochrane Systematic Reviews were made from the *Cochrane Library* in 2016 (a rise of 43%).
- In 2016 Cochrane supported translations teams working in Croatian, French, German, Japanese, Korean, Malay, Portuguese, Russian, Simplified Chinese, Spanish, Tamil and Traditional Chinese, and these teams published 4,784 new or updated translations of Review abstracts and Plain Language Summaries over the year; with now more than 19,000 translations of Cochrane Reviews offered on the Cochrane.org website.

- Nearly 1,400 Cochrane Reviews have now been annotated for PICO (Population, Intervention, Comparison & Outcome) tagging. These annotations allow Cochrane to make Reviews and their content and data much more discoverable in our end-user products and services.
- Cochrane is committed to making its Systematic Reviews accessible to all through open access, but in a way that the organisation can sustain and does not undermine its ability to develop and grow in the future. Another 947 Cochrane Reviews became open access in 2016 for everyone, everywhere under the organization's Open Access Policy. Unfortunately, because of the Indian Government's decision not to continue funding a national licence for all its 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 fell to over 2 billion (from 3.6 billion people in 2015).

**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 2016 increased by 75% on the year before. Just over 66% of all visits to Cochrane.org in 2016 were made using an Internet browser set to a language other than English (an increase of 6% compared to 2015).
- Cochrane's total media coverage of its published outputs fell slightly in 2016 but increased in quality of coverage and in relation to the number of press releases issued (4,268 media hits from seven global Cochrane press releases, compared to 4,571 hits from 10 releases in 2015). Cochrane's social media following also continued its steady growth, with Twitter followers up by 17%, Facebook group members by 12% and subscribers to *Cochrane Connect* newsletter by 31%.
- 2016 also saw the launch of the *Cochrane Library's* new-look iPad app. This newly re-modelled application presents the latest up-to-date evidence from the Cochrane Library in a convenient, easy to navigate format for readers to access relevant, accessible research whenever and wherever they need it. Monthly issues feature a hand-picked selection of Cochrane Systematic Reviews, specifically abridged to provide the best possible tablet reading experience (for more details see: <http://www.cochranelibrary.com/more-resources/the-cochrane-library-ipad-edition.html>).
- Cochrane launched two new Groups to improve its engagement with and promote the use of Cochrane evidence in the fields of Global Ageing and Rehabilitation. Global Ageing was specifically set up to help Cochrane engage with the WHO's initiative on research and policies to support the health and wellbeing of ageing populations. Cochrane Rehabilitation launched with 230 collaborators from 49 countries to promote and advocate for using the best evidence within the medical rehabilitation world.
- Cochrane also worked to strengthen existing partnerships. Plans were developed to hold joint Cochrane/ World Health Organisation (WHO) meetings at Cochrane's business meetings in Geneva in April 2017. WHO's use of Cochrane evidence continued to increase: with 78% of all WHO Guidelines published in 2016 using Cochrane Reviews (citing 73 individual Cochrane Reviews), a 3% increase from 2015.
- Cochrane renewed its Memorandum of Understanding with the Guidelines International Network; launched a new scheme for volunteers to engage with its Wikipedia work; and led the development, with five key partners, of the Global Evidence Summit which will be held in September 2017 in Cape Town, South Africa.
- Cochrane continued to support the development of a new campaign to Reduce research Waste And Reward Diligence (REWARD) in order to improve efficiencies in the research lifecycle. A Cochrane-REWARD prize has been established which gathers, assesses, and then publicizes good local or pilot initiatives that have the most potential to reduce waste in research if scaled up globally.
- Intensive work took place on developing an enhanced *Cochrane Library* platform to improve user experience which will be launched in the second half of 2017. 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, following extensive research in 2016 through focus groups and one-to-one user testing with *Cochrane Library* users.

