

**Registered number: 03223265**  
**Charity number: 1117375**

**Harm Reduction International**  
**(A company limited by guarantee)**

**Trustees' report and financial statements**

**For the year ended 31 December 2017**

**Harm Reduction International**  
**(A company limited by guarantee)**

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**Harm Reduction International**  
**(A company limited by guarantee)**

**Reference and administrative details of the charity, its trustees and advisers**  
**For the year ended 31 December 2017**

<b>Trustees</b>	J Ryan, Chair S Mclean, Vice Chair P Haddad, Treasurer I Varentsov, Secretary Prof P O'Hare A Crocket (appointed 1 January 2017) O Byelyaeva (appointed 14 July 2017) J P Kools (resigned 1 December 2017) R Pearman (resigned 1 December 2017)
<b>Company registered number</b>	03223265
<b>Charity registered number</b>	1117375
<b>Registered office</b>	Unit 2C09 South Bank Technopark 90 London Road London SE1 6LN
<b>Company secretary</b>	I Varentsov
<b>Executive director</b>	R Lines
<b>Independent auditors</b>	Kreston Reeves LLP Chartered Accountants Statutory Auditor Third Floor 24 Chiswell Street London EC1Y 4YX
<b>Bankers</b>	National Westminster Bank Plc PO Box 1264 4th Floor 1 Princes Street London EC2R 8PB
<b>Solicitors</b>	Bates Wells & Braithwaite London LLP 2-6 Cannon Street London EC4M 6YH

**Harm Reduction International**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the year ended 31 December 2017**

The Trustees present their annual report together with the audited financial statements of for the year 1 January 2017 to 31 December 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**Objectives and Activities**

● **Policies and objectives**

In setting objectives and planning for activities, the Trustees have given due regard to the general guidance published by the Charity Commission relating to public benefit. In planning for the future, we therefore seek to promote public health policies and practices that are based on scientific evidence and compliant with international human rights obligations. In doing so, we promote health responses to drug use and drug related harms (i.e. HIV, viral hepatitis, overdose) that are effective in terms of health outcomes and costs, and that respect and protect the rights of vulnerable populations and communities that are most affected by drug use and HIV. There are no potential harms arising from our aims.

*Charitable Objectives*

The Objectives of HRI are to promote evidence-based and human rights compliant public health policy and practice by:

- (a) undertaking research into drug use, drug related harm and evidence based public health responses to drug use, drug enforcement and public health,
- (b) undertaking research on human rights issues relating to drug use, drug enforcement and public health
- (c) promoting policies and strategies to reduce the negative health and social consequences associated with drug use,
- (d) educating the public, national and international agencies involved in reducing the negative health and social consequences associated with drug use,
- (e) disseminating and sharing information with national and international agencies involved in reducing the negative health and social consequences associated with drug use, and
- (f) supporting the involvement of civil society, including the perspectives of people who use drugs within national and international policy and decision making on drug related issues.

*Principal activities*

The main activities of HRI are:

- a) The provision of information
- b) Research and policy analysis about harm reduction and human rights
- c) Campaigns and engagement with policy makers
- d) Strengthening our civil society partners

**Harm Reduction International**  
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**Trustees' report (continued)**  
**For the year ended 31 December 2017**

*Aims*

HRI's vision is a world in which individuals and communities benefit from drug laws, policies and practices that promote health, dignity and human rights. We work to reduce drug related harms by promoting evidence based public health policy and practices and human rights based approaches to drug policy through an integrated programme of research, analysis, advocacy and civil society strengthening.

We seek to ensure that multilateral agencies, major donors, national governments and major non governmental organisations have in place and implement policies and programmes which promote and support harm reduction for psychoactive substances, including interventions, delivery and best practice at international, national and regional levels. We also promote the involvement of civil society organisations, including the perspectives of people who use drugs, within national and international policy and decision making on drug related issues.

