

**Trustees' Report and
Financial Statements**
The Cochrane Collaboration
(A company limited by guarantee)
For the year ended
31 December 2018

Company Number 3044323

Charity Number 1045921

31 December 2018

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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 2018.

Reference and Administration

Charity name: The Cochrane Collaboration

Registered and
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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. Martin Burton (Co-Chair)
 Prof. Cindy Farquhar (Co-Chair - resigned 14 September 2018)
 Ms. Marguerite Koster (Treasurer - appointed Co-Chair 1 September 2018)
 Dr. Xavier Bonfill Cosp (elected 10 December 2018)
 Prof. Janet Clarkson
 Prof. Nicola Cullum (elected 7 August 2018)
 Ms. Maria Gladys Faba Beaumont
 Prof. Gerald Gartlehner (resigned 14 September 2018)
 Prof. Peter Gotzsche (membership terminated 25 September 2018)
 Prof. Sally Green (elected 10 December 2018)
 Prof. Tracey Howe
 Dr. Karsten Juhl Jørgensen (elected 10 December 2018)
 Ms. Raewyn Lamb (resigned 14 September 2018; re-appointed 8 February 2019)
 Mr. David Hammerstein Mintz (resigned 14 September 2018)
 Ms. Catherine Marshall (Treasurer - resigned 14 September 2018; re-appointed 8 February 2019)
 Dr. Joerg Meerpohl (resigned 14 September 2018)
 Dr. Nancy Santesso (resigned 14 September 2018)
 Mr. Jordi Pardo Pardo (elected 10 December 2018)

Senior Staff

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

Mr. Mark Wilson, Chief Executive Officer
 Dr. David Tovey, Editor in Chief, The *Cochrane Library*
 Ms. Joanne Anthony, Head of Knowledge Translation
 Ms. Lucie Binder, Senior Advisor (Governance & Management)
 Mr. Christopher Champion, Head of Membership, Learning & Support
 Mr. Christopher Mavergames, Head of Informatics & Technology Services (& Chief Information Officer)
 Ms. Charlotte Pestrige, Head of Innovations, Research & Development (& Chief Executive Officer, Cochrane Innovations)
 Ms. Karla Soares-Weiser, Deputy Editor in Chief, The *Cochrane Library*
 Ms. Sarah Watson, Head of Finance & Core Services (& Company Secretary)

Narrative Report

This Trustees' Report covers the twelve-month period 1 January – 31 December 2018.

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.

As a UK-based charity and company, Cochrane's Governing Board is also committed to the charity adhering to the UK's [Good Governance Code](#).

Trustee Appointments

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. A majority of the Governing Board must be trustees elected to the Board by individual members of the charity from the existing membership. Additional 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.

All trustees go through a comprehensive induction with Governing Board and Central Executive Team members and are provided with introductory documentation to assist them. Trustees spend two days a year in Governing 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 2018 this company 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;
- Cochrane IKMD Denmark ApS is a Danish company set up to support the work of Cochrane's Informatics Technology Department based in Denmark.

The Governing Board determines the strategic direction of the organization, including its policies, objectives and goals. The Cochrane Collaboration's Chief Executive Officer (CEO), Mark Wilson, has overarching responsibility for the management of the organization and the executive delivery of its plans and activities to implement these strategic goals. He leads the Central Executive Team (CET - the staff employed by the charity or through charity funding) and the Cochrane Groups (of separately-funded staff and volunteers, see below) which collectively work to deliver the charity's mission.

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 CEO and the CEO of Cochrane Innovations, Charlotte Pestrige; and for applying ethical and scientific standards consistent with the goals of the Collaboration.

The Central Executive Team is comprised of seven Departments:

- Chief Executive's Office
- Editorial & Methods Department
- Innovations, Research & Development Department
- Knowledge Management Department
- Finance & Core Services
- Informatics & Technology (IT) Services
- Membership, Learning & Support Services

For full details on their activities see <http://community.cochrane.org/organizational-info/people/cet-teams>. At the heart of Cochrane's work, however, are the activities of 150 Cochrane Groups around the world:

- Eight Cochrane Systematic Review Group Networks (comprising 52 subject-based Review Groups) facilitate the preparation, by a variety of contributors (some of whom are volunteers) of Cochrane Systematic Reviews;
- 17 Methods Groups provide support in methods for research evidence synthesis;
- 20 Cochrane Centres (with responsibility for 50 Associate Centres and Affiliates) in 44 countries in Europe, the Americas, Africa, Asia and Australasia provide a geographic 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 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.

The Cochrane Council was established in November 2016 and aims to ensure that Cochrane Groups retain an effective voice in Cochrane's leadership and strategic decision-making. The purpose of the Council is to provide:

- A forum for Cochrane Groups to consider high-level matters affecting Cochrane as a whole;
- A mechanism to raise matters and provide input to the Governing Board on behalf of Cochrane's communities Groups; and
- A forum to consider matters at the request of the Board and inform Board deliberations.

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.

The principal risk for the charity in 2018 continued to be 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 all Cochrane Reviews and Updates are made available everywhere to everyone 12 months after publication) is steadily growing – reaching 60% by the end of 2018. The Governing Board decided in 2017 to postpone *Strategy to 2020's* ambition to extend this policy still further by making all Cochrane Reviews and Updates immediately open access on publication, though the Board decided to review our approach in 2019-2020 to Open Access to Cochrane Reviews and datasets (see Section 5: Future Plans).

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.

On 13 September 2018 Cochrane's Governing Board voted (11 for; one abstention) that Professor Peter Gøtzsche, a Board member and Director of the Nordic Cochrane Centre, had breached the Trustees' Code of Conduct and "acted counter to the best interests of the charity as a whole" as a result of behaviours "taking place over a number of years, which ... were detrimental to the charity's

work, reputation and members” (see the Board Statement [here](#)). The Board also voted by a majority that Professor Gøtzsche should resign as a Trustee with immediate effect. A further decision by a majority to serve a notice of termination of membership upon Professor Gøtzsche in accordance with [Cochrane's Articles of Association](#) led to the resignations of four other members of the Board: Prof. Gerald Gartlehner, Mr. David Hammerstein Mintz, Dr. Joerg Meerpohl and Dr. Nancy Santesso. Their resignations necessitated the resignations of an additional two appointed members of the Governing Board (Ms. Raewyn Lamb and Ms. Catherine Marshall) to abide by the Articles of Association, which require a majority of elected over appointed Board members.