**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.*

- Cochrane's Governing Board led the development and implementation of a major series of governance reforms in 2016 which were adopted unanimously at the Charity's Annual General Meeting on 25 October 2016 in Seoul. The Charity's new Articles of Association transformed its membership to an individual model (from the Cochrane Group membership model that existed before). The first three 'external' Members of the Board were appointed in April 2016 and the first election of 'internal' Board Members under the new Articles were called in the last quarter of 2016. The appointment of members also began for the Cochrane Council, a new advisory body to be established in 2017 as a forum for Cochrane's Groups to meet and consider key issues affecting the organisation.
- Cochrane's structure and function reforms made huge progress in 2016. The framework and principal objectives of the Cochrane Review Group transformation programme were approved by the Governing Board and the programme has now moved into its implementation phase. The detailed plans for geographically-oriented Groups were finalized with new 'Affiliate' Cochrane Groups being recognized and Cochrane's first country Network in Brazil being established. Cochrane's Consumer Network also began implementing its new strategy and delivery plan.
- 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. The central Learning & Support team initiated a major redevelopment of Cochrane's online learning for review authors (to be launched in 2017), launched the new 'Cochrane Learning Live' public webinar series, and developed additional individual online resources for Cochrane's editors, authors and other communities, shared via the 'Cochrane Training' website.
- Following investments in Cochrane's capacity to develop relationships with and attract resources from trusts and foundations around the world, the first funding from these sources emerged in 2016, including a grant in September of US\$1.15 million (of which £524,000 was received and spent in 2016) from the Bill and Melinda Gates Foundation to support Cochrane's Linked Data programme of work. In addition, Australia's National Health and Medical Research Council (NHMRC) pledged A\$928,416 (£574,455) to support Cochrane's Transform Project through a grant given to Monash University, Melbourne, which will establish a new Cochrane content production platform, and processes to help us attract and make better use of contributors' skills and experience.
- Cochrane held its annual conference - the 'Colloquium' - in Seoul, South Korea, in October 2016 with 813 registered attendees from 49 countries (45% of attendees from Asia). The Colloquium's theme was 'Challenges to evidence-based health care and Cochrane'.
- The Charity continued to support and to oversee the work of its wholly-owned trading company, *Cochrane Innovations*. A new consultancy service, 'Cochrane Response', was launched in mid-2016 and returned better than projected first half-year earnings. More *Cochrane Innovations* products and services will be launched in 2017, including the commercialization of Cochrane's Online Learning Modules providing training for those who want to conduct a systematic review.

## 4. Financial Review

### Income

The Cochrane Collaboration's core income is derived mostly from publication royalties from its main output, the *Cochrane Library*, published by John Wiley & Sons, Ltd. In 2016 the first significant additional sources of revenue from investments made in fundraising from Trusts and Foundations, and Cochrane Innovations products and services, began to emerge. Total income received in 2016 was £6,805,000, a 25% increase from 2015 (£5,433,000).

### Publishing Income

In 2016 royalties from sales of the Cochrane Library rose by 13.2% to £5,332,000, compared to £4,710,000 in 2015. This greatly exceeded the target of a 5% increase in sales revenues with the difference principally due to foreign exchange gains made because of the 20% devaluation of the British pound against the US dollar in the second half of the year. Total publishing income in 2016 reached £5,774,000.

### Donations and Legacy Income

Donation income included US\$100,000 from the Silicon Valley Community Foundation to support Cochrane's work.

### 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 £524,000 was received and spent in the year.

### Products Income

Cochrane Innovations' new consultancy service, 'Cochrane Response' launched in June 2016, generating income of £99,649. In addition Cochrane Clinical Answers generated £71,149 in the year.

### Investment Income:

Interest for funds on account generated income of £71,142. No reserves were invested in funds during 2016.

### 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 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. Also not included are for-profit companies that do not have real or potential vested interests in Cochrane Reviews.

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 2016, approving projected expenditure of £8.57 million against projected income of £6.04 million. Expenditure in 2016 was £8,085,662 due to delays in project spending; and £366,725 of this underspend will be carried over into 2017 to complete projects in that year. The effect of the better than projected income and lower than expected expenditure in 2016 is a deficit of £1,336,000 in 2016.

### **Cost of Raising Funds**

Direct expenditure of £172,775 was incurred in 2016 in generating the funding Cochrane received. At the end of 2016 Cochrane's Senior Management took the decision to end the investment in EU funding due to the low levels of success achieved in 2015-16 and the likelihood that these would not improve significantly in the coming years. Investments in Trusts and Foundations fundraising will be expanded to make use of the increasing opportunities in this area.