In shaping the objectives for the year and planning the charity's activities, the members referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

● **Activities for achieving objectives**

We promote public health legislation, policy and practice that is based on scientific evidence and compliant with international human rights obligations. In doing so, we promote public health responses to drug use and drug related harms (i.e. HIV, viral hepatitis, overdose) that are effective in terms of health outcomes and costs, and that respect and protect the rights of vulnerable populations and communities that are most affected by drug use and HIV. There are no potential harms arising from our aims.

Through our efforts to promote evidence based and human rights compliant approaches to drug use and drug related harms, our work benefits the public at large through improved overall public health standards and outcomes. Our work also benefits specific vulnerable groups (i.e. people who use drugs, people living with HIV) by promoting better quality and more responsive health care services specific to the needs of these populations. In both of these regards, our work produces benefit on a global basis.

Our main objective is to promote a conducive international environment for the implementation and scaling up of harm reduction policies and programmes. To advance this objective, we pursue a diverse programme of activities including research and policy analysis, engagement with national and international policy makers, information dissemination and exchange, support for new harm reduction networks and organising international events.

Volunteers make an important contribution to our work in various capacities, including Board Members, postgraduate research interns and conference assistants.

● **Achievements and performance**

The year 2017 was a successful one for HRI, during which time we advanced a number of core activities.

In May we hosted our 25th international conference in Montreal. This was a major milestone for both our organisation and our sector, and the event drew over 1000 delegates from more than 70 countries.

HRI was active in international policy making arenas, and were well represented at key United Nations events during the year, including the annual meeting of the UN Commission on Narcotic Drugs and the meetings of the UNAIDS Programme Coordinating Board. We also participated as members of key advisory groups including the Strategic Advisory Group to the United Nations on HIV and Drug Use and the Civil Society Advisory Group to the HIV Programme of the UN Office on Drugs and Crime. We also collaborated regularly throughout the year with other key UN partners including the World Health Organization, the Office of the UN High Commissioner on Human Rights and the United Nations Development Program to advance and promote our core issues and charitable objectives.

**Harm Reduction International**  
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**Trustees' report (continued)**  
**For the year ended 31 December 2017**

HRI published a major research report 'Harm reduction investment in the European Union', produced in collaboration with partners in a number of EU countries, and was released at a day-long seminar event in Brussels. HRI also initiated work on the next edition of 'The Global State of Harm Reduction', our flagship publication. This biennial report will be released in 2018.

We worked with our partners around the world – including harm reduction organisations and networks, drug user activists, human rights defenders and multilateral agencies/donors – to promote an increased international commitment to harm reduction, with a particular focus on the need for increased international and national investment in harm reduction services. The central element of this work was our ongoing '10 by 20 campaign', which calls on governments to redirect 10% of the resources that they currently spend in the war on drugs to harm reduction. We raised drugs and human rights issues at international political forums, including the UN Human Rights Council, the UN Commission on Narcotic Drugs, the UNAIDS Programme Coordinating Board, the Global Fund and the European Union.

Following an open tendering process, we selected Porto, Portugal as host city for our 26th international conference, to be held in May 2019.

**Financial review**

● **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

● **Reserves policy**

The Board and Executive Director seek to build and maintain the organisational reserves to a level that is at least equivalent to three months operational expenditure. The Board and Executive Director recognise that achieving this objective requires a commitment over time, and seek to increase the total reserve fund annually, based on budgeting and the availability of unrestricted funds for this purpose. The current status of the reserves fund, as well as the forecast for increasing the fund, is reviewed annually by the Board and Executive Director.

● **Principal funding**

HRI's principal funders for 2017 were the Open Society Foundations, the European Commission, the Robert Carr Civil Society Networks Fund, the MAC AIDS Fund, the Elton John AIDS Foundation and various United Nations agencies. We also receive grant income as part of our work from the International HIV/AIDS Alliance, from memberships, unrestricted donations and conference income. A percentage of HRI's core operational running costs are funded via designated budget lines within restricted grants. This may manifest itself in the end-of-year accounts as a perceived 'overspend' in unrestricted funding.

● **International conference**

HRI organises a major international conference every two years. As a consequence, the annual turnover recorded in our accounts will increase or decrease each year, depending whether the year in question is a conference year or not.

