

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 2019

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 2019**

Trustees J Ryan, Chair
S McLean, Vice Chair (Resigned 8 November 2019)
P Haddad, Treasurer
I Varentsov, Secretary
Prof P O'Hare
A Crocket (Resigned 25 September 2019)
O Belyaeva
A L M Burns (Appointed 5 June 2019)
S Kailasapathy, Vice Chair (Appointed 5 June 2019)
K N Koram (Appointed 13 May 2020)
A M Stevens (Appointed 13 May 2020)

**Company registered
number** 03223265

**Charity registered
number** 1117375

Registered office 61 Mansell Street
Aldgate
London
E1 8AN

Company secretary I Varentsov

Executive director Naomi Burke-Shyne

Independent auditors Kreston Reeves LLP
Chartered Accountants
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Bankers National Westminster Bank Plc
PO Box 1264
4th Floor
1 Princes Street
London
EC2R 8PB

Solicitors 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 2019

The Trustees present their annual report together with the audited financial statements of Harm Reduction International for the year ended 31 December 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

Since the charity qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. 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) 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

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.

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Trustees' report (continued)
for the year ended 31 December 2019

Objectives and activities (continued)

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, regional and national 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.

b. 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 scale 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.

c. Achievements and performance

The year 2019 was a successful one for HRI, during which time we made progress against our strategic objectives. Broadly, we worked with our partners around the world – including harm reduction networks, the community of people who use drugs, human rights defenders, key United Nations partners (the World Health Organization, UNAIDS, UNODC and the Office of the UN High Commissioner for Human Rights) and donors – drawing on the evidence base to make the case for harm reduction, for greater funding for harm reduction, and for the rights of people who use drugs.

HRI was active in international policy making arenas in 2019, including at key United Nations and multilateral events. HRI participated as members of key advisory groups the Vienna NGO Committee and the Civil Society Taskforce on Drugs and the World Health Organisation Working Group on Hepatitis and Substance Use. HRI is an invited, expert member of the Strategic Advisory Group to the United Nations on HIV and Drug Use.

Our 2019 conference (HR19) was held in Porto, Portugal from 28 April to 1 May 2019, in partnership with local agency APDES (Agência Piaget para o Desenvolvimento).

HRI published major research in 2019, including:

- the first ever key data annual update to the Global State of Harm Reduction;
- global mapping of the death penalty for drug offences (Global Overview 2018); and
- briefing notes on the specific vulnerability of women and foreign migrants on death row for drug offences.

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Trustees' report (continued)
for the year ended 31 December 2019

Financial review

a. 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.

Since the balance sheet date, the world has been struck by the COVID-19 pandemic. Trustees and management are working together to address the issues resulting from the pandemic and do not expect it to have a material effect on the charity's ability to continue operating.

b. Reserves policy

The Board and Executive Director seek to 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. 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.

c. Principal funding

HRI's principal funders for 2019 were the Open Society Foundations, the European Commission, the Robert Carr Fund, the Global Fund for AIDS, TB and Malaria, MAC AIDS Fund, and the Elton John AIDS Foundation. We also receive contributions from UN agencies from time to time (in 2019, these were related to the Harm Reduction International conference) and (minor) income from unrestricted donations/fundraising.

d. Harm Reduction 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

a. Constitution

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.

b. Methods 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 meetings of the Trustees.

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Trustees' report (continued)
for the year ended 31 December 2019

Structure, governance and management (continued)

c. 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 Directors,

d. Organisational structure and decision making

The governing body is the Board of Directors which comprises all 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 regularly 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.

e. Related party relationships

HRI works with a large number of NGOs around the world, mainly working in the field of HIV/AIDS, public health, 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.

f. 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.

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 Executive Committee.

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Trustees' report (continued)
for the year ended 31 December 2019

Plans for future periods

HRI's current strategic plan runs from 2018-20. The strategy focuses on three core objectives:

To increase political will to protect, respect and fulfil the human rights of vulnerable individuals and communities, by funding and implementing harm reduction.