### **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 £1,841,384 in 2016.

### **Products Costs**

Direct expenditure of £442,930 was incurred in 2016 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 £863,667 was incurred in 2016. 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 £1,348,087 was incurred in 2016. This expenditure includes £313,168 for Cochrane's Methods development; £201,450 for Translations of Cochrane evidence; £106,767 for development of the Cochrane Membership scheme to be launched in April 2017; £108,535 for

Cochrane Colloquium Support; and £362,012 for strategic support funding to Cochrane's Canadian Groups.

#### **Governance Costs**

Expenditure of £306,580 was incurred in 2016. This expenditure includes the costs of the Governing Board, Cochrane Group Executives and the Governance Review costs completed as well as audit and accountancy costs in 2016.

#### **Support Costs**

Expenditure of £3,110,239 was incurred in 2016. This expenditure includes IT costs of £115,110, premises costs (in the UK, Denmark and Germany) of £308,134; £322,472 for training and learning for Cochrane collaborators, and Central Executive Team people-related costs of £2,300,866 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 that it pays staff fairly and in a way which 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. New baseline benchmarking exercises for Central Executive staff took place in 2016 against pay levels in equivalent posts in other not-for-profit, health and publishing organizations; and a small number of adjustments made for the start of 2017.

The Governing Board reviews the salaries of staff as part of its consideration of the annual Plan & Budget. Central Executive staff salaries were frozen at existing levels in 2016. 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. The Trustees decided to retain between £2 million and £2.5 million for its strategic reserves, releasing the rest to use in the Charity's activities that support its *Strategy to 2020* needs and for further investment in Cochrane Innovations, a commercial subsidiary working to generate additional resources for Cochrane through the development and sale of health evidence products and services.

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 2016 were £5,422,000. Free reserves (unrestricted funds minus those related to fixed assets) were £5,331,373. 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 2016. 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 2017 are set out above (see *Strategy to 2020*, page 4). Annual targets for 2017 have been established for each of the four strategic Goals and these can be found at: <http://community.cochrane.org/organizational-info/resources/strategy-to-2020>. Cochrane's focus in 2017 will be on delivering some of the major projects that it has been working on over the last two years: including the launch of the Enhanced Cochrane Library and the Cochrane Membership scheme, the transformation of Cochrane Groups; the holding of the first ever Global Evidence Summit in South Africa; and the completion of the organization's new Knowledge Translation Strategy.

### **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 treatments, 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 be trained in the advanced techniques necessary for the work, and so international educational initiatives are a key part of the 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 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 £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2016 was 15 (2015: 13). 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**

Cochrane held a competitive tender in 2016 to appoint auditors for its 2017 financial year and beyond. Sayer Vincent were appointed – and approved by the members at the Annual General Meeting in October 2016.

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



.....  
**Prof M Burton**, Trustee and Treasurer

Date: 15/5/17

## 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 2016 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 2016 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](http://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.