## **Structure, governance and management**

- **Constitution**

### *Governing Document*

HRI is a charitable company. It is a company limited by guarantee registered in England and Wales (No 03223265) and incorporated on the 11 July 1996. It is also a charity registered in England and Wales (No 1117375) and was registered with the Charity Commission on 22 December 2006. Members of the Board are directors of the company and Trustees of the charity. HRI's legal documents are the Memorandum of Association, which sets out the reasons for establishing the company, and the Articles of Association, which are our rules. In the event of the company being wound up, all members present and 12 months past are required to contribute an amount not exceeding £1.

- **Method of appointment or election of Trustees**

The minimum number of Trustees is six and the maximum is twelve. Trustees are appointed for three years and may stand for re election. HRI follows a foundation model of governance in which the Trustees are the members. New Trustees are appointed by a decision of the Trustees, passed by a majority of two-thirds of the total number of sitting Trustees. Appointments are made at the Annual General Meeting which is held once in every calendar year.

- **Policies adopted for the induction and training of Trustees**

Trustees are provided with an induction document giving the history, aims and objectives of HRI, the governance structure, and details of their responsibilities as trustees and are directed to the appropriate section of the Charity Commission's website. They are also required to sign a trustee Code of Conduct, which also highlights potential areas where conflicts of interest may arise.

- **Pay policy for senior staff**

Salary for all staff (other than the Executive Director) is set using a salary banding system, which is based upon established market rates. Salary for the Executive Director is set by the Board of Trustees.

- **Organisational structure and decision making**

The governing body is the Board of Trustees. Trustees have ultimate responsibility for directing the affairs of HRI, ensuring that it is solvent, well run and delivering the charitable outcomes for the benefit of the public for which it was set up. The main areas of responsibility are compliance, prudence and a duty of care. Trustees set the overall strategic direction of the Association. The Board of Directors meets face-to-face twice annually, for two days at a time. Should additional meetings be required, these are organised on an 'as needed' basis via teleconference.

A Board Executive Committee, made up of the four elected Officers, meets monthly via teleconference with the Executive Director and Finance Manager to review operations and manage accounts.

Operational decisions are the responsibility of the Executive Director. The Executive Director reports to the Board and is responsible to the Chair of Trustees. The Executive Director is responsible for hiring and managing all staff.

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**Trustees' report (continued)**  
**For the year ended 31 December 2017**

- **Related party relationships**

HRI works with a large number of NGOs around the world, mainly working in the field of HIV/AIDS, human rights and drug policy. These informal relationships are orientated around joint research initiatives and opportunities to engage in collaborative efforts to promote harm reduction. HRI has close working relationships with regional harm reduction networks in Eurasia, the Middle East and North Africa, the European Union and North America. These are separate bodies but with similar aims and objectives as HRI. HRI also works closely with organisations promoting harm reduction, including organisations of people who use drugs and people living with HIV.

- **Risk management**

*Reputation*

HRI works in areas that may be deemed by some to be controversial - reducing risks from drug use, and promoting the human rights of people who use drugs. Activities with potential risks to our reputation are referred by the Executive Director to HRI's Board of Directors. We have a policy of not accepting funding from tobacco companies and alcohol beverage companies.

*Financial*

As a small organisation we are particularly vulnerable to changes in income. These are managed through the annual budgeting and accounting systems, quarterly financial reports which are submitted to the Board of Directors and financial oversight by the Treasurer and Board Executive Committee.

**Plans for future periods**

- **Future developments**

HRI's current strategic plan runs from 2014-17. The strategy focuses on three core areas of activity:

- To contribute towards increased recognition at the international level of the value and effectiveness of harm reduction approaches
- To contribute towards an increased understanding of the funding environment for harm reduction and the benefits of increased investment
- To strengthen and modernise HRI's governance and strengthen HRI's funding base to support institutional capacity and stability

The degree to which these activities flourish will be largely affected by our success in fundraising and income generation.

