

Company number: 3223265  
Charity number: 1117375

# Harm Reduction International

Report and financial statements  
For the year ended 31 December 2021

Contents

For the year ended 31 December 2021

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Reference and administrative information

For the year ended 31 December 2021

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Company number 3223265  
Country of incorporation England & Wales

Charity number 1117375  
Country of registration England & Wales

**Registered office and operational address** 61 Mansell Street, London E1 8AN, United Kingdom

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Lucy Burns	Chair (November 2020)
Saumya Kailasapathy	Vice Chair
John Porter	Treasurer (appointed November 2021)
Kojo Koram	Secretary
Alexander Stevens	
Patrick O'Hare	(until October 2021)
Olga Belyaeva	
Oluseyi Kehinde	
Raminta Stuikyte	

**Key management personnel** Naomi Burke-Shyne, Executive Director  
Anne Taiwo, Finance Manager  
Colleen Daniels, Deputy Director

**Bankers** NatWest  
Aintree Black Bull, Cedar Rd, Liverpool L9 0EG

**Solicitors** Bates Wells  
10 Queen St Pl, London EC4R 1BE

**Auditor** Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
108–114 Golden Lane  
LONDON  
EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 December 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## **Objectives and activities**

### **Purposes and aims**

The objectives of Harm Reduction International (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.

In 2021 Harm Reduction International undertook the following main activities to further the charity's purpose:

- a) Research and policy analysis on harm reduction and human rights (building the evidence base)
- b) Dissemination of information and promotion health-based, rights-based responses to drug use (sharing the evidence base)
- c) Support for civil society and community partners around the world (strengthening constituencies and build new alliances)
- d) Engagement of policy makers on harm reduction, human rights and drug policy (increasing political will)

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of

people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have 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 its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

HRI employed a three pronged strategy for progressing its aims and objectives for the period 2017–2021:

1. To build and share the evidence base for harm reduction policies, practices and laws;
2. To strengthen constituencies and build new alliances to advocate for harm reduction and human rights – including via the Harm Reduction International conference;
3. To increase political will to protect, respect and fulfil the human rights of vulnerable individuals and communities, by funding and implementing harm reduction.

HRI employs these three strategies to achieve our objectives of helping achieve a world in which individuals and communities benefit from drug policies, practices and laws that promote health, dignity and human rights. We do this across our priority issues: health, human rights, and new collaborations and emerging trends in drug use and harm reduction.

HRI's resources – staff and financial – are divided relatively evenly across our strategic approaches and priority issues.

In the priority area of **health** we work to ensure that lifesaving harm reduction interventions are adequately funded and monitor gaps and progress globally in the availability of health and social services for people who use drugs; together with direct technical engagement with governments and UN agencies.

In the priority area of **human rights** we advocate against the use of drug control as a justification for the violation of human rights; including tracking the use of the death penalty for drug offences, and the imprisonment and detention of people who use drugs. We advance this work through advocacy with UN agencies, governments and human rights mechanisms.

In the priority area of **new collaborations and emerging trends**, we worked to convene the sector and foster dialogue on emerging trends via Constellations: An Online Festival on Drugs and Harm Reduction. We also continued our work to foster learning and exchange on stimulants, and on the intersections of drug policy, gender and racial justice. The Harm Reduction International conference (next in 2023) is the main global forum for the exchange of information and best practice at the intersection of human rights, drug policy and harm reduction.

Harm Reduction International makes sub-grants to national partners when it advances our organisational objectives. As part of this process, HRI will issue a call for proposals for sub-grants involving work valued at more than USD10,000 in order to ensure the selection of a partner with

the appropriate mix of skills. For all sub-grants HRI and the partner enter into a contract which sets out charitable objectives and each parties' obligations. Sub-grant implementation is supported by narrative and financial reports from the sub-grantee.

## Achievements and performance

The charity's main activities, and the people it seeks to support are described below. All its charitable activities focus on reducing the negative health, social and legal impacts of drug use and drug policy; and are undertaken to further Harm Reduction International's charitable purposes for the public benefit.

In 2021, Harm Reduction International undertook work to build the evidence base for harm reduction with briefings on integrated services, harm reduction in prisons, and via a summary data update of our global mapping initiative, the Global State of Harm Reduction. We completed an updated analysis of funding available for harm reduction in low- and middle-income countries, and presented the findings to the major international donors in the sector to strengthen coordination. We contributed to the evidence base for rights-based drug policy through our annual tracking of the use of the death penalty for drug offences, by documenting the negative impact of securitised COVID-19 responses on vulnerable groups and people who use drugs, and by conducting the first global mapping of COVID-19 national vaccination plans and their roll-out in prisons. These initiatives show progress and regressions in practice, law and policy; and inform our advocacy.