Noelia Serrano (Senior statutory auditor)  
Date

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 2016

	Note	Unrestricted £	Restricted £	2016 Total £	Unrestricted £	Restricted £	2015 Total £
<b>Income from:</b>							
Donations and legacies	2	72,847	–	<b>72,847</b>	68,377	4,438	72,815
Charitable activities	3						
Publishing		5,774,091	–	<b>5,774,091</b>	5,145,201	–	5,145,201
Products		135,251	71,149	<b>206,400</b>	77,210	–	77,210
Future Technology		–	524,081	<b>524,081</b>	–	–	–
Other charitable activity		10,554	146,284	<b>156,838</b>	–	53,436	53,436
Investments	4	71,142	–	<b>71,142</b>	84,409	–	84,409
<b>Total income</b>		<b>6,063,885</b>	<b>741,514</b>	<b>6,805,399</b>	<b>5,375,197</b>	<b>57,874</b>	<b>5,433,071</b>
<b>Expenditure on:</b>							
Raising funds	5	299,217	–	<b>299,217</b>	208,020	–	208,020
Charitable activities							
Publishing		3,188,973	–	<b>3,188,973</b>	3,045,103	–	3,045,103
Products		695,932	71,149	<b>767,081</b>	366,671	–	366,671
Future Technology		934,403	561,325	<b>1,495,728</b>	664,687	14,644	679,331
Other charitable activities		2,120,976	213,687	<b>2,334,663</b>	1,926,223	13,316	1,939,539
<b>Total expenditure</b>		<b>7,239,501</b>	<b>846,161</b>	<b>8,085,662</b>	<b>6,210,704</b>	<b>27,960</b>	<b>6,238,664</b>
<b>Net (expenditure) / income for the year</b>	8	<b>(1,175,616)</b>	<b>(104,647)</b>	<b>(1,280,263)</b>	<b>(835,507)</b>	<b>29,914</b>	<b>(805,593)</b>
Transfers between funds		–	–	–	(774)	774	–
<b>Net (expenditure) / income before other recognised gains and losses</b>		<b>(1,175,616)</b>	<b>(104,647)</b>	<b>(1,280,263)</b>	<b>(836,281)</b>	<b>30,688</b>	<b>(805,593)</b>
Other gains / (losses)		(92,928)	37,304	<b>(55,624)</b>	–	–	–
<b>Net movement in funds</b>		<b>(1,268,544)</b>	<b>(67,343)</b>	<b>(1,335,887)</b>	<b>(836,281)</b>	<b>30,688</b>	<b>(805,593)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		6,640,602	117,502	<b>6,758,104</b>	7,476,883	86,814	7,563,697
<b>Total funds carried forward</b>		<b>5,372,058</b>	<b>50,159</b>	<b>5,422,217</b>	<b>6,640,602</b>	<b>117,502</b>	<b>6,758,104</b>

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 24 to the financial statements.

The Cochrane Collaboration

Balance sheets

Company no. 3044323

As at 31 December 2016

	Note	The group 2016 £	2015 £	The charity 2016 £	2015 £
<b>Fixed assets:</b>					
Tangible assets	12	19,685	22,955	19,685	22,955
Investments	13	1,000	1,000	306,463	306,463
		<b>20,685</b>	23,955	<b>326,148</b>	329,418
<b>Current assets:</b>					
Debtors	16,17	2,814,065	2,138,004	2,452,530	484,707
Cash at bank and in hand	28	4,339,026	6,345,753	4,264,593	5,621,121
		<b>7,153,091</b>	8,483,757	<b>6,717,123</b>	6,105,828
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	18	(1,751,559)	(1,349,608)	(1,116,896)	(3,290,679)
<b>Net current assets</b>		<b>5,401,532</b>	7,134,149	<b>5,600,227</b>	2,815,149
<b>Total assets less current liabilities</b>					
		<b>5,422,217</b>	7,158,104	<b>5,926,375</b>	3,144,567
Creditors: amounts falling due after one year	19	–	(400,000)	–	–
<b>Total net assets</b>	22	<b>5,422,217</b>	6,758,104	<b>5,926,375</b>	3,144,567
<b>Funds:</b>					
Restricted income funds	23	50,159	117,502	50,159	117,502
Unrestricted income funds:					
Designated funds		20,000	20,000	20,000	20,000
General funds		5,856,216	3,007,065	5,856,216	3,007,065
Non-charitable trading funds		(504,158)	3,613,537	–	–
Total unrestricted funds		<b>5,372,058</b>	6,640,602	<b>5,876,216</b>	3,027,065
<b>Total funds</b>		<b>5,422,217</b>	6,758,104	<b>5,926,375</b>	3,144,567

Approved by the trustees on..... and signed on their behalf by



Mr M Burton  
Trustee and Treasurer

The Cochrane Collaboration

Consolidated statement of cash flows

For the year ended 31 December 2016

	Note	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>	27				
<b>Net cash provided by / (used in) operating activities</b>			(2,016,122)		(709,771)
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		71,142		84,409	
Purchase of fixed assets		(6,123)		(31,920)	
<b>Net cash provided by / (used in) investing activities</b>			65,019		52,489
<b>Change in cash and cash equivalents in the year</b>			(1,951,103)		(657,282)
Cash and cash equivalents at the beginning of the year			6,345,753		7,003,035
Change in cash and cash equivalents due to exchange rate movements			(55,624)		-
<b>Cash and cash equivalents at the end of the year</b>	28		4,339,026		6,345,753

## The Cochrane Collaboration

### Notes to the financial statements

For the year ended 31 December 2016

---

#### 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.



## The Cochrane Collaboration

### Notes to the financial statements

For the year ended 31 December 2016

---

#### 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 on the following basis which are an estimate, based on direct costs, of the amount attributable to each activity.