In 2017, HRI initiated a process to develop our new strategic plan to run from 2018-2020. This plan will be completed and approved by the Trustees in 2018.



**Harm Reduction International**  
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**Trustees' report (continued)**  
**For the year ended 31 December 2017**

**Trustees' responsibilities statement**

The Trustees (who are also directors of Harm Reduction International for the purposes of company law) are responsible for preparing the Trustees' report and the 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

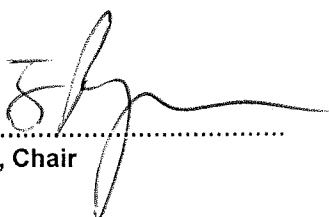
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing have report and to establish that the charitable company's auditors are aware of that information.

**Auditors**

The charity's auditors, Kreston Reeves LLP, will be proposed for reappointment at the charity's annual general meeting.

This report was approved by the Trustees, on 4 May 18 and signed on their behalf by:

  
.....  
J Ryan, Chair

**Harm Reduction International**  
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**Independent auditors' report to the members of Harm Reduction International**

**Opinion**

We have audited the financial statements of Harm Reduction International (the 'charity') for the year ended 31 December 2017 set out on pages 11 to 28. 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 charitable company's affairs as at 31 December 2017 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**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. 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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.

**Harm Reduction International**  
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**Independent auditors' report to the members of Harm Reduction International**

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.

**Opinion 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' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law 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' report and from the requirement to prepare a Strategic report.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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**Independent auditors' report to the members of Harm Reduction International**

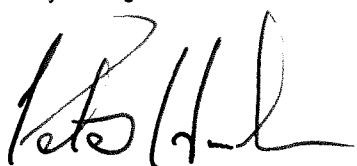
**Auditors' responsibilities for the audit of the financial statements**

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 Auditors' 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Peter Hudson BA FCA (Senior statutory auditor)

for and on behalf of

**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor

London

Date: 4 May 2018

**Harm Reduction International**  
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**Statement of financial activities incorporating income and expenditure account**  
**For the year ended 31 December 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>					
Donations and legacies	3	100	-	100	-
Charitable activities	5	759,318	560,822	1,320,140	474,090
Investments	4	20	-	20	69
<b>Total income</b>		<u>759,438</u>	<u>560,822</u>	<u>1,320,260</u>	<u>474,159</u>
<b>Expenditure on:</b>					
Charitable activities	10	668,340	529,607	1,197,947	774,702
<b>Total expenditure</b>	6	<u>668,340</u>	<u>529,607</u>	<u>1,197,947</u>	<u>774,702</u>
<b>Net income / (expenditure) before transfers</b>		<u>91,098</u>	<u>31,215</u>	<u>122,313</u>	<u>(300,543)</u>
Transfers between Funds	16	(37,254)	37,254	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<u>53,844</u>	<u>68,469</u>	<u>122,313</u>	<u>(300,543)</u>
<b>Net movement in funds</b>		<u>53,844</u>	<u>68,469</u>	<u>122,313</u>	<u>(300,543)</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		23,825	31,411	55,236	355,779
<b>Total funds carried forward</b>		<u><u>77,669</u></u>	<u><u>99,880</u></u>	<u><u>177,549</u></u>	<u><u>55,236</u></u>

The notes on pages 14 to 28 form part of these financial statements.

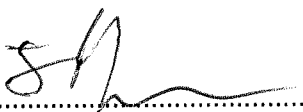
**Harm Reduction International**  
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**Registered number: 03223265**

**Balance sheet**  
**As at 31 December 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	13	1,538	5,170
<b>Current assets</b>			
Debtors	14	29,881	171,478
Cash at bank and in hand		659,624	263,228
		<u>689,505</u>	<u>434,706</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(513,494)</u>	<u>(384,640)</u>
<b>Net current assets</b>		<u>176,011</u>	<u>50,066</u>
<b>Net assets</b>		<u>177,549</u>	<u>55,236</u>
<b>Charity Funds</b>			
Restricted funds	16	99,880	31,411
Unrestricted funds	16	77,669	23,825
<b>Total funds</b>		<u>177,549</u>	<u>55,236</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 4 May 2018 and signed on their behalf, by:

  
 .....  
**J Ryan, Chair**

The notes on pages 14 to 28 form part of these financial statements.