Following the Board's unanimous decision on 25 September to finalise the termination of Professor Gøtzsche's membership the Charity Commission was notified, and they confirmed in November 2018 that they did not intend to take any action as they were satisfied that: “the trustees are dealing with this matter appropriately and responsibly”. New elections for four vacant Board positions were held in November to December and Dr. Xavier Bonfill Cosp, Professor Sally Green, Dr. Karsten Juhl Jørgensen and Mr. Jordi Pardo Pardo were elected. The new Board met in January 2019 and agreed to re-appoint Ms. Lamb and Ms. Marshall, who re-joined the Board in February, contingent upon confirmation by members at the Annual General Meeting scheduled in October 2019.

2. Objectives and Activities

Legal Objects

The legal objects of the Charity, as defined in its Articles of Association 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 13,000 members and 52,000 supporters from over 130 countries working together to produce credible, accessible health information that is free from commercial sponsorship and other conflicts of interest. The Charity relies heavily on the contributions of individuals around the world to produce its core outputs. Some of these individuals work entirely voluntarily, in their own time, for no remuneration. Others undertake Cochrane activity as part of their paid employment, or as part of a course of study or training in which they are engaged. In 2018 they 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.

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 1st 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 five targets for 2018 approved by the Governing Board in December 2017 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

2018 was a very successful year for Cochrane in our progress towards achieving the organization's *Strategy to 2020*'s goals with record increases in the demand for and use of Cochrane evidence from our online platforms; the launching of a new [Cochrane Library](#) platform that allows new features to be offered to subscribers and users in future; the completion of a new [Editorial Content Strategy](#) establishing Cochrane's future evidence production developments; and a massive increase of 20,000 new members and supporters joining our worldwide community. All five of the *Strategy to 2020* targets for 2018 were partly or completely delivered; and the highlights of Cochrane's achievements in 2018, 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 341 new Cochrane Systematic Reviews, 285 updated Reviews (new citation versions) and 306 new protocols for forthcoming Reviews in the *Cochrane Library*. At the end of December 2018, the *Cochrane Library*, published by John Wiley & Sons, Ltd, contained over 8,000 Cochrane Reviews and over 1,286,000 records in its Central Register of Controlled Trials (CENTRAL).
- New Cochrane Reviews published in the *Cochrane Database of Systematic Reviews* (CDSR) in 2018 continued to make major contributions to our health evidence base. The most frequently downloaded new reviews were:
 - Prophylactic vaccination against human papillomaviruses to prevent cervical cancer and its precursors
 - Uterotonic agents for preventing postpartum haemorrhage: a network meta-analysis
 - Ivermectin and permethrin for treating scabies

- Cannabis-based medicines for chronic neuropathic pain in adults
- Exercise interventions and patient beliefs for people with hip, knee or hip and knee osteoarthritis: a mixed-methods review
- The most frequently downloaded updated Cochrane Reviews published in 2018 were:
 - Nurses as substitutes for doctors in primary care
 - Vaccines for preventing influenza in healthy adults
 - Progesterone for preventing miscarriage in women with recurrent miscarriage of unclear etiology
 - First-line drugs for hypertension
 - Immersion in water during labour and birth
- According to data from [Altmetric](#), the 2018 Cochrane Reviews most often mentioned across newspaper stories, tweets, blog posts, and other sources were:
 - Omega-3 fatty acids for the primary and secondary prevention of cardiovascular disease
 - Prophylactic vaccination against human papillomaviruses to prevent cervical cancer and its precursors
 - Nurses as substitutes for doctors in primary care
 - Homeopathic medicinal products for preventing and treating acute respiratory tract infections in children
 - Nutritional labelling for healthier food or non-alcoholic drink purchasing and consumption
- Some Cochrane Reviews are accompanied by podcasts, often read by the review authors. The most accessed podcasts of 2018 were:
 - Fazer exercícios para os músculos do assoalho pélvico durante a gravidez e após o parto pode prevenir ou tratar a incontinência? (Pelvic floor muscle training for prevention and treatment of urinary and faecal incontinence in antenatal and postnatal women)
 - Vitamin C for preventing and treating the common cold
 - پادکست: بیتاهیستین برای از بین بردن علایم سرگیجه (Betahistine for symptoms of vertigo)
 - Egzama için Kullanılan Nemlendiriciler (Emollients and moisturisers for eczema)
 - Interventions for improving upper limb function after stroke
- Cochrane Journal Club articles provide relevant background information and related resources on a single Cochrane Review. The most viewed Journal Club articles in 2018 were:
 - Non-invasive diagnostic tests for *Helicobacter pylori* infection
 - Vaccines for preventing influenza in healthy adults
 - Omega-3 fatty acids for the primary and secondary prevention of cardiovascular disease
 - Interventions to improve the appropriate use of polypharmacy for older people
 - Blood pressure targets for hypertension in older adults
- Cochrane Clinical Answers (CCAs) provide a readable, digestible, clinically focused entry point to rigorous research from Cochrane Reviews. The most viewed CCAs in 2018 were:
 - How does verapamil compare with adenosine for people with supraventricular tachycardia?
 - Can tranexamic acid help prevent postpartum hemorrhage?
 - What are the benefits and harms of nutritional support for hospitalized adults at nutritional risk?
 - Does the use of risk assessment tools help prevent the development of pressure ulcers?
 - Can omega 3 fatty acids help maintain remission in people with Crohn's disease?
- The top three accessed Special Collections (curated content collections on a specific healthcare topic) on the Cochrane Library in 2018 were:
 - Preventing falls and fall-related injuries in older people
 - Prevention of acute malnutrition
 - Diagnosing skin cancer
- 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 2018 were:

- HPV vaccination: balancing facts
- Ensuring quality as the basis of evidence synthesis: leveraging information specialists' knowledge, skills, and expertise
- Doug Altman's legacy to Cochrane and evidence synthesis
- The CDSR increased its impact factor again in 2018 (as calculated by the Journal Citation Report) to 6.754, ranking it as one of the top 12 medical journals in the world, with its five-year impact factor reaching 7.669. The CDSR also saw an increase in the number of citations in 2017 (the latest year for figures) to 62,332, making it one of the top three 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 94% of all Cochrane Reviews and Review Updates now contain Summary of Findings Tables, a key quality measure (70% and 64% respectively in 2015).
- [Cochrane Crowd](#), our citizen science platform, continued its tremendous success, and is now a global community of almost 12,200 volunteers from 189 countries helping to classify the research needed to support informed decision-making about healthcare treatments. These volunteers have achieved over 2.94 million classifications of randomised controlled trials.
- As part of *Strategy to 2020* Cochrane has invested significant resources in developing new technology to make [data management](#) and [Cochrane Review production](#) processes more efficient. In 2018 Cochrane worked to link these tools together so that a fully-integrated technology workflow process (using RevMan Web, Covidence or EPPI-Reviewer, CRS Web and GradePro) for Cochrane intervention Reviews is completed in 2019.

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

- Finally, after three-years of intense work, the enhanced *Cochrane Library* was launched in August 2018. The new platform included a full Spanish-language component and discoverability of translated content in multiple languages via the Library's search feature. Other new features and improvements of the new *Library* were:
 - Improved article design for Cochrane Reviews, CENTRAL records, and all content.
 - Cochrane Clinical Answers is now fully integrated into the *Library*.
 - Search expanded across all content types, including Cochrane Reviews and Protocols, CENTRAL, Editorials, Special Collections, Cochrane Clinical Answers, and other systematic reviews from Epistemonikos, via a new federated search feature.
 - Improved search results display, including new filters for all content, and multiple record export options. Advanced search tabs are better integrated, and the MeSH search feature is improved.
 - CENTRAL records are now linked to their relevant Cochrane Reviews.
 - Easy navigation from Cochrane Reviews to related podcasts, Editorials, and Cochrane Clinical Answers.
- Over 14.2 million full-text downloads of Cochrane Systematic Reviews were made from the *Cochrane Library* in 2018 (a rise of 14% from 2017). Total demand for Reviews from the Library increased by 9%.
- In 2018 Cochrane supported 15 translations teams working in Croatian, French, German, Japanese, Korean, Malay, Polish, Portuguese, Russian, Simplified Chinese, Traditional Chinese, Spanish, Tamil, Thai and Persian to publish 4,276 new or updated translations of Review abstracts and Plain Language Summaries over the year; with now nearly 26,000 translations of Cochrane Reviews offered on the Cochrane.org website. Over 180 Cochrane podcasts were also translated into 11 languages.

- Cochrane's KT and ITS teams successfully introduced Memsource, a new translation management system to support Cochrane translation teams better; and piloted the use of machine learning (DeepL) in Polish and French.
- The effect of Cochrane's translation efforts on subsequent use of our evidence is significant. Over 20 million visits in 2018 to Cochrane.org are from people using non-English browsers (compared to 10.6 million in 2017).
- 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 now be made available on the *Cochrane Library* in late 2019.
- 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 786 Cochrane Reviews became open access in 2018 for everyone, everywhere under the organization's Open Access Policy. Global figures for the number of people able to enjoy free at the point of use access to the Library – including those in all low- and middle-income countries designated by the WHO - remained at 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 2018 continued its astonishing rise. Web visits leapt to 27.6 million compared to 15 million in 2017, 10 million in 2016 and 5.7 million in 2015; with 37 million pageviews being made of Cochrane evidence (up from 22.3 million in 2017).
- There were over 7,000 global media mentions of Cochrane evidence and organizational news in 2018, although this was a reduction on the previous year (due to a reduction in press releases issued during the year). 31 Cochrane videos were produced and disseminated; and Cochrane's social media following saw significant growth in 2018 (with 'followers' up by 35% on Twitter, 86% on YouTube, 80% on Facebook, and 39% for Cochrane Library's Twitter feed).
- 'Cochrane for all – better evidence for better health decisions' was the theme of Cochrane's successful 25th Colloquium held in Edinburgh, UK, in September 2018 with a focus on patient and consumer engagement in the production and use of health evidence. Over 1,300 delegates attended from 58 countries, with an average of 20 different concurrent sessions running over the meeting's three days.
- Cochrane's partnership with Wikipedia (the most popular source of information on health subjects in the world with 10 million visits a day) continued to flourish with 3,181 Cochrane Review citations in Wikipedia and over 40,000 referrals from Wikipedia to the *Cochrane Library* in 2018. New research shows that the Cochrane Database of Systematic Reviews is the most referenced journal in Wikipedia.
- The second Cochrane-REWARD (Reduce research Waste And Reward Diligence - REWARD) prize to initiatives aiming to reduce research waste were awarded in September 2018 at the Cochrane Colloquium.

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.

- The Governing Board and the Cochrane Council agreed on new additional measures to encourage wider participation within the Cochrane community; develop a 'Code of Conduct' clearly defining the types of behaviour which are and are not acceptable within the organization (including bullying, harassment, intimidation, retaliation and discrimination); and to finalize procedures for dealing with alleged breaches of the Code of Conduct.