##### k) Operating leases

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

##### 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 |

## The Cochrane Collaboration

### Notes to the financial statements

For the year ended 31 December 2016

---

#### 1 Accounting policies (continued)

##### 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 £	2016 Total £	2015 Total £
Gifts	72,847	–	72,847	72,815
	<u>72,847</u>	<u>–</u>	<u>72,847</u>	<u>72,815</u>

The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2016

3 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Royalties from The Cochrane Library	5,332,136	-	<b>5,332,136</b>	4,710,154
John Wiley & Sons Development Grant	200,000	-	<b>200,000</b>	200,000
John Wiley & Sons contributions	170,237	-	<b>170,237</b>	215,395
Other	71,718	-	<b>71,718</b>	19,652
Sub-total for Publications	5,774,091	-	<b>5,774,091</b>	5,145,201
WHO systematic reviews	99,775	-	<b>99,775</b>	-
Cochrane Clinical Answers	-	71,149	<b>71,149</b>	71,499
Other	35,476	-	<b>35,476</b>	5,711
Sub-total for Products	135,251	71,149	<b>206,400</b>	77,210
Gates Foundation	-	524,081	<b>524,081</b>	-
Sub-total for Future Technology	-	524,081	<b>524,081</b>	-
EU - Health in my language	-	141,036	<b>141,036</b>	53,436
Anne Anderson Prize	-	5,248	<b>5,248</b>	-
Other income	10,554	-	<b>10,554</b>	-
Sub-total for Other charitable activities	10,554	146,284	<b>156,838</b>	53,436
Total income from charitable activities	5,919,896	741,514	<b>6,661,410</b>	5,275,847

4 Income from investments

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Bank interest	71,142	-	<b>71,142</b>	84,409
	71,142	-	<b>71,142</b>	84,409

The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2016

5 Analysis of expenditure

	Charitable activities							2015 Total £	
	Cost of raising funds £	Publishing £	Products £	Future Technology £	Other charitable activities £	Governance costs £	Support costs £		2016 Total £
Staff costs (Note 8)	15,838	898,574	275,474	-	63,218	-	1,933,283	3,186,387	2,289,139
Other people costs	156,937	247,114	78,196	180,449	36,732	42,156	367,583	1,109,167	613,811
Trustees' expenses	-	-	-	-	-	159,261	-	159,261	120,583
Audit and accountancy	-	-	-	-	-	46,853	-	46,853	21,319
Advertising and marketing	-	23	5,924	-	2,016	-	16,833	24,796	-
Meetings and events costs	-	51,939	15,973	10,585	169,723	-	115,110	363,330	279,584
IT costs	-	166,659	2,425	26,893	97,242	-	158,534	451,753	112,094
Legal and professional	-	2,505	7,801	1,540	13,989	-	50,765	76,600	84,650
Other direct costs	-	439,356	9,874	641,806	243,250	32,905	7,874	1,375,065	1,646,901
Premises and office costs	-	2,472	1,952	-	698	416	308,133	313,671	257,564
Travel costs	-	20,142	14,726	2,394	12,403	-	60,085	109,750	205,146
Cochrane Community (Note 6)	-	12,600	-	-	708,816	6,389	48,008	775,813	170,983
Other overheads	-	-	30,585	-	-	18,600	44,031	93,216	436,890
	<b>172,775</b>	<b>1,841,384</b>	<b>442,930</b>	<b>863,667</b>	<b>1,348,087</b>	<b>306,580</b>	<b>3,110,239</b>	<b>8,085,662</b>	<b>6,238,665</b>
Support costs	115,097	1,226,674	295,066	575,348	898,054	-	(3,110,239)	-	-
Governance costs	11,345	120,915	29,085	56,713	88,522	(306,580)	-	-	-
<b>Total expenditure 2016</b>	<b>299,217</b>	<b>3,188,973</b>	<b>767,081</b>	<b>1,495,728</b>	<b>2,334,663</b>	<b>-</b>	<b>-</b>	<b>8,085,662</b>	<b>6,238,665</b>
Total expenditure 2015	<b>208,020</b>	<b>3,045,103</b>	<b>366,671</b>	<b>679,331</b>	<b>1,939,539</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,238,664</b>