**Harm Reduction International**  
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**Statement of cash flows**  
**For the year ended 31 December 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	<u>396,870</u>	<u>(423,619)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		20	69
Purchase of tangible fixed assets		<u>(494)</u>	<u>(3,251)</u>
<b>Net cash used in investing activities</b>		<u>(474)</u>	<u>(3,182)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>396,396</b>	<b>(426,801)</b>
Cash and cash equivalents brought forward		<u>263,228</u>	<u>690,029</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>659,624</u></u>	<u><u>263,228</u></u>

The notes on pages 14 to 28 form part of these financial statements.

**Harm Reduction International**  
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**Notes to the financial statements**  
**For the year ended 31 December 2017**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Harm Reduction International meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Company status**

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**1.3 Going concern**

The financial statements have been based on the expectation of the Charity continuing as a going concern for the next 12 months. The Trustees believe that there are no uncertainties regarding the accounts being prepared on a going concern basis.

**1.4 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.



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**Notes to the financial statements**  
**For the year ended 31 December 2017**

**1. Accounting policies (continued)**

**1.5 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant. Income is only deferred when:

- the donor specifies the grant of donation must only be used in future accounting period, or
- the donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Grant income received under contract or where entitlement to the funding is subject to performance and specific deliverables conditions, is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Conference income is recognised as and when the actual event takes place.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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**Notes to the financial statements**  
**For the year ended 31 December 2017**

**1. Accounting policies (continued)**

**1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at the registered office. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.7 Cash flow**

The charity has prepared a cashflow statement and related notes inline with SORP.

**1.8 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	25% reducing balance
Computer equipment	-	25% on cost

**1.9 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.

**1.10 Debtors**

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

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**Notes to the financial statements**  
**For the year ended 31 December 2017**

**1. Accounting policies (continued)**

**1.11 Cash at Bank and in hand**

Cash at bank and 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.

**1.12 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.13 Financial instruments**

The charity 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.

**1.14 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

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

Exchange gains and losses are recognised in the Statement of financial activities incorporating income and expenditure account.

**1.15 Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

No significant judgements have been made by management in preparing these financial statements and there are no key sources of estimation uncertainty.

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**Notes to the financial statements**  
**For the year ended 31 December 2017**

**3. Income from donations and legacies**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Sundry income	100	-	100	-

**4. Investment income**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest received	20	-	20	69
Total 2016	69	-	69	

**5. Income from charitable activities**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Project work	203,161	383,062	586,223	473,504
Conferences & support	556,157	177,760	733,917	586
	759,318	560,822	1,320,140	474,090
Total 2016	179,706	294,384	474,090	

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**Notes to the financial statements**  
**For the year ended 31 December 2017**

**6. Analysis of Expenditure by expenditure type**

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Project work	424,433	4,126	437,837	866,396	695,700
Conferences & support	-	-	321,378	321,378	61,541
<b>Charitable activities</b>	<b>424,433</b>	<b>4,126</b>	<b>759,215</b>	<b>1,187,774</b>	<b>757,241</b>
<b>Expenditure on governance</b>	<b>-</b>	<b>-</b>	<b>10,173</b>	<b>10,173</b>	<b>17,461</b>
	<b>424,433</b>	<b>4,126</b>	<b>769,388</b>	<b>1,197,947</b>	<b>774,702</b>
Total 2016	461,110	963	312,629	774,702	

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Project work	704,760	161,636	866,396	695,700
Conferences & support	118,341	203,037	321,378	61,541
<b>Total 2017</b>	<b>823,101</b>	<b>364,673</b>	<b>1,187,774</b>	<b>757,241</b>
Total 2016	620,869	136,372	757,241	

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**8. Activities directly undertaken**