- To build and share the evidence-base for harm reduction policies, practices and laws.
- To build new allies and constituencies to advocate for harm reduction and human rights.
- The degree to which these activities flourish will be largely affected by our success in fundraising and income generation.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity 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 charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 charity'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 relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Harm Reduction International
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Trustees' report (continued)
for the year ended 31 December 2019

Approved by order of the members of the board of Trustees on 30 June 2020 and signed on their behalf by:



.....

J Ryan

Harm Reduction International
(A company limited by guarantee)

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 2019 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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 charitable company's affairs as at 31 December 2019 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.

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.

Harm Reduction International
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Independent auditors' report to the Members of Harm Reduction International (continued)

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.

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 the financial year 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' 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' report and from the requirement to prepare a Strategic report.

Harm Reduction International
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Independent auditors' report to the Members of Harm Reduction International (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the 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 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.

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.

Harm Reduction International
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Independent auditors' report to the Members of Harm Reduction International (continued)

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.

A handwritten signature in black ink that reads "Peter Hudson" followed by "Kreston Reeves LLP" in a smaller, less legible script.

Peter Hudson BA FCA (senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

Third Floor

24 Chiswell Street

London

EC1Y 4YX

30 June 2020

Harm Reduction International
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 December 2019

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------------------|-------------|--|--|---------------------------------------|---------------------------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | 90 | - | 90 | 218 |
| Charitable activities | 4 | 969,380 | 495,625 | 1,465,005 | 645,042 |
| Investments | 5 | 153 | - | 153 | 92 |
| Total income | | 969,623 | 495,625 | 1,465,248 | 645,352 |
| Expenditure on: | | | | | |
| Charitable activities | 6 | 852,737 | 581,236 | 1,433,973 | 748,599 |
| Total expenditure | | 852,737 | 581,236 | 1,433,973 | 748,599 |
| Net income/(expenditure) | | 116,886 | (85,611) | 31,275 | (103,247) |
| Transfers between funds | 14 | (39) | 39 | - | - |
| Net movement in funds | | 116,847 | (85,572) | 31,275 | (103,247) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | (65,473) | 139,775 | 74,302 | 177,549 |
| Net movement in funds | | 116,847 | (85,572) | 31,275 | (103,247) |
| Total funds carried forward | | 51,374 | 54,203 | 105,577 | 74,302 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 32 form part of these financial statements.

Harm Reduction International
(A company limited by guarantee)
Registered number: 03223265

Balance sheet
as at 31 December 2019

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|----------------|
| Fixed assets | | | |
| Tangible assets | 11 | 34,334 | 22,667 |
| | | <u>34,334</u> | <u>22,667</u> |
| Current assets | | | |
| Debtors | 12 | 60,878 | 330,192 |
| Cash at bank and in hand | | 369,550 | 161,117 |
| | | <u>430,428</u> | <u>491,309</u> |
| Creditors: amounts falling due within one year | 13 | (359,185) | (439,674) |
| Net current assets | | 71,243 | 51,635 |
| Total net assets | | 105,577 | 74,302 |
| Charity funds | | | |
| Restricted funds | 14 | 54,203 | 139,775 |
| Unrestricted funds | 14 | 51,374 | (65,473) |
| Total funds | | 105,577 | 74,302 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 30 June 2020 and signed on their behalf by:



.....
J Ryan

The notes on pages 15 to 32 form part of these financial statements.

Harm Reduction International
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Statement of cash flows
for the year ended 31 December 2019

| | 2019 | 2018 |
|---|-----------------|------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net cash used in operating activities | 222,614 | (474,917) |
| | <hr/> | <hr/> |
| Cash flows from investing activities | | |
| Dividends, interests and rents from investments | 153 | 92 |
| Purchase of tangible fixed assets | (14,334) | (23,682) |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (14,181) | (23,590) |
| | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | 208,433 | (498,507) |
| Cash and cash equivalents at the beginning of the year | 161,117 | 659,624 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year | 369,550 | 161,117 |
| | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 15 to 32 form part of these financial statements

Harm Reduction International
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Notes to the financial statements
for the year ended 31 December 2019

1. General information

Harm Reduction International is a registered charity and a company limited by guarantee, registered in England and Wales. Its registered office address is 61 Mansell Street, Aldgate, London E1 8AN. The charitable company's principal objective is to reduce the negative health, social and legal impacts of drug use and drug policy. The charity promotes the rights of people who use drugs and their communities through research and advocacy to help achieve a world where drug policies and laws contribute to healthier, safer societies.