Of the total expenditure, £7,239,501 was unrestricted (2015: £6,210,704) and £846,161 was restricted (2015: £27,960).

## The Cochrane Collaboration

### Notes to the financial statements

For the year ended 31 December 2016

#### 6 Grant making

	Grants to individuals £	Grants to institutions £	2016 £	2015 £
<b>Cost</b>				
Publishing	–	12,600	<b>12,600</b>	–
Other charitable activities	2,657	541,194	<b>543,851</b>	170,983
Governance costs	6,389	–	<b>6,389</b>	–
Support costs	–	22,036	<b>22,036</b>	–
At the end of the year	9,046	575,830	<b>584,876</b>	170,983

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

#### 7 Net (expenditure) / income for the year

This is stated after charging:

	2016 £	2015 £
Depreciation	<b>9,393</b>	16,618
Operating lease rentals:		
Property	<b>177,218</b>	163,698
Auditors' remuneration (excluding VAT):		
Audit	<b>8,100</b>	10,500
Other services	<b>5,400</b>	6,500
Foreign exchange gains or (losses)	<b>55,624</b>	–

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

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	<b>2,836,334</b>	1,925,610
Social security costs	<b>222,080</b>	177,142
Employer's contribution to defined contribution pension schemes	<b>127,973</b>	186,387
	<b>3,186,387</b>	2,289,139

## The Cochrane Collaboration

### Notes to the financial statements

#### For the year ended 31 December 2016

#### 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:

	2016 No.	2015 No.
£60,000 – £69,999	4	5
£70,000 – £79,999	2	–
£80,000 – £89,999	1	1
£130,000 – £140,999	1	1
£160,000 – £169,000	1	1

The total employee benefits including pension contributions of the key management personnel were £667,982 (2015: £651,500).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil). Funding provided to academic institutions who employ the Co-Chairs of the organisation for the period was £42,156 (2015: £54,723).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £78,685 (2015: £46,093) incurred by 15 (2015: 13) 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:

	2016 No. Head count	2015 No. Head count	2016 No. FTE	2015 No. FTE
Publishing	18.0	14.0	11.2	9.8
Products	5.0	3.0	6.3	3.0
Other charitable activities	2.0	2.0	1.4	1.4
Support & Governance	40.0	27.0	29.9	26.5
	<b>65.0</b>	46.0	<b>48.8</b>	40.7

#### 10 Related party transactions

There are no related party transactions to disclose for 2016 (2015: none).

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

Funding provided to the academic institutions who employ the Co-Chairs of the organisation in the year was £42,156 (2015: £54,723).

## The Cochrane Collaboration

### Notes to the financial statements

For the year ended 31 December 2016

#### 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 £
<b>Cost</b>				
At the start of the year	21,400	21,806	20,397	<b>63,603</b>
Additions in year	1,817	4,306	-	<b>6,123</b>
At the end of the year	<b>23,217</b>	<b>26,112</b>	<b>20,397</b>	<b>69,726</b>
<b>Depreciation</b>				
At the start of the year	15,163	20,506	4,979	<b>40,648</b>
Charge for the year	3,119	1,295	4,979	<b>9,393</b>
At the end of the year	<b>18,282</b>	<b>21,801</b>	<b>9,958</b>	<b>50,041</b>
<b>Net book value</b>				
At the end of the year	<b>4,935</b>	<b>4,311</b>	<b>10,439</b>	<b>19,685</b>
At the start of the year	<b>6,237</b>	<b>1,300</b>	<b>15,418</b>	<b>22,955</b>

All of the above assets are used for charitable purposes.