	Project work £	Conference & support £	Total 2017 £	Total 2016 £
Other staff costs	-	-	-	780
Project expenses	143,879	-	143,879	23,940
Travelling costs	72,201	-	72,201	69,390
Consultancy fees	48,207	-	48,207	58,487
Recruitment and training costs	3,630	-	3,630	1,494
Journals and subscription costs	1,008	-	1,008	1,387
Meeting expenses	169	-	169	1,815
Legal, professional and regulatory fees	11,233	-	11,233	2,466
Conference expenses	-	16,018	16,018	-
Conference Scholarships	-	102,323	102,323	-
Wages and salaries	372,170	-	372,170	392,126
National insurance	35,606	-	35,606	46,257
Pension cost	16,657	-	16,657	22,727
	<u>704,760</u>	<u>118,341</u>	<u>823,101</u>	<u>620,869</u>
Total 2016	<u>587,259</u>	<u>33,610</u>	<u>620,869</u>	

**9. Support costs**

	Project work £	Conference & support £	Total 2017 £	Total 2016 £
Other staff costs	-	122,867	122,867	9,171
Project expenses	62	-	62	-
Travelling costs	-	13,551	13,551	-
Advertising and promotion costs	-	16,866	16,866	17,480
Meeting expenses	17,737	344	18,081	17,606
Legal, professional and regulatory fees	6,108	-	6,108	3,180
Foreign exchange gains/losses	13,611	-	13,611	(22,810)
Support costs	585	-	585	585
Rent	36,694	-	36,694	36,409
Insurance	8,434	-	8,434	3,397
Printing, postage and stationery	12,338	-	12,338	8,127
Communications	13,804	31,998	45,802	3,420
Repairs and maintenance	1,517	-	1,517	682
Website maintenance and computer running costs	9,686	14,454	24,140	32,586
Office expenses	36,934	-	36,934	31,313
Bank charges	-	2,957	2,957	2,766
Depreciation	4,126	-	4,126	963
	<u>161,636</u>	<u>203,037</u>	<u>364,673</u>	<u>144,875</u>
Total 2016	<u>108,441</u>	<u>27,931</u>	<u>136,372</u>	

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**Notes to the financial statements**  
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**10. Governance costs**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Auditors' remuneration	<u>10,173</u>	-	<u>10,173</u>	<u>8,958</u>

**11. Staff costs**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	372,170	392,126
Social security costs	35,606	46,257
Other pension costs	16,657	22,727
	<u>424,433</u>	<u>461,110</u>

The average number of persons employed by the charity during the year was as follows:

	2017 No.	2016 No.
Project work	10	11
Administrative	1	1
	<u>11</u>	<u>12</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Average headcount	11	12

The number of higher paid employees was:

	2017 No.	2016 No.
In the band £80,001 - £90,000	1	1

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**Notes to the financial statements**  
**For the year ended 31 December 2017**

**12. Net income/(expenditure)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	4,126	2,526
Auditors' remuneration - audit	10,173	8,958
	<u>14,299</u>	<u>11,484</u>

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

4 Trustees received reimbursement of expenses amounting to £7387 in the current year, (2016 - 7 Trustees - £17606).

**13. Tangible fixed assets**

	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2017	1,083	15,782	16,865
Additions	-	494	494
At 31 December 2017	<u>1,083</u>	<u>16,276</u>	<u>17,359</u>
<b>Depreciation</b>			
At 1 January 2017	627	11,068	11,695
Charge for the year	113	4,013	4,126
At 31 December 2017	<u>740</u>	<u>15,081</u>	<u>15,821</u>
<b>Net book value</b>			
At 31 December 2017	<u>343</u>	<u>1,195</u>	<u>1,538</u>
At 31 December 2016	<u>456</u>	<u>4,714</u>	<u>5,170</u>

**14. Debtors**

	2017 £	2016 £
Trade debtors	14,592	4,257
Other debtors	2,889	27,052
Prepayments and accrued income	12,400	140,169
	<u>29,881</u>	<u>171,478</u>



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**Notes to the financial statements**  
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**15. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	4,633	25,066
Other taxation and social security	-	11,376
Other creditors	281	9,941
Accruals and deferred income	508,580	338,257
	<u>513,494</u>	<u>384,640</u>
		£
<b>Deferred income</b>		
Deferred income at 1 January 2017		323,585
Resources deferred during the year		365,891
Amounts released from previous years		(203,276)
		<u>486,200</u>

Deferred income comprises funding received in advance in respect of project expenses.