2. Accounting policies

2.1 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Notes to the financial statements
for the year ended 31 December 2019

2. Accounting policies (continued)

2.3 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.

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 or donation must only be used in a future accounting period, or
- the donor has imposed conditions that 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.

Donated services 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 charity's use of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it 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.

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.

2.4 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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 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 institution with whom the funds are deposited.

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Notes to the financial statements
for the year ended 31 December 2019

2. Accounting policies (continued)

2.6 Foreign currencies

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

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

| | |
|-----------------------|------------------------|
| Fixtures and fittings | - 25% reducing balance |
| Computer equipment | - 25% on cost |

2.8 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.

2.9 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.

2.10 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 in the statement of financial activities as a finance cost.

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2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 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.

3. Income from donations and legacies

| | Unrestricted funds 2019 £ | Total funds 2019 £ |
|---------------|--|---------------------------------------|
| Sundry income | 90 | 90 |
| | <u> </u> | <u> </u> |
| | | |
| | Unrestricted funds 2018 £ | Total funds 2018 £ |
| Sundry income | 218 | 218 |
| | <u> </u> | <u> </u> |

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Notes to the financial statements
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4. Income from charitable activities

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|-----------------------|--|--|---------------------------------------|
| Project work | 235,305 | 495,625 | 730,930 |
| Conferences & support | 734,075 | - | 734,075 |
| Total 2019 | <u>969,380</u> | <u>495,625</u> | <u>1,465,005</u> |

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ |
|--------------|--|--|---------------------------------------|
| Project work | <u>227,874</u> | <u>417,168</u> | <u>645,042</u> |

5. Investment income

| | Unrestricted funds 2019 £ | Total funds 2019 £ |
|--------------------------|--|---------------------------------------|
| Bank interest receivable | <u>153</u> | <u>153</u> |

| | Unrestricted funds 2018 £ | Total funds 2018 £ |
|--------------------------|--|---------------------------------------|
| Bank interest receivable | <u>92</u> | <u>92</u> |

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Notes to the financial statements
for the year ended 31 December 2019

6. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|----------------------|--|--|---------------------------------------|
| Project work | 435,336 | 532,344 | 967,680 |
| Conference & support | 417,401 | 48,892 | 466,293 |
| | <u>852,737</u> | <u>581,236</u> | <u>1,433,973</u> |

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ |
|----------------------|--|--|---------------------------------------|
| Project work | 689,340 | 26,276 | 715,616 |
| Conference & support | 31,330 | 1,653 | 32,983 |
| | <u>720,670</u> | <u>27,929</u> | <u>748,599</u> |

7. Analysis of expenditure by activities

| | Activities undertaken directly 2019 £ | Support costs 2019 £ | Total funds 2019 £ |
|----------------------|--|---|---------------------------------------|
| Project work | 852,310 | 115,370 | 967,680 |
| Conference & support | 106,535 | 359,758 | 466,293 |
| | <u>958,845</u> | <u>475,128</u> | <u>1,433,973</u> |

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Notes to the financial statements
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7. Analysis of expenditure by activities (continued)

| | Activities undertaken directly 2018 £ | Support costs 2018 £ | Total funds 2018 £ |
|----------------------|---|-------------------------------|-----------------------------|
| Project work | 605,979 | 109,637 | 715,616 |
| Conference & support | 2,000 | 30,983 | 32,983 |
| | <u>607,979</u> | <u>140,620</u> | <u>748,599</u> |