We worked with national partners to support local advocacy, research and harm reduction service delivery efforts; and engaged with governments, the UN and funders to convey the cost effectiveness of, and overall effectiveness of harm reduction interventions in prevention transmission of blood-borne diseases.

Through this work we strengthened partnerships and built new alliances to contribute to the elevation of harm reduction and the rights of people who use drugs at major (virtual) international fora, at UN Human Rights Council, the UN Commission on Narcotic Drugs, and directly with government representatives. As such, we made progress against our three overarching objectives of building the evidence base for harm reduction policies, practices and laws; strengthening new alliances; and increasing political will to protect, respect and fulfil the human rights of people who use drugs.

It remains a complex and challenging environment for harm reduction and drug policy globally. We observe an ongoing stall in the update of lifesaving harm reduction services around the world; a significant shortage of funding for critical health interventions in low- and middle-income countries; and discrete surges in punitive rhetoric supporting an escalation of the war on drugs. In this context, HRI's global monitoring, analysis and advocacy remain essential contributions to efforts to achieve a world where drug policies and laws contribute to healthier, safer societies.

In 2020, HRI made the decision to postpone the 2021 Harm Reduction International conference until April 2023. In 2021, we addressed the gap by shifting to a virtual format, Constellations: An Online Festival of Drugs and Harm Reduction. Constellations was successfully in convening more than 1000 people from 73 countries in energising learning, exchange and debate on emerging issues.

We are further addressing some of the learning and exchange gaps caused by the pandemic, by hosting more frequent, short online events.

## Beneficiaries of our services

The ultimate beneficiaries of Harm Reduction International's work are vulnerable people who use drugs around the world. Because Harm Reduction International is a policy and advocacy organisation, it measures its impact by monitoring how its research and analysis are drawn upon by advocates and policy makers to contribute to, and inform changes to laws, policies and programming (at national, regional or international level). Our global monitoring work also provides insights into shifting human rights norms and uptake of international human rights standards in drug policy and practice at national or sub-national level, and our contribution to these significant trends.

## Financial review

HRI's financial position at the end of the reporting period was in line with expectations, taking into account the turbulence of the pandemic in 2020 and its ongoing impact in 2021.

HRI's 2022–23 forecast demonstrates its ability to continue as a going concern via a number of multi-year grants and diverse streams of income. As a policy and advocacy organisation, HRI has been able to adapt and continue many planned activities notwithstanding the restrictions on movement and COVID-19 mitigation measures in place for much of 2021. Many convenings in the sector have proceeded in a virtual format, allowing HRI to continue its work via partnerships and advocacy with the UN, governments and donors.

HRI made the decision to postpone the 2021 Harm Reduction International conference until April 2023. We are working to mitigate the financial impact of conference postponement by reducing all conference-related costs, embedding plans for interim and smaller online events into our broader grant applications, fundraising early for the 2023 conference. We were successful in securing some funding support for Constellations.

In line with its fundraising goals, HRI staff invested energy in fundraising with a view to diversifying and increasing funding, and ultimately holding three months' operational costs in reserves. HRI more effectively leveraged restricted funding in 2021 and was largely able to maintain the income and expenditure levels of 2020 (in comparison with non-conference years).

Fundraising activities were undertaken by HRI staff, there was no specific or material expenditure on fundraising.

Based on our forecast, cash flow, existing commitments from donors, active pursuit of new funds, and plans for the Harm Reduction International conference in 2023, we have basis to believe the organisation can continue to operate and meet its debts as they fall due in the coming 12–24 months.

## Principal risks and uncertainties

HRI maintains a risk register, reviewed by the trustees twice a year. The risk register prompts the trustees to assess risks and decide upon mitigating actions across five categories: governance, operational, financial, environmental/external and compliance (law and regulation). We continue to analyse the impact of COVID-19 related risks (first incorporated in the risk register in April 2020). COVID-19 continued to impact HRI's risk profile in 2021; mitigating actions were taken to reduce associated risks.