- The 'Transformation Programme' integrating Cochrane's 52 Review Groups into eight new CRG Networks successfully achieved its first year of implementation. The Networks each developed new strategic plans, Review prioritization plans, established new staffing support structures, and began implementing ways that they could work more efficiently together.
- The Cochrane Membership scheme launched in 2017 triggered spectacular growth in the number of people collaborating together on Cochrane activities and supporting its work. At the end of 2018 there were over 13,000 members who had activated their membership or joined the organization; with more than 52,000 additional supporters signed up. This represented a 44% rise with over 20,000 joining the organization as a member or supporter in 2018.
- New Cochrane Centres were established during the year in Colombia and Mexico (incorporating five Associate Centres in the city); and new Associate Centres or Affiliate Cochrane Groups in Bosnia & Herzegovina, the Czech Republic, Indonesia, Spain (in Madrid, the Basque region, and Navarra) and Taiwan.
- Cochrane's [Interactive Learning Course](#) for systematic review authors built on its successful launch in 2017 and by the end of 2018 strong sales meant the initiative had broken even earlier than expected 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:
 - '[Testing Treatments](#)' to promote better and more critical public evaluation of the effects of medical treatments;
 - Expanded and new resources for [patient and consumer involvement](#) in healthcare evidence production and use;
 - [Common Errors](#): a suite of five learning modules for Cochrane Editors to enhance their editorial skills; and
 - A new suite of [Knowledge Translation](#) resources to help those both inside and outside Cochrane to use Cochrane evidence to influence and impact health decision making.
- 'Cochrane Response', Cochrane's consultancy service, continued to grow its business significantly – taking on new contracts and staffing to meet the increasing demand. The consultancy returned a deficit of £51,503 for 2018.
- In 2018 Cochrane provided £40,000 of Strategic Development Support (SDS) funding to Cochrane's MS and Rare Diseases of the Central Nervous System Group to support its ongoing activities and staffing to bridge a break in financial support from the Group's long-term funder.

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 sources of revenue were received in 2018 from fundraising (from Trusts and Foundations), Cochrane Response (the charity's consultancy service) and Cochrane events. Total income received in 2018 was £9,795,496, a 13% increase from 2017 (£8,669,412).

Publishing Income

In 2018 sales of the Cochrane Library rose by 4% to £10,684,000, compared to £10,248,000 in 2017; with royalties paid to Cochrane up by 5% to £6,869,065, from £6,527,609 the year before, effectively meeting the target set for Wiley, the publisher of the *Cochrane Library*. Total publishing income in 2018 reached £8,116,118.

Donations and Legacy Income

Donation income totalled £5,214.

Technology Income

Fundraising from Trusts and Foundations fell substantially in 2018, as planned follow-on funding to support Cochrane's 'Linked Data' and 'New Evidence Systems' information technology projects took longer to emerge than expected. Total income was £135,078.

Products & Services Income

Cochrane's new consultancy service, 'Cochrane Response' launched in June 2016, generated an annual operating deficit of £51,503 in 2018, with sales of £485,997 and operating costs of £537,500.

Other Charitable Activity Income

Cochrane's successful Colloquium organized by Cochrane UK in Edinburgh in September 2018 returned a surplus of £165,000 (all of which was retained by the Charity with 50% designated for use to support future Colloquium).

Investment Income:

Interest for funds on account generated income of £13,797. No reserves were invested in funds during 2018.

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.

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. This funding 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. 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 2018, approving projected expenditure (2018 Plan & Budget plus in year decisions) of £7.68 million against projected income of £8.17 million. Expenditure in 2018 was higher than budgeted at £8.48 million as this includes Colloquium event expenditure of £0.7m, with this removed for comparison the expenditure was lower than budgeted at £7.78m and the effect of the better than projected income and lower than expected expenditure in 2018 is an operating surplus of £1.28 million

Cost of Raising Funds

Direct expenditure of £91,761 was incurred in 2018 in generating the funding Cochrane received.

Publishing Costs

Cochrane's direct central publishing costs relating to editorial support (provided by Cochrane's Editorial & Methods Department) and continuing provision of the basic IT infrastructure to support Review production (including its software tools RevMan and Archie) were £1,937,148 in 2018.

Products Costs

Direct expenditure of £537,500 was incurred in 2018 in the development of new derivative products and services to support Cochrane's long-term sustainability, including costs for *Cochrane Innovations*.

Future Technology Project Costs

Direct expenditure of £295,455 was incurred in 2018. 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 £1,339,497 was incurred in 2018. This expenditure includes £319,200 for Cochrane's Methods development; £151,464 for Translations of Cochrane evidence; £101,920 for Cochrane Colloquium support; and £88,586 for strategic support funding to Cochrane Groups.

Governance Costs

Expenditure of £379,928 was incurred in 2018. This expenditure includes the costs of the Governing Board, Cochrane Group Executives, the new Cochrane Council, as well as audit, accountancy and legal costs in the year.

Support Costs

Expenditure of £3,900,135 was incurred in 2018. This expenditure includes IT costs of £179,293, premises costs (in the UK, Denmark and Germany) of £325,050; £465,192 for membership, training and learning for Cochrane collaborators, and Central Executive Team people-related costs of £5,719,023 covering the leadership, facilitation and support activities of staff in the Central Executive Team.

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 2018 to cover the necessary cost of living adjustments for salaries in the following year. A Board Remuneration Sub-Committees oversees and advises 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 Governing Board has established a Reserves Policy setting a minimum of between £2 million and £2.5 million to be retained for the charity's strategic reserves, with reserves above this level being used for activities that support its *Strategy to 2020* needs. The Policy recommends that total reserves should not exceed £5 million.

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 2018 were £7,246,012. Free reserves (unrestricted funds minus those related to fixed assets) were £7,220,723. 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 2018. 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

For 2019 the charity's main targets and areas of work are as follows (for more details see the 2019 [Targets](#) and [Plan & Budget](#)):

Goal 1: Producing evidence

- Continuing development of Cochrane's Systematic Review-producing Groups and Processes, through the development of the Review Group Networks and implementation of the CRG Transformation Programme.