Analysis of direct costs

| | Project work 2019 £ | Conference & support 2019 £ | Total funds 2019 £ |
|---|------------------------------|--------------------------------------|-----------------------------|
| Staff costs | 491,237 | - | 491,237 |
| Other staff costs | 2,406 | - | 2,406 |
| Project expenses | 125,683 | - | 125,683 |
| Travelling costs | 102,819 | - | 102,819 |
| Consultancy fees | 112,807 | - | 112,807 |
| Recruitment and training costs | 10,360 | - | 10,360 |
| Journals and subscription costs | 1,136 | - | 1,136 |
| Meeting expenses | 480 | - | 480 |
| Legal, professional and regulatory fees | 5,382 | - | 5,382 |
| Conference expenses | - | 39,286 | 39,286 |
| Conference scholarships | - | 67,249 | 67,249 |
| | <u>852,310</u> | <u>106,535</u> | <u>958,845</u> |

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7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

| | Project work 2018 £ | Conference & support 2018 £ | Total funds 2018 £ |
|---|---------------------------|--------------------------------------|-----------------------------|
| Staff salaries and wages | 452,890 | - | 452,890 |
| Other staff costs | 797 | - | 797 |
| Project expenses | 25,776 | - | 25,776 |
| Travelling costs | 31,526 | - | 31,526 |
| Consultancy fees | 77,870 | - | 77,870 |
| Recruitment and training costs | 8,211 | - | 8,211 |
| Journals and subscription costs | 935 | - | 935 |
| Legal, professional and regulatory fees | 7,974 | - | 7,974 |
| Conference expenses | - | 2,000 | 2,000 |
| | <u>605,979</u> | <u>2,000</u> | <u>607,979</u> |

Analysis of support costs

| | Project work 2019 £ | Conference & support 2019 £ | Total funds 2019 £ |
|--|------------------------------|--------------------------------------|-----------------------------|
| Depreciation | 2,667 | - | 2,667 |
| Consultancy fees | 33 | - | 33 |
| Journals and subscription costs | - | 8,379 | 8,379 |
| Advertising and promotion costs | 2,498 | 23,019 | 25,517 |
| Meeting expenses | 10,923 | - | 10,923 |
| Legal, professional and regulatory fees | 1,260 | - | 1,260 |
| Foreign exchange gains and losses | 4,021 | - | 4,021 |
| Audit and accountancy fees | 10,578 | - | 10,578 |
| Repairs and maintenance | 495 | - | 495 |
| Rent | 38,969 | - | 38,969 |
| Insurance | 3,635 | - | 3,635 |
| Printing, postage and stationery | 10,418 | - | 10,418 |
| Communications | 17,947 | 34,038 | 51,985 |
| Conference expenses | - | 260,393 | 260,393 |
| Website maintenance and computer running costs | 9,866 | 21,927 | 31,793 |
| Office expenses | 2,060 | 12,002 | 14,062 |
| | <u>115,370</u> | <u>359,758</u> | <u>475,128</u> |

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Notes to the financial statements
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7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

| | Project work 2018 £ | Conference & support 2018 £ | Total funds 2018 £ |
|--|---------------------------|--------------------------------------|-----------------------------|
| Depreciation | 2,553 | - | 2,553 |
| Consultancy fees | 10 | - | 10 |
| Journals and subscription costs | - | 16,760 | 16,760 |
| Meeting expenses | 14,370 | - | 14,370 |
| Legal, professional and regulatory fees | 1,452 | - | 1,452 |
| Foreign exchange gains and losses | 6,337 | - | 6,337 |
| Audit and accountancy fees | 7,750 | - | 7,750 |
| Repairs and maintenance | 6,107 | - | 6,107 |
| Rent | 32,900 | - | 32,900 |
| Insurance | 6,289 | - | 6,289 |
| Printing, postage and stationery | 15,008 | - | 15,008 |
| Communications | 669 | - | 669 |
| Conference expenses | - | 5,247 | 5,247 |
| Website maintenance and computer running costs | 10,728 | 5,479 | 16,207 |
| Office expenses | 5,464 | 3,497 | 8,961 |
| | <u>109,637</u> | <u>30,983</u> | <u>140,620</u> |