Broadly, we are currently working to mitigate the following key risks:

- Governance risks: in the context of HRI's focus on a highly specialised, yet stigmatised topic we face a risk of not being able to attract high quality trustee candidates from outside our sector. Trustees with diverse skills and experience are critical to the effective governance of the charity. We mitigate this risk by drawing on a board skills and diversity framework for board appointments, advertising on broader charity websites for our trustees, and regularly contributing ideas for a potential board candidate pool.
- Operational risks: in the context of HRI's small size and specialised focus, our staff are our greatest assets. As such, 2021 conditions posed ongoing operational risks as we worked to support staff through uncertainty and significant changes, whilst bolstering IT capacity for virtual and remote work.
- Financial risks: in the context of a limited pool of donors funding international harm reduction and drug policy, HRI must stay alert to shifts in donor priorities and work to make the case for health-based, rights-based approaches to drugs. Concurrently, HRI will continue to work on strengthening financial controls and improving our financial management systems for best practice.
- Environment/external risks: HRI works to mitigate the risks of the rapidly changing external environment by strengthening our external communications, and developing work which allows us to demonstrate harm reduction is a social justice and public health issue closely connected to many other complex issues in society.
- Compliance risks: in the context of HRI's small size/limited human resources, we rely on a network of external experts (including our auditors) to assist us to remain compliant with relevant policy and legislation.



## Reserves policy and going concern

HRI's aim is to hold three months' operating costs in reserve. In 2021, HRI made strong progress towards this aim, at the end of the year, HRI carried forward £60,856 in unrestricted funding.

HRI board and key management personnel have reset their ambitions for reaching this target over 2022–23, and are actively engaged in continuing work against fundraising goals to diversify and increase funding.

## Fundraising

HRI key management personnel lead on fundraising for the charity. HRI does not engage professional fundraisers or commercial entities in fundraising.

## Plans for the future

HRI adopted its 2022–2025 Strategic Plan and re-energised its vision for a world in which drug policies promote dignity, health and rights. The 2025 Strategy Plan takes into account the rapidly evolving global environment, and HRI's leadership role at the intersection of harm reduction, drug policy and human rights.

HRI has a strong track record of contributing to the evidence-base for harm reduction and advocating for rights-based responses to drugs. HRI will continue its leading work across these areas. HRI is also unique in convening the biennial Harm Reduction International conference, which is the main global forum for the exchange of information and best practice at the intersection of human rights, drug policy and harm reduction.

Under the 2025 Strategy, HRI plans to strengthen its research, advocacy and leadership in the sector, and highlight the negative impact of criminalisation and the compounding effects of intersectional vulnerabilities; specifically, how drug policy interacts with gender, ethnicity, race, poverty and socioeconomic status. HRI is committed to centring equity across its work, including by centring the expertise and leadership of the community of people who use drugs, reflecting on power dynamics within our partnerships, and structurally (re)balancing power.

## Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 11 July 1996 and registered as a charity on 22 December 2006.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. Decisions are made in compliance with these constituent documents. The Trustees delegate the day-to-day management of the charity to Executive Director, Naomi Burke-Shyne. Ms Burke-Shyne served as the Executive Director for the reporting period in question.

HRI follows a foundation model of governance in which the Trustees are the members. HRI has no subsidiaries and is not affiliated with a wider network.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

## **Appointment of trustees**

HRI's constituent documents set the minimum number of Trustees as six and the maximum as twelve. Trustees are appointed for three years and may stand for re-election once.

New Trustees are appointed by a decision of the Trustees, passed by a majority of two-thirds of the total number of sitting Trustees, in line with an agreed commitment to diversity of skills and experience. Appointments are recommended following candidate interviews with a Board Vacancies Sub-Committee (comprised of two Trustees and the Executive Director) and made at the meetings of the Trustees.

## **Trustee induction and training**

HRI provides induction to new trustees via a briefing pack based on Charity Commission guidance, an induction meeting with HRI staff, and ongoing direct support.

HRI aims to hold Trustees Skills Refresher trainings biennially.

## **Related parties and relationships with other organisations**

HRI declares two matters pertaining to related parties and relationships:

- In 2021, HRI employed two staff who are related to a trustee. The staff were appointed via open competition, without any influence of that trustee, and remunerated in accordance with the HRI salary bands, without influence of that trustee. The trustee ended his term in October 2021.
- In 2021, HRI had a written costs sharing agreement with HIT Projects Limited, for the rental of office space used by HRI employees in Liverpool. There are no outstanding balances. One director of HIT Projects Limited is a trustee– Patrick O'Hare. Prof. O'Hare ended his term in October 2021.

## **Remuneration policy for key management personnel**

Salary for 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 Trustees.

## Statement of responsibilities of the trustees

The trustees (who are also directors of Harm Reduction International for the purposes of company law) are responsible for preparing the trustees' annual 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 which 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2021 was 9 (2019:9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

## Harm Reduction International

### Trustees' annual report

#### For the year ended 31 December 2021

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The trustees' annual report has been approved by the trustees on 27 April 2022 and signed on their behalf by

Lucy Burns  
Chair

## **Independent examiner's report to the trustees of Harm Reduction International**

I report to the trustees on my examination of the accounts of Harm Reduction International for the year ended 13 December 2021.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

### **Responsibilities and basis of report**

As the charity trustees of the Company you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act')/Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011 ('the 2011 Act').