**16. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
<b>Designated funds</b>					
Project fund	25,000	-	-	30,000	55,000
	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>55,000</u>
<b>General funds</b>					
General Funds - Core	60,366	203,281	(261,223)	20,245	22,669
General Fund - Conference	(61,541)	556,157	(407,117)	(87,499)	-
	<u>(1,175)</u>	<u>759,438</u>	<u>(668,340)</u>	<u>(67,254)</u>	<u>22,669</u>
Total Unrestricted funds	<u>23,825</u>	<u>759,438</u>	<u>(668,340)</u>	<u>(37,254)</u>	<u>77,669</u>

*Designated funds*

The Trustees have designated £30,000 in the year, a total of £55,000 fund to assist with financing future projects.

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**Notes to the financial statements**  
**For the year ended 31 December 2017**

**16. Statement of funds (continued)**

*Restricted funds*

EC Harm Reduction Works!- European Union funded project to research and monitor financial support for harm reduction in EU member states. There was a return of £20,508 of the grant on projects that were not delivered, inline with the grant agreement.

EJAF Grant for 10 by 20: Elton John AIDS Foundation grant to support work on increasing international tuning for harm reduction.

GSHR 2016 Foreign Office for Public Health – Grant from the Swiss Government for the Global State of Harm Reduction report 2016

Conference 2017: Harm Reduction International's 25th international conference, held in Montreal

GSHR 2016-Global Fund to Fight Aids-Grant from the Global Fund to Fight Aids, Tuberculosis and Malaria for the Global State of Harm Reduction report 2016

Robert Carr 2016-17 – Grant to support HRI campaigns

EC Death Penalty - European Union funded project to support HRI's death penalty for drugs research project.

Global Fund/Alliance India - Funding to support research on harm reduction in seven countries in Asia

GSHR 2018: Swiss Federal office of Public Health Grant from the Swiss Government for the Global State of Harm Reduction report 2018

*Transfers between funds*

Any restricted fund project surpluses or deficits that have come to an end as at the year end date are transferred from the core funding reserves in the year, amounting to £37,254, as detailed below.

**Restricted funds**

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
EC Death Penalty	-	247,780	(169,958)	-	77,822
Global Fund	-	58,828	(44,322)	-	14,506
EC Harm Reduction Works	-	(20,508)	(13,615)	34,123	-
Conference 2017	-	177,760	(177,760)	-	-
GSHR 2018: Swiss Federal Office of public health	-	7,552	-	-	7,552
GSHR-Global Fund to Fight AIDS	-	38	-	(38)	-
EJAF 2016-17	-	7,907	(28,318)	20,411	-
Robert Carr 2016-17	31,411	81,465	(95,634)	(17,242)	-
	<u>31,411</u>	<u>560,822</u>	<u>(529,607)</u>	<u>37,254</u>	<u>99,880</u>
Total of funds	<u>55,236</u>	<u>1,320,260</u>	<u>(1,197,947)</u>	<u>-</u>	<u>177,549</u>