- Implementation and ongoing development of Cochrane's new Content Strategy, including:
 - Implementing the Risk of Bias 2 tool (ROB2);
 - Scaling up Cochrane's 'Living Systematic Reviews';
 - Developing standards and scaling up our Network Meta-analysis (NMA);
 - Deciding whether to progress work on developing Rapid Reviews
 - Exploring the use of Clinical Study Reports as source data for drug intervention reviews.
- Assuring the quality and consistency of Cochrane's editorial process, by:
 - Developing an editorial charter that describes agreed expectations across Review Group Networks and CRGs to assure the equity and consistently high quality of editorial processes; and
 - Developing and implementing an agreed quality assurance process for high-profile reviews.
- Revising and completing Cochrane's Conflict of Interest policy (including financial and non-financial conflicts) and Scientific Misconduct policy.

Goal 2: Making our evidence accessible

- Making Cochrane Reviews more accessible to decision makers, by:
 - Developing a prioritised and costed list of potential changes to the structure and format of Cochrane Reviews with a proposed development and implementation plan to be undertaken over the course of three years.
- Reviewing Cochrane's approach to open access of Cochrane Reviews and datasets.

Goal 3: Advocating for evidence

- Continuing to deliver more features and enhancements in the Cochrane Library, with a focus on continuing to improve the discoverability, accessibility, usability and impact of our content.
 - Projects to be delivered in 2019 include PICO based search, RoB2, Living Systematic Reviews and the integration of Health Systems Evidence.
- Influencing health policy makers to use Cochrane evidence and new advocacy initiatives, by:
 - Strengthening Cochrane's capacity to support policy-makers and health policy managers in their uptake and use of Cochrane evidence applicable to their language and context;
 - Advocating for evidence-informed health care and the uptake of synthesized research evidence in health policy making and service planning.

Goal 4: Building an effective and sustainable organization

- Running an open, competitive tender process for Cochrane's future publishing arrangements from January 2021.
- Building capacity in the Cochrane Community to produce more complex reviews and undertake knowledge translation activities to increase the impact of our evidence.
- Evaluating, planning and beginning implementation of an improved Editorial Management System for Cochrane Review production, carried out in consultation with key Cochrane community stakeholder groups.
- Strengthening Cochrane as a global organization, through a series of initiatives including:
 - Establishing new Cochrane Networks in the US and China to extend Cochrane's global reach and facilitate the accessibility, use and uptake of Cochrane evidence in practice;
 - Promoting diverse participation within our organization;
 - Expanding equity in the content and accessibility of our work;
 - Supporting the next generation of Cochrane Contributors.

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 13,000 Cochrane members, 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 £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2018 was 12 (2017: 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 September 2017.

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



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Ms. Marguerite Koster, Trustee and Co-Chair

Date: 27 July 2019



Mr. Martin J. Burton, Trustee and Co-Chair

Date: 27 July 2019

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 2018 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 2018 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

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.

Use of our report

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.

A handwritten signature in black ink that reads "Sayer Vincent LLP". The signature is written in a cursive, flowing style.

Noelia Serrano (Senior statutory auditor)

12 August 2019

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 2018

	Note	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Income from:							
Donations and legacies	2	2,918	2,296	5,214	20,724	-	20,724
Charitable activities	3						
Publishing		8,116,118	-	8,116,118	6,995,170	-	6,995,170
Products		671,732	-	671,732	459,101	-	459,101
Future Technology		-	135,078	135,078	-	405,905	405,905
Other charitable activities		708,220	145,337	853,557	714,408	70,834	785,242
Investments	4	13,797	-	13,797	3,270	-	3,270
Total income		9,512,785	282,711	9,795,496	8,192,673	476,739	8,669,412
Expenditure on:							
Raising funds	5	185,240	-	185,240	321,871	-	321,871
Charitable activities							
Publishing		3,910,584	-	3,910,584	3,545,322	-	3,545,322
Products		1,085,069	-	1,085,069	628,037	-	628,037
Future Technology		483,136	113,309	596,445	615,438	389,176	1,004,614
Other charitable activities		2,697,678	6,408	2,704,086	2,469,825	137,093	2,606,918
Total expenditure		8,361,707	119,717	8,481,424	7,580,493	526,269	8,106,762
Net income / (expenditure) for the year	7	1,151,078	162,994	1,314,072	612,180	(49,530)	562,650
Transfers between funds		236,035	(236,035)	-	(15,100)	15,100	-
Net income / (expenditure) before other recognised gains and losses		1,387,113	(73,041)	1,314,072	597,080	(34,430)	562,650
Other (losses) / gains		(27,396)	-	(27,396)	(104,612)	79,081	(25,531)
Net movement in funds		1,359,717	(73,041)	1,286,676	492,468	44,651	537,119
Reconciliation of funds:							
Total funds brought forward		5,864,526	94,810	5,959,336	5,372,058	50,159	5,422,217
Total funds carried forward		7,224,243	21,769	7,246,012	5,864,526	94,810	5,959,336

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 21 to the financial statements.

The Cochrane Collaboration

Balance sheets

Company no. 3044323

As at 31 December 2018

	Note	The group 2018 £	2017 £	The charity 2018 £	2017 £
Fixed assets:					
Tangible assets	12	2,520	9,439	2,520	9,439
Investments	13	1,000	1,000	676,094	675,438
		<u>3,520</u>	<u>10,439</u>	<u>678,614</u>	<u>684,877</u>
Current assets:					
Debtors	16	2,579,283	1,602,455	2,722,894	1,536,945
Cash at bank and in hand	24	5,523,262	5,443,877	5,444,274	5,417,516
		<u>8,102,545</u>	<u>7,046,332</u>	<u>8,167,168</u>	<u>6,954,461</u>
Liabilities:					
Creditors: amounts falling due within one year	17	(860,053)	(1,097,435)	(844,606)	(875,083)
Net current assets		<u>7,242,492</u>	<u>5,948,897</u>	<u>7,322,562</u>	<u>6,079,378</u>
Total net assets	20	<u>7,246,012</u>	<u>5,959,336</u>	<u>8,001,176</u>	<u>6,764,255</u>
Funds:	21				
Restricted income funds		21,769	94,810	21,769	94,810
Unrestricted income funds:					
Designated funds		102,000	20,000	102,000	20,000
General funds		7,877,407	6,661,052	7,877,407	6,649,445
Non-charitable trading funds		(755,164)	(816,526)	-	-
Total unrestricted funds		<u>7,224,243</u>	<u>5,864,526</u>	<u>7,979,407</u>	<u>6,669,445</u>
Total funds		<u>7,246,012</u>	<u>5,959,336</u>	<u>8,001,176</u>	<u>6,764,255</u>