#### 13 Fixed asset investments

	The group		The charity	
	2016 £	2015 £	2016 £	2015 £
Investment in Collaboration Trading	-	-	100	100
Investment in Cochrane Innovations	-	-	300,100	300,100
Investment in Cochrane IKMD	-	-	5,263	5,263
Other investments	<b>1,000</b>	1,000	<b>1,000</b>	1,000
	<b>1,000</b>	1,000	<b>306,463</b>	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.

## The Cochrane Collaboration

### Notes to the financial statements

#### For the year ended 31 December 2016

#### 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	
	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£
Turnover	5,774,091	5,141,427	75,608	320,570	583,968	379,528
Gross profit	5,774,091	5,141,427	75,608	320,570	583,968	379,528
Administrative expenses	(11,803)	(608)	(407,237)	(310,650)	(567,558)	(390,079)
Other operating income	955	-	90	-	-	-
Profit / (loss) on ordinary activities	5,763,243	5,140,819	(331,539)	9,920	16,410	(10,551)
Donation t to parent undertaking	(9,575,473)	(4,808,003)	-	-	-	-
Profit / (loss) for the financial year	(3,812,230)	332,816	(331,539)	9,920	16,410	(10,551)
The aggregate of the assets, liabilities and funds was:						
Assets	2,098,059	4,801,411	34,221	165,701	88,548	44,977
Liabilities	(2,097,959)	(989,081)	(277,966)	(77,907)	(89,319)	(62,158)
Funds	100	3,812,330	(243,745)	87,794	(771)	(17,181)



The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2016

15 Parent charity

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

	2016 £	2015 £
Gross income	10,644,860	5,125,722
Result for the year	2,807,981	(1,164,196)

16 Debtors: falling due within one year

	The group		The charity	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	152,384	20,677	145,236	10,083
Other debtors	105,919	66,878	105,477	66,878
Prepayments	306,525	195,590	306,525	194,956
Accrued income (note 18)	1,923,714	1,133,588	105,400	634
VAT debtor	125,523	-	125,523	174,838
Amounts due from subsidiaries	-	-	1,664,369	37,318
	<b>2,614,065</b>	<b>1,416,733</b>	<b>2,452,530</b>	<b>484,707</b>

17 Debtors: falling due after one year

	The group		The charity	
	2016 £	2015 £	2016 £	2015 £
Accrued income	200,000	721,271	-	-
	<b>200,000</b>	<b>721,271</b>	<b>-</b>	<b>-</b>

Accrued income in the current year relates to a development grant for 2018. The comparative relates to £200,000 development grant each year for 2017 and 2018 and £321,721 accrued royalty income. The £200k development grant for 2017 and the accrued royalty income are both due to be received in January 2017, and are included in the accrued income due within one year in note 18 above.

18 Creditors: amounts falling due within one year

	The group		The charity	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	557,764	277,292	546,714	277,292
Accruals	338,664	459,543	322,664	453,048
Deferred income (note 21)	415,000	250,487	15,000	35,636
Taxation and social security	58,724	121,575	55,360	91,051
Other creditors	65,903	30,401	65,903	30,401
VAT creditor	315,504	210,310	-	-
Amounts due to subsidiaries	-	-	111,255	2,403,251
	<b>1,751,559</b>	<b>1,349,608</b>	<b>1,116,896</b>	<b>3,290,679</b>

The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2016

19 Creditors: amounts falling due after one year

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
Deferred income (note 21)	-	400,000	-	-
	-	400,000	-	-

This relates to John Wiley & Sons grant of £1,000,000 granted in January 2013 to be used over 5 years (2014–2018 inclusive), being a release of £200,000 income per year to the SOFA.

20 Deferred Income

Included in deferred income is a grant received in advance from John Wiley & Sons totalling £1,000,000 to be released over 5 years (2014–2018 inclusive).