8. Auditors' remuneration

| | 2019 £ | 2018 £ |
|--|----------------------|--------------|
| Fees payable to the charity's auditor for the audit of the charity's annual accounts | <u>10,578</u> | <u>7,750</u> |

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Notes to the financial statements
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9. Staff costs

| | 2019 | 2018 |
|--|-----------------------|----------------|
| | £ | £ |
| Wages and salaries | 426,013 | 390,959 |
| Social security costs | 39,651 | 40,369 |
| Contribution to defined contribution pension schemes | 25,573 | 21,562 |
| | <u>491,237</u> | <u>452,890</u> |

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

| | 2019 | 2018 |
|-----------|-------------|------|
| | No. | No. |
| Employees | 9 | 11 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2019 | 2018 |
|-------------------------------|-------------|------|
| | No. | No. |
| In the band £60,001 - £70,000 | 1 | 1 |

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 December 2019, expenses totalling £9,194 were reimbursed or paid directly to 6 Trustees (2018 - £10,636 to 4 Trustees).

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Notes to the financial statements
for the year ended 31 December 2019

11. Tangible fixed assets

| | Short-term leasehold property £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|--------------------------|--|-------------------------------|----------------------------|----------------------|
| Cost or valuation | | | | |
| At 1 January 2019 | 20,000 | 2,212 | 18,829 | 41,041 |
| Additions | 14,334 | - | - | 14,334 |
| At 31 December 2019 | <u>34,334</u> | <u>2,212</u> | <u>18,829</u> | <u>55,375</u> |
| Depreciation | | | | |
| At 1 January 2019 | - | 1,108 | 17,266 | 18,374 |
| Charge for the year | - | 1,104 | 1,563 | 2,667 |
| At 31 December 2019 | <u>-</u> | <u>2,212</u> | <u>18,829</u> | <u>21,041</u> |
| Net book value | | | | |
| At 31 December 2019 | <u><u>34,334</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>34,334</u></u> |
| At 31 December 2018 | <u><u>20,000</u></u> | <u><u>1,104</u></u> | <u><u>1,563</u></u> | <u><u>22,667</u></u> |

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Notes to the financial statements
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12. Debtors

| | 2019 | 2018 |
|--------------------------------|---------------|---------|
| | £ | £ |
| Due within one year | | |
| Trade debtors | 6,676 | 7,630 |
| Other debtors | 2,378 | - |
| Prepayments and accrued income | 51,824 | 322,562 |
| | 60,878 | 330,192 |

13. Creditors: Amounts falling due within one year

| | 2019 | 2018 |
|------------------------------------|----------------|---------|
| | £ | £ |
| Trade creditors | 17,451 | 8,871 |
| Other taxation and social security | 7,930 | - |
| Other creditors | 2,485 | - |
| Accruals and deferred income | 331,319 | 430,803 |
| | 359,185 | 439,674 |

| | 2019 | 2018 |
|--|------------------|-----------|
| | £ | £ |
| Deferred income at 1 January 2019 | 414,143 | 486,200 |
| Resources deferred during the year | 309,499 | 162,857 |
| Amounts released from previous periods | (408,890) | (234,914) |
| | 314,752 | 414,143 |

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Notes to the financial statements
for the year ended 31 December 2019

14. Statement of funds

Statement of funds - current year

| | Balance at 1 January 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2019 £ |
|---------------------------------|--------------------------------------|------------------|--------------------|--------------------------|---|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Project Fund | 55,000 | - | - | - | 55,000 |
| General funds | | | | | |
| Core Funds | (120,473) | 969,623 | (852,737) | (39) | (3,626) |
| Total Unrestricted funds | (65,473) | 969,623 | (852,737) | (39) | 51,374 |
| Restricted funds | | | | | |
| Global Fund/Alliance India | 6,693 | 48,013 | (48,141) | - | 6,565 |
| EC Death Penalty | 110,263 | 153,732 | (235,100) | - | 28,895 |
| EJAF | 9,569 | 44,936 | (54,544) | 39 | - |
| Robert Carr | (1,358) | 115,521 | (95,420) | - | 18,743 |
| Federal Office of Public Health | 3,534 | 3,839 | (7,373) | - | - |
| PITCH | (18) | 24,061 | (24,043) | - | - |
| OSF Death Penalty | 11,092 | 59,005 | (70,097) | - | - |
| TIDES (MAC AIDS) | - | 46,518 | (46,518) | - | - |
| | 139,775 | 495,625 | (581,236) | 39 | 54,203 |
| Total of funds | 74,302 | 1,465,248 | (1,433,973) | - | 105,577 |