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**Notes to the financial statements**  
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**16. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2016 £
<b>Designated funds</b>					
Project fund	25,000	-	-	-	25,000
	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
<b>General funds</b>					
General Funds - Core	89,995	179,775	(243,758)	34,354	60,366
General Fund - Conference	-	-	(61,541)	-	(61,541)
	<u>89,995</u>	<u>179,775</u>	<u>(305,299)</u>	<u>34,354</u>	<u>(1,175)</u>
Total Unrestricted funds	<u>114,995</u>	<u>179,775</u>	<u>(305,299)</u>	<u>34,354</u>	<u>23,825</u>
<b>Restricted funds</b>					
	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2016 £
EC Prison	27,517	6,293	(62,335)	28,525	-
EC Death Penalty	11,050	13,751	(25,896)	1,095	-
Robert Carr	45,336	48,757	(3,394)	(90,699)	-
UNGASS	5,317	-	-	(5,317)	-
Geneva PCB Grant UNODC	4,722	-	-	(4,722)	-
Carol and Travis Jenkins memorial fund	2,801	-	-	(2,801)	-
UN Aids Kids 2013	10,370	-	-	(10,370)	-
OSF grant for photos at CND	8,168	-	-	(8,168)	-
EC Harm Reduction Works	125,503	25,728	(168,210)	16,979	-
GSHR General	-	-	(9,054)	9,054	-
GSHR 2016 Federal office	-	17,991	(17,991)	-	-
GSHR UN Aids Grant	-	11,145	(11,145)	-	-
Aids Alliance	-	29,887	(35,410)	5,523	-
Euro HRN II	-	-	(23,940)	23,940	-
GSHR-Global Fund to Fight AIDS	-	15,000	(15,000)	-	-
EJAF 2016-17	-	-	(2,607)	2,607	-
Robert Carr 2016-17	-	108,332	(76,921)	-	31,411
WHO Grant for GSHR 16	-	17,500	(17,500)	-	-
	<u>240,784</u>	<u>294,384</u>	<u>(469,403)</u>	<u>(34,354)</u>	<u>31,411</u>
Total of funds	<u>355,779</u>	<u>474,159</u>	<u>(774,702)</u>	<u>-</u>	<u>55,236</u>

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Notes to the financial statements  
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16. Statement of funds (continued)

Summary of funds - current year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
Designated funds	25,000	-	-	30,000	55,000
General funds	(1,175)	759,438	(668,340)	(67,254)	22,669
	<u>23,825</u>	<u>759,438</u>	<u>(668,340)</u>	<u>(37,254)</u>	<u>77,669</u>
Restricted funds	31,411	560,822	(529,607)	37,254	99,880
	<u>55,236</u>	<u>1,320,260</u>	<u>(1,197,947)</u>	<u>-</u>	<u>177,549</u>

Summary of funds - prior year

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2016 £
Designated funds	25,000	-	-	-	25,000
General funds	89,995	179,775	(305,299)	34,354	(1,175)
	<u>114,995</u>	<u>179,775</u>	<u>(305,299)</u>	<u>34,354</u>	<u>23,825</u>
Restricted funds	240,784	294,384	(469,403)	(34,354)	31,411
	<u>355,779</u>	<u>474,159</u>	<u>(774,702)</u>	<u>-</u>	<u>55,236</u>

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Notes to the financial statements  
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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	1,538	-	1,538
Current assets	589,625	99,880	689,505
Creditors due within one year	(513,494)	-	(513,494)
	<u>77,669</u>	<u>99,880</u>	<u>177,549</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	5,170	-	5,170
Current assets	396,958	37,748	434,706
Creditors due within one year	(378,303)	(6,337)	(384,640)
	<u>23,825</u>	<u>31,411</u>	<u>55,236</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	122,313	(300,543)
<b>Adjustment for:</b>		
Depreciation charges	4,126	2,526
Interest received	(20)	(69)
Decrease/(increase) in debtors	141,597	(11,885)
Increase/(decrease) in creditors	128,854	(113,648)
<b>Net cash provided by/(used in) operating activities</b>	<u>396,870</u>	<u>(423,619)</u>

19. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	659,624	263,228
<b>Total</b>	<u>659,624</u>	<u>263,228</u>

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**Notes to the financial statements**  
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**20. Pension commitments**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £16,657 (2016: £22,727). Amounts payable as at the year end in relation to the pension scheme were £281 (2016: £9,941).

**21. Related party transactions**

At the year end there was £nil (2016: £147) owed to the company by key management personnel. This amount is included within trade creditors in Note 15. Key management personnel remuneration in the year amounted to £84,875 (2016: £84,875)

**22. Controlling party**

The Charity is controlled by its Trustees.