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
Balance at the beginning of the year	650,487	800,000	35,636	-
Amount released to income in the year	(250,487)	(200,000)	(35,636)	-
Amount deferred in the year	15,000	50,487	15,000	35,636
Balance at the end of the year	415,000	650,487	15,000	35,636
The above is split between				
Amount falling due within one year	415,000	250,487	15,000	35,636
Amounts falling due after one year	-	400,000	-	-
Balance at the end of the year, as above	415,000	650,487	15,000	35,636

21 Pension scheme

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. The pension cost charge represents contributions payable by the group to the fund and amounted to £127,973 (2015: £186,387). Contributions totalling £29,659 (2015: £26,961) 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	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

The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2016

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

	General unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	22,955	–	–	22,955
Investments	1,000	–	–	1,000
Net current assets	6,996,647	20,000	117,502	7,134,149
Long term liabilities	(400,000)	–	–	(400,000)
<b>Net assets at the end of the year</b>	<b>6,620,602</b>	<b>20,000</b>	<b>117,502</b>	<b>6,758,104</b>

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 £
<b>Restricted funds:</b>					
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)	–	–
<b>Total restricted funds</b>	<b>117,502</b>	<b>778,818</b>	<b>(846,161)</b>	<b>–</b>	<b>50,159</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Discretionary Fund	20,000	–	–	–	20,000
<b>Total designated funds</b>	<b>20,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>20,000</b>
General funds	6,620,602	6,063,885	(7,332,429)	–	5,352,058
<b>Total unrestricted funds</b>	<b>6,640,602</b>	<b>6,063,885</b>	<b>(7,332,429)</b>	<b>–</b>	<b>5,372,058</b>
<b>Total funds</b>	<b>6,758,104</b>	<b>6,842,703</b>	<b>(8,178,590)</b>	<b>–</b>	<b>5,422,217</b>

## 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 £
<b>Restricted funds:</b>					
Awards, prizes and scholarships	56,899	4,438	(13,316)	774	<b>48,795</b>
Evidence Aid	29,915	–	(11,162)	–	<b>18,753</b>
Health in My Language	–	53,436	(3,482)	–	<b>49,954</b>
<b>Total restricted funds</b>	<b>86,814</b>	<b>57,874</b>	<b>(27,960)</b>	<b>774</b>	<b>117,502</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Discretionary Fund	20,000	–	(10,350)	10,350	<b>20,000</b>
Colloquium Fund	9,808	–	(9,808)	–	–
Strategic Investment Fund	2,500,000	–	(350,008)	(2,149,992)	–
Total designated funds	2,529,808	–	(370,166)	(2,139,642)	<b>20,000</b>
<b>General funds</b>	<b>4,947,075</b>	<b>5,375,197</b>	<b>(5,840,538)</b>	<b>2,138,868</b>	<b>6,620,602</b>
<b>Total unrestricted funds</b>	<b>7,476,883</b>	<b>5,375,197</b>	<b>(6,210,704)</b>	<b>(774)</b>	<b>6,640,602</b>
<b>Total funds</b>	<b>7,563,697</b>	<b>5,433,071</b>	<b>(6,238,664)</b>	<b>–</b>	<b>6,758,104</b>

## 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> .

**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.

**Future Technology** – 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

	2016 £	2015 £
<b>Net (expenditure) / Income for the reporting period (as per the statement of financial activities)</b>	<b>(1,280,263)</b>	<b>(805,593)</b>
Depreciation charges	9,393	16,618
Dividends, interest and rent from investments	(71,142)	(84,409)
(Profit)/loss on the disposal of fixed assets	-	-
Increase in debtors	(676,061)	(276,856)
Increase in creditors	1,951	440,469
<b>Net cash provided by / (used in) operating activities</b>	<b>(2,016,122)</b>	<b>(709,771)</b>

27 Analysis of cash and cash equivalents				At 31 December 2016 £
	At 1 January £	Cash flows £	Other changes £	
Cash at bank and in hand	6,345,753	(1,951,103)	(55,624)	<b>4,339,026</b>
<b>Total cash and cash equivalents</b>	<b>6,345,753</b>	<b>(1,951,103)</b>	<b>(55,624)</b>	<b>4,339,026</b>

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	
	2016 £	2015 £
Less than one year	162,213	162,213
One to five years	270,354	432,567
Over five years	-	-
	<b>432,567</b>	<b>594,780</b>

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.