Approved by the trustees on

and signed on their behalf by



Ms Catherine Marshall
Trustee and Treasurer
27 July 2019

The Cochrane Collaboration

Consolidated statement of cash flows

For the year ended 31 December 2018

Reconciliation of net income to net cash flow from operating activities

	2018 £	2017 £
Net income for the reporting period (as per the statement of financial activities)	1,314,072	562,650
Depreciation charges	9,312	10,386
Dividends, interest and rent from investments	(13,797)	(3,270)
(Increase)/decrease in debtors	(976,828)	1,211,610
Decrease in creditors	(237,382)	(654,124)
Net cash provided by operating activities	95,377	1,127,252

	Note	2018 £	£	2017 £	£
Cash flows from operating activities	24				
Net cash provided by operating activities		95,377		1,127,252	
Cash flows from investing activities:					
Dividends, interest and rents from investments		13,797		3,270	
Purchase of fixed assets		(2,393)		(140)	
Net cash provided by investing activities		11,404		3,130	
Change in cash and cash equivalents in the year		106,781		1,130,382	
Cash and cash equivalents at the beginning of the year		5,443,877		4,339,026	
Change in cash and cash equivalents due to exchange rate movements		(27,396)		(25,531)	
Cash and cash equivalents at the end of the year	25	5,523,262		5,443,877	

The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2018

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

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.

The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2018

2 Income from donations and legacies

	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Gifts	2,918	2,296	5,214	20,724	-	20,724
	2,918	2,296	5,214	20,724	-	20,724

3 Income from charitable activities

	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Royalties from The Cochrane Library	6,869,065	-	6,869,065	6,527,609	-	6,527,609
John Wiley & Sons Development Grant	200,134	-	200,134	200,000	-	200,000
John Wiley & Sons contributions	975,000	-	975,000	267,561	-	267,561
Other	71,919	-	71,919	-	-	-
Sub-total for Publications	8,116,118	-	8,116,118	6,995,170	-	6,995,170
Cochrane Response	485,997	-	485,997	392,254	-	392,254
Other	185,735	-	185,735	66,847	-	66,847
Sub-total for Products	671,732	-	671,732	459,101	-	459,101
Gates Foundation	-	-	-	-	369,857	369,857
R W Johnson	-	135,078	135,078	-	36,048	36,048
Sub-total for Future Technology	-	135,078	135,078	-	405,905	405,905
Global Evidence Summit	-	-	-	660,065	69,834	729,899
The Cochrane Colloquium	696,232	-	696,232	-	-	-
EU – Health in my language	-	145,337	145,337	-	-	-
Other income	11,988	-	11,988	54,343	1,000	55,343
Sub-total for Other charitable activities	708,220	145,337	853,557	714,408	70,834	785,242
Total income from charitable activities	9,496,070	280,415	9,776,485	8,168,679	476,739	8,645,418

4 Income from investments

	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Bank interest	13,797	-	13,797	3,270	-	3,270
	13,797	-	13,797	3,270	-	3,270

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Notes to the financial statements

For the year ended 31 December 2018

5a Analysis of expenditure

	Cost of raising funds £	Charitable activities							2018 Total £	2017 Total £
		Publishing £	Products £	Future Technology £	Other charitable activities £	Governance costs £	Support costs £	2018 Total £		
Staff costs	-	1,029,767	146,870	-	59,830	-	2,456,801	3,693,268	3,459,774	
Other people costs	91,761	434,671	202,390	67,368	43,954	26,751	283,152	1,150,047	975,669	
Board and committee expenses	-	-	-	-	-	107,566	-	107,566	154,273	
Audit and accountancy	-	-	3,345	-	-	1,500	56,891	61,736	37,858	
Advertising and marketing	-	339	8,209	-	8,301	(43)	9,815	26,621	25,903	
Meetings and events costs	-	583	-	-	682,718	9,184	11,653	704,138	588,612	
IT costs	-	107,600	2,539	64,439	51,787	3,860	179,292	409,517	461,089	
Legal and professional	-	2,846	55	-	379	137,901	21,364	162,545	16,764	
Other direct costs	-	206,943	158,754	127,381	65,909	-	311,865	870,852	1,032,477	
Premises and office costs	-	833	365	-	8,997	108	324,904	335,207	333,310	
Travel costs	-	73,308	13,345	165	31,075	-	92,989	210,882	263,572	
Cochrane Community	-	80,175	-	36,102	386,529	92,986	56,667	652,459	747,735	
Other overheads	-	83	1,628	-	18	115	94,742	96,586	9,726	
	91,761	1,937,148	537,500	295,455	1,339,497	379,928	3,900,135	8,481,424	8,106,762	
Support costs	85,181	1,798,260	498,963	274,272	1,243,459	-	(3,900,135)	-	-	
Governance costs	8,298	175,176	48,606	26,718	121,130	(379,928)	-	-	-	
Total expenditure 2018	185,240	3,910,584	1,085,069	596,445	2,704,086	-	-	8,481,424	-	

Of the total expenditure in 2018, £8,361,706 was unrestricted and £119,717 was restricted.