### **Independent examiner's statement**

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accounts in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities; or

## **Independent examination report**

**To the members of**

**Harm Reduction International**

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I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Name: Jonathan Orchard FCA

Address: Sayer Vincent LLP, Invicta House, 108–114 Golden Lane, London, EC1Y 0TL

Date: 22 June 2022

## Harm Reduction International

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
<b>Income from:</b>							
Donations and legacies	2	101,365	–	<b>101,365</b>	48,005	–	48,005
Charitable activities							
Project work	3	263,650	395,334	<b>658,984</b>	271,615	578,285	849,900
Conferences & support	3	63,033	–	<b>63,033</b>	51	–	51
Investments	4	23	–	<b>23</b>	94	–	94
<b>Total income</b>		<b>428,071</b>	<b>395,334</b>	<b>823,405</b>	<b>319,765</b>	<b>578,285</b>	<b>898,050</b>
<b>Expenditure on:</b>							
Charitable activities							
Project work	5	2,158	470,341	<b>472,499</b>	256,230	459,915	716,145
Conference & support	5	377,002	–	<b>377,002</b>	98,834	–	98,834
<b>Total expenditure</b>		<b>379,160</b>	<b>470,341</b>	<b>849,501</b>	<b>355,064</b>	<b>459,915</b>	<b>814,979</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>48,911</b>	<b>(75,007)</b>	<b>(26,096)</b>	<b>(35,299)</b>	<b>118,370</b>	<b>83,071</b>
<b>Net income / (expenditure) for the year</b>	7	<b>48,911</b>	<b>(75,007)</b>	<b>(26,096)</b>	<b>(35,299)</b>	<b>118,370</b>	<b>83,071</b>
Transfers between funds		–	–	–	(4,130)	4,130	–
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>48,911</b>	<b>(75,007)</b>	<b>(26,096)</b>	<b>(39,429)</b>	<b>122,500</b>	<b>83,071</b>
<b>Net movement in funds</b>		<b>48,911</b>	<b>(75,007)</b>	<b>(26,096)</b>	<b>(39,429)</b>	<b>122,500</b>	<b>83,071</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		11,945	176,703	<b>188,648</b>	51,374	54,203	105,577
<b>Total funds carried forward</b>		<b>60,856</b>	<b>101,696</b>	<b>162,552</b>	<b>11,945</b>	<b>176,703</b>	<b>188,648</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 27a to the financial statements.

## Balance sheet

Company no. 03223265

As at 31 December 2021

	Note	£	2021 £	£	2020 £
<b>Fixed assets:</b>					
Tangible assets	12		<u>18,931</u>		<u>28,419</u>
			<b>18,931</b>		<b>28,419</b>
<b>Current assets:</b>					
Debtors	13	30,555		83,536	
Cash at bank and in hand		<u>882,388</u>		<u>511,288</u>	
		<b>912,943</b>		<b>594,824</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	<u>(769,322)</u>		<u>(434,595)</u>	
<b>Net current assets / (liabilities)</b>			<u><b>143,621</b></u>		<u><b>160,229</b></u>
<b>Total assets less current liabilities</b>			<u><b>162,552</b></u>		<u><b>188,648</b></u>
<b>Net assets excluding pension asset / (liability)</b>			<u><b>162,552</b></u>		<u><b>188,648</b></u>
<b>Total net assets / (liabilities)</b>			<u><u><b>162,552</b></u></u>		<u><u><b>188,648</b></u></u>
<b>The funds of the charity:</b>	17a				
Restricted income funds			<b>101,696</b>		<b>176,703</b>
Unrestricted income funds:					
General funds		<u>60,856</u>		<u>11,945</u>	
Total unrestricted funds			<u><b>60,856</b></u>		<u><b>11,945</b></u>
<b>Total charity funds</b>			<u><u><b>162,552</b></u></u>		<u><u><b>188,648</b></u></u>

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- (ii) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the trustees on 27 April 2022 and signed on their behalf by

Lucy Burns  
Chair

John Porter  
Treasurer



## Statement of cash flows

For the year ended 31 December 2021

[A statement of cash flows is only required for larger charities with income of more than £500k]