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Notes to the financial statements
for the year ended 31 December 2019

14. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 January 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2018 £ |
|---------------------------------|--------------------------------------|----------------|------------------|--------------------------|---|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Project Fund | 55,000 | - | - | - | 55,000 |
| General funds | | | | | |
| Core Funds | 22,669 | 228,184 | (371,282) | (44) | (120,473) |
| Total Unrestricted funds | 77,669 | 228,184 | (371,282) | (44) | (65,473) |
| Restricted funds | | | | | |
| Global Fund/Alliance India | 14,506 | 39,561 | (47,374) | - | 6,693 |
| EC Death Penalty | 77,822 | 144,707 | (112,266) | - | 110,263 |
| EJAF | - | 59,915 | (50,346) | - | 9,569 |
| Robert Carr | - | 68,429 | (69,787) | - | (1,358) |
| Federal Office of Public Health | - | 5,034 | (1,500) | - | 3,534 |
| PITCH | - | 20,332 | (20,350) | - | (18) |
| OSF Death Penalty | - | 16,092 | (5,000) | - | 11,092 |
| GSHR | 7,552 | 62,409 | (69,961) | - | - |
| COPOLAD | - | 689 | (733) | 44 | - |
| | 99,880 | 417,168 | (377,317) | 44 | 139,775 |
| Total of funds | 177,549 | 645,352 | (748,599) | - | 74,302 |

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

Designated funds

The Trustees have designated £55,000 as a fund to assist with financing future projects.

Restricted funds

GSHR - Comprises five funds: (i) Swiss Federal Office of Public Health Grant from the Swiss Government for the Global State of Harm Reduction report 2018; (ii) UNODC Grant – UNODC provided a small amount of funding in support of research on the status of harm reduction policy and interventions around the world, as part of HRI's flagship Global State of Harm Reduction report; (iii) MAC AIDS - Tides – MAC AIDS provided support for UN advocacy for harm reduction and for research on the status of harm reduction policy and interventions around the world, as part of HRI's flagship Global State of Harm Reduction report; (iv) WHO: GSHR – WHO provided a small amount of funding in support of research on the status of harm reduction policy and interventions around the world, as part of HRI's flagship Global State of Harm Reduction report; and (v) General – these funds support research on the status of harm reduction policy and interventions around the world, as part of HRI's flagship Global State of Harm Reduction report.

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

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

EJAF - Comprises two funds (i) Grant for 10 by 20: Elton John AIDS Foundation grant to support work on increasing international tuning for harm reduction; and (ii) The Elton John AIDS Foundation continues to provide support for analysis and advocacy for funding for harm reduction, including engagement at the Commission on Narcotic Drugs and other UN fora.

Robert Carr - Comprises two funds (i) 2016-17 – Grant to support HRI campaigns; and (ii) 2018-2019 – Robert Carr provides funding for staff salaries and supports work on human rights, advocacy for harm reduction at international fora, and research on funding for harm reduction.

Federal Office of Public Health Report for HR – The Federal Office provided a small amount of funding in support of research and documentation of the status of harm reduction in Western Europe, linked to the Global State of Harm Reduction report.

PITCH – The Partnership to Inspire, Transform and Connect the HIV response ('PITCH') provides a small amount of funding in support of research on the status of harm reduction policy and interventions around the world, as part of HRI's flagship Global State of Harm Reduction report; as well as support for a technical assistance on advocacy for harm reduction funding.

OSF Death Penalty – the Open Society Foundations Human Rights Initiative provides support for work to support South Asian leaders to strengthen their advocacy for the abolition of the death penalty, including the death penalty for drug offences.