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Notes to the financial statements

For the year ended 31 December 2018

5b Analysis of expenditure

	Cost of raising funds £	Charitable activities						2017 Total £
		Publishing £	Products £	Technology £	Other charitable activities £	Governance costs £	Support costs £	
Staff costs (Note 8)	-	1,067,376	119,299	-	104,023	-	2,169,076	3,459,774
Other people costs	163,192	158,721	148,419	140,617	64,047	54,205	246,468	975,669
Trustees' expenses	-	-	-	-	-	154,273	-	154,273
Audit and accountancy	-	-	-	-	-	-	37,858	37,858
Advertising and marketing	-	47	5,080	-	4,233	43	16,500	25,903
Meetings and events costs	6,733	3,367	1,632	-	565,565	3,705	7,610	588,612
IT costs	-	172,991	2,623	42,171	89,929	3,217	150,158	461,089
Legal and professional	-	24	1,149	-	400	111	15,080	16,764
Other direct costs	-	268,513	47,137	251,011	76,447	14,453	374,916	1,032,477
Premises and office costs	-	709	54	55	363	42	332,087	333,310
Travel costs	-	56,974	6,218	5,652	27,950	-	166,778	263,572
Cochrane Community (Note 6)	-	144,228	-	90,859	422,460	7,659	82,529	747,735
Other overheads including sundry write-offs	-	(1,271)	(52)	-	20,851	(767)	(9,035)	9,726
	169,925	1,871,679	331,559	530,365	1,376,268	236,941	3,590,025	8,106,762
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

Of the total expenditure in 2017, £7,580,493 was unrestricted and £526,269 was restricted.

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Notes to the financial statements

For the year ended 31 December 2018

6 Grant making

Total costs of £409,718 (2017: £386,867) within 'Cochrane Community' in Note 5 are grants made by The Cochrane Collaboration during the year.

	Grants to individuals	Grants to institutions	2018	2017
	£	£	£	£
Cost				
Publishing	-	-	-	125,129
Other charitable activities	2,764	372,485	375,249	216,554
Governance costs	5,175	40,000	45,175	13,319
Future Technology		20,007	20,007	
Support costs	15,329	196,698	212,027	31,865
At the end of the year	23,268	629,190	652,458	386,867

7 Net income for the year

This is stated after charging:

	2018	2017
	£	£
Depreciation	9,312	10,386
Operating lease rentals:		
Property	162,213	162,213
Auditor's remuneration (excluding VAT):		
Under Accrual of prior year	-	8,329
Audit	11,800	8,750
Other services	4,100	3,900
Foreign exchange losses	27,397	25,531

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

Staff costs were as follows:

	2018	2017
	£	£
Salaries and wages	3,149,197	3,023,178
Redundancy and termination costs	15,163	26,298
Social security costs	295,611	260,083
Employer's contribution to defined contribution pension schemes	233,293	150,215
	3,693,264	3,459,774

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Notes to the financial statements

For the year ended 31 December 2018

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:

	2018 No.	2017 No.
£60,000 – £69,999	6	4
£70,000 – £79,999	5	2
£80,000 – £89,999	2	2
£90,000 – £99,999	3	2
£130,000 – £139,999	–	1
£140,000 – £149,999	1	–
£160,000 – £169,000	1	1

The total employee benefits including pension contributions of the key management personnel were £936,973 (2017: £674,494).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £39,863 (2017: £11,755) incurred by 13 (2017: 10) 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:

	2018 No. Head count	2017 No. Head count	2018 No. FTE	2017 No. FTE
Publishing	18.1	17.0	18.1	14.0
Products	4.5	9.0	3.9	6.3
Other charitable activities	1.8	2.0	1.4	–
Support & Governance	40.2	36.0	36.8	30.0
	<u>64.6</u>	<u>64.0</u>	<u>60.2</u>	<u>50.3</u>

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 £nil (2017: £127,100) salaries and management fees to Cochrane Innovations Limited. At the end of the year, Cochrane Innovations Limited owed £136,090 (2017: £125,123) to the Cochrane Collaboration. In addition, £nil (2017: £368,975) of inter-company loan from the Cochrane Collaboration to Cochrane Innovations Limited was converted into shares.

At the year end, Collaboration Trading Limited owed £89,821 (2017: was due £106,278) to the Cochrane Collaboration.

The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2018

10 Related party transactions (continued)

During the year, the Cochrane Collaboration provided £631,420 (2017: £630,339) to Cochrane IKMD Denmark ApS. At the year end, the Cochrane Collaboration owed Cochrane IKMD Denmark ApS £124,862 (2017: £57,092).

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 £15,000 (2017: £5,000) and was commissioned for a consultancy assignment for £3,944 (2017: £9,750) by the Cochrane Collaboration. No funds were outstanding at the year end. Nancy resigned as a trustee in September 2018.

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 (2017: £5,000) and was commissioned for a consultancy assignment for £nil (2017: £29,000) by the Cochrane Collaboration. The Cochrane Collaboration also paid £28,888 (2017: £nil) for staff expenses and buy-outs. No funds were outstanding at the year end. Cynthia resigned as a trustee in September 2018.

Tracey Howe and Nicola Cullum, both trustees of the Cochrane Collaboration, are Professors at Manchester University. During the year the university received grant funding of £5,000 (2017: £nil) and was commissioned by the Cochrane Collaboration for £8,673 (2017: £7,439) 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 £nil (2017: £5,000). No funds were outstanding at the year end. Peter's appointment as a trustee ended in September 2018.

Martin Burton, a trustee of the Cochrane Collaboration, is a Director at UK Cochrane Centre, University of Oxford. During the year, Cochrane Collaboration paid for various research programmes and staffing costs, totalling £44,405 (2017: £nil). No funds were outstanding at the year end.

Joerg Meerpohl, a trustee of Cochrane Collaboration, is a Director at the Institute of Evidence in Medicine. During the year, the Institute received grant funding of £5,000 (2017: £nil). No funds were outstanding at the year end. Joerg resigned as a trustee in September 2018.

Jordi Pardo, a trustee of Cochrane Collaboration, is a Co-Managing Editor at Ottawa Hospital. During the year, Cochrane Collaboration paid £13,025 (2017: £0) in consultancy and personnel costs. No funds were outstanding at the year end.

Sally Green, a trustee of Cochrane Collaboration, is a Co-Director at Cochrane Australia Monash University. During the year, Cochrane Collaboration paid expenses and staffing costs totalling £38,709 (2017: £nil). No funds were outstanding at the year end.