COPOLAD – COPOLAD is a cooperation programme implemented between the Community of Latin American and Caribbean States (CELAC) and the European Union (EU) countries. COPOLAD provided a small amount of funding for the development of an online learning module on harm reduction in prisons.

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15. Summary of funds

Summary of funds - current year

| | Balance at 1 January 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2019 £ |
|------------------|--------------------------------------|------------------|--------------------|--------------------------|---|
| Designated funds | 55,000 | - | - | - | 55,000 |
| General funds | (120,473) | 969,623 | (852,737) | (39) | (3,626) |
| Restricted funds | 139,775 | 495,625 | (581,236) | 39 | 54,203 |
| | <u>74,302</u> | <u>1,465,248</u> | <u>(1,433,973)</u> | <u>-</u> | <u>105,577</u> |

Summary of funds - prior year

| | Balance at 1 January 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2018 £ |
|------------------|--------------------------------------|----------------|------------------|--------------------------|---|
| Designated funds | 55,000 | - | - | - | 55,000 |
| General funds | 22,669 | 228,184 | (371,282) | (44) | (120,473) |
| Restricted funds | 99,880 | 417,168 | (377,317) | 44 | 139,775 |
| | <u>177,549</u> | <u>645,352</u> | <u>(748,599)</u> | <u>-</u> | <u>74,302</u> |

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 34,334 | - | 34,334 |
| Current assets | 376,225 | 54,203 | 430,428 |
| Creditors due within one year | (359,185) | - | (359,185) |
| Total | <u>51,374</u> | <u>54,203</u> | <u>105,577</u> |

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16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 22,667 | - | 22,667 |
| Current assets | 351,534 | 139,775 | 491,309 |
| Creditors due within one year | (439,674) | - | (439,674) |
| Total | <u><u>(65,473)</u></u> | <u><u>139,775</u></u> | <u><u>74,302</u></u> |

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

| | 2019 £ | 2018 £ |
|--|------------------------------|-------------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | <u>31,275</u> | <u>(103,247)</u> |
| Adjustments for: | | |
| Depreciation charges | 2,667 | 2,553 |
| Dividends, interests and rents from investments | (153) | (92) |
| Decrease/(increase) in debtors | 269,314 | (300,311) |
| Decrease in creditors | (80,489) | (73,820) |
| Net cash provided by/(used in) operating activities | <u><u>222,614</u></u> | <u><u>(474,917)</u></u> |

18. Analysis of cash and cash equivalents

| | 2019 £ | 2018 £ |
|--|------------------------------|-----------------------|
| Cash in hand | <u>369,550</u> | 161,117 |
| Total cash and cash equivalents | <u><u>369,550</u></u> | <u><u>161,117</u></u> |

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Notes to the financial statements
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19. Analysis of changes in net debt

| | At 1 January 2019 £ | Cash flows £ | At 31 December 2019 £ |
|--------------------------|------------------------------|-----------------|--------------------------------|
| Cash at bank and in hand | 161,117 | 208,433 | 369,550 |
| | <u>161,117</u> | <u>208,433</u> | <u>369,550</u> |

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 £25,573 (2018: £21,562). Amounts payable as at the year end in relation to the pension scheme were £2,485 (2018: £nil)

21. Operating lease commitments

At 31 December 2019 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|--|---------------|-----------|
| Not later than 1 year | 10,785 | - |
| Later than 1 year and not later than 5 years | 7,190 | - |
| | <u>17,975</u> | <u>-</u> |

22. Related party transactions

Key management personnel remuneration in the year amounted to £70,000 (2018: £81,057).

23. Post balance sheet events

Since the end of the charity's financial year end the world has been impacted by the Corona Virus. The Trustees have monitored the spread of this virus and along with the senior management team have adjusted their methods of providing their work in order to ensure that they can continue to deliver on their projects. The charity fortunately had the majority of funding in place for 2020 and so there will not be a financial impact on it.

24. Controlling party

The Charity is controlled by the Trustees.