The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2018

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 Company 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	23,357	26,112	20,397	69,866
Additions in year	2,393	-	-	2,393
At the end of the year	25,750	26,112	20,397	72,259
Depreciation				
At the start of the year	20,622	24,677	15,128	60,427
Charge for the year	2,707	1,435	5,170	9,312
At the end of the year	23,329	26,112	20,298	69,739
Net book value				
At the end of the year	2,421	-	99	2,520
At the start of the year	2,735	1,435	5,269	9,439

All of the above assets are used for charitable purposes.

13 Fixed asset investments

	The group 2018 £	2017 £	The charity 2018 £	2017 £
Investment in Collaboration Trading Company Limited	-	-	100	100
Investment in Cochrane Innovations Limited	-	-	669,075	669,075
Investment in Cochrane IKMD Denmark ApS	-	-	5,919	5,263
Other investments	1,000	1,000	1,000	1,000
	1,000	1,000	676,094	675,438

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 2018

14 Subsidiary undertakings

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	
	2018 £	2017 £	2018 £	2017 £	2018 £	2017 £
Turnover	-	-	186,683	161,102	706,442	630,339
Gross profit	-	-	186,683	161,102	706,442	630,339
Administrative expenses	-	-	(171,068)	(433,783)	(667,835)	(624,517)
Other operating income	-	-	(469)	-	(6,244)	-
Profit / (loss) on ordinary activities	-	-	15,146	(272,681)	32,363	5,822
Donation to parent undertaking	-	-	-	-	-	-
Profit / (loss) for the financial year	-	-	15,146	(272,681)	32,363	5,822
The aggregate of the assets, liabilities and funds was:						
Assets	91,721	198,875	151,742	90,988	130,198	57,092
Liabilities	(91,621)	(198,775)	(284,048)	(238,440)	(80,308)	-
Funds	100	100	(132,306)	(147,452)	49,890	57,092

The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2018

15 Parent charity

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

	2018 £	2017 £
Gross income	9,567,376	8,635,511
Result for the year	<u>1,252,049</u>	<u>797,659</u>

16 Debtors: falling due within one year

	The group		The charity	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	164,090	64,265	95,391	-
Other debtors	260,663	276,256	247,062	274,863
Prepayments	94,872	155,278	94,872	155,278
Accrued income	2,059,658	1,106,656	2,059,658	1,106,804
Amounts due from subsidiaries	-	-	225,911	-
	<u>2,579,283</u>	<u>1,602,455</u>	<u>2,722,894</u>	<u>1,536,945</u>

17 Creditors: amounts falling due within one year

	The group		The charity	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	102,732	226,310	102,732	211,559
Accruals	343,587	224,403	332,995	215,550
Deferred income (note 18)	70,824	231,077	16,500	32,477
Taxation and social security	75,887	79,619	73,194	72,933
Other creditors	151,153	34,155	71,969	34,157
VAT creditor	115,870	301,871	120,110	308,407
Amounts due to subsidiaries	-	-	127,106	-
	<u>860,053</u>	<u>1,097,435</u>	<u>844,606</u>	<u>875,083</u>

18 Deferred income

	The group		The charity	
	2018 £	2017 £	2018 £	2017 £
Balance at the beginning of the year	231,077	415,000	32,477	15,000
Amount released to income in the year	(160,253)	(415,000)	(15,977)	(15,000)
Amount deferred in the year	-	231,077	-	32,477
Balance at the end of the year	<u>70,824</u>	<u>231,077</u>	<u>16,500</u>	<u>32,477</u>

19 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 £233,293 (2017: £150,365). Contributions totalling £ 8,866 (2017: £34,157) were payable to the fund at the balance sheet date and are included in creditors.

The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2018

20a Analysis of group net assets between funds – current year

	General unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	2,520	–	–	2,520
Investments	1,000	–	–	1,000
Net current assets	7,118,723	102,000	21,769	7,242,492
Net assets at the end of the year	7,122,243	102,000	21,769	7,246,012

20b Analysis of group net assets between funds – prior 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	5,984,897
Net assets at the end of the year	5,844,526	20,000	94,810	5,959,336

21a 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 Technology					
R W Johnson	–	135,078	(113,309)	–	21,769
Gates Foundation	95,810	–	–	(95,810)	–
Other Charitable activities					
Awards, prizes and scholarships	(1,000)	–	–	1,000	–
Other–EU grant, Health in my Language	–	147,633	(6,408)	(141,225)	–
Total restricted funds	94,810	282,711	(119,717)	(236,035)	21,769
Unrestricted funds:					
Designated funds:					
Global Evidence Summit	–	–	–	82,000	82,000
Discretionary Fund	20,000	–	–	–	20,000
Total designated funds	20,000	–	–	82,000	102,000
General funds	5,844,526	9,512,785	(8,389,103)	154,035	7,122,243
Total unrestricted funds	5,864,526	9,512,785	(8,389,103)	236,035	7,224,243
Total funds	5,959,336	9,795,496	(8,508,820)	–	7,246,012

The transfers from restricted to unrestricted funds above represented expenditure incurred in 2017 relating to these funds which were absorbed by unrestricted funds in the previous year.

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For the year ended 31 December 2018

21b Movements in funds – prior 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

22 Purposes of restricted funds

R W Johnson – this is a grant which supports the development of Cochrane's next generation evidence system.

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.

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.

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.

23 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.

The Colloquium – 50% of the surplus from the 2018 has been designated for future Colloquia.

The Cochrane Collaboration

Notes to the financial statements

For the year ended 31 December 2018

24 Analysis of cash and cash equivalents	At 1 January 2018 £	Cash flows £	Other changes £	At 31 December 2018 £
Cash at bank and in hand	5,443,877	106,781	(27,396)	5,523,262
Total cash and cash equivalents	5,443,877	106,781	(27,396)	5,523,262

25 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	
	2018 £	2017 £
Less than one year	135,177	162,213
One to five years	-	135,177
	135,177	297,390

26 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.