	Note	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		(26,096)		83,071	
Depreciation charges		9,488		18,947	
(Gains)/losses on investments		(13)		(94)	
Dividends, interest and rent from investments				–	
(Increase)/decrease in debtors		52,981		(22,658)	
Increase/(decrease) in creditors		334,727		75,410	
<b>Net cash provided by / (used in) operating activities</b>		<b>371,087</b>		<b>154,676</b>	
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		13		94	
Purchase of fixed assets		–		(13,032)	
<b>Net cash provided by / (used in) investing</b>		<b>13</b>		<b>(12,938)</b>	
<b>Change in cash and cash equivalents in the year</b>		<b>371,100</b>		<b>141,738</b>	
Cash and cash equivalents at the beginning of the year		511,288		369,550	
<b>Cash and cash equivalents at the end of the year</b>		<b>882,388</b>		<b>511,288</b>	
<b>Analysis of cash and cash equivalents and of net debt</b>					
	At 1 January 2021 £	Cash flows £	Other non- cash changes £	At 31 December 2021 £	
Cash at bank and in hand	511,288	371,100	–	882,388	
<b>Total cash and cash equivalents</b>	<b>511,288</b>	<b>371,100</b>	<b>–</b>	<b>882,388</b>	

**1 Accounting policies**

**a) Statutory information**

Harm Reduction International is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 61 Mansell Street, Aldgate, London.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), and the Companies Act 2006/Charities Act 2011.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**c) Public benefit entity**

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

**d) 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.

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

**e) Income**

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

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

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

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

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

**g) 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.

**h) Fund accounting**

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

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

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

**1 Accounting policies (continued)**

**i) Expenditure and irrecoverable VAT**

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

- Costs of raising funds relate to the costs incurred by the charity, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of charitable activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

**k) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

- |                    |     |
|--------------------|-----|
| • Project Work     | 70% |
| • Support costs    | 20% |
| • Governance costs | 10% |

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

**l) 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.

**m) Operating leases**

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

**n) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

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

**o) Debtors**

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

**p) Short term deposits**

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

**q) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1 Accounting policies (continued)****r) Creditors and provisions**

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

**s) 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.

**t) 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 Income from donations and legacies**

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Sundry income	82	–	82	82	–	82
Coronavirus Job Retention Scheme grant	70,909	–	70,909	–	–	–
Donated services	30,374	–	30,374	47,923	–	47,923
	101,365	–	101,365	48,005	–	48,005

**3 Income from charitable activities**

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Project work	30,000	395,334	425,334	24,100	578,285	602,385
Open Society Foundations	233,650	–	233,650	217,637	–	217,637
Other income from charitable activity	–	–	–	29,878	–	29,878
Sub-total for Project work	263,650	395,334	658,984	271,615	578,285	849,900
Conferences & Support	63,033	–	63,033	51	–	51
Sub-total for Conferences & Support	63,033	–	63,033	51	–	51
Total income from charitable activities	326,683	395,334	722,017	271,666	578,285	849,951

**4 Income from investments**

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Bank interest receivable	23	–	23	94	–	94
	23	–	23	94	–	94

All income from investments is unrestricted.

Harm Reduction International

Notes to the financial statements

For the year ended 31 December 2021

5 Analysis of expenditure (current year) [the charitable activities should correspond to those itemised for income purposes]

	Charitable activities					
	Project Work £	Conference & support £	Governance costs £	Support costs £	2021 Total £	2020 Total £
Staff costs (Note 8)	195,910	69,002	–	215,665	<b>480,577</b>	414,355
Other staff costs	–	–	–	2,216	<b>2,216</b>	12,305
Project expenses	138,602	132	–	–	<b>138,734</b>	59,157
Travelling costs	977	164	–	688	<b>1,829</b>	10,921
Consultancy fees	94,474	–	–	98	<b>94,572</b>	163,781
Recruitment and training costs	295	–	–	2,000	<b>2,295</b>	16,216
Journals and subscription costs	459	–	–	811	<b>1,270</b>	1,476
Meeting expenses	1,743	–	–	61	<b>1,804</b>	4,918
Legal, professional and regulatory fees	–	1,345	1,086	–	<b>2,431</b>	614
Conference expenses	387	3,494	–	4,565	<b>8,446</b>	2,026
Depreciation	–	–	–	9,488	<b>9,488</b>	18,947
Foreign exchange gains and losses	(1,551)	–	–	11,529	<b>9,978</b>	4,626
Audit and accountancy fees	–	–	1,200	–	<b>1,200</b>	12,833
Repairs and maintenance	–	–	–	–	–	30
Rent	15,209	–	–	29,191	<b>44,400</b>	28,992
Insurance	–	4,205	–	3,710	<b>7,915</b>	3,492
Printing, postage and stationery	10	7	–	83	<b>100</b>	487
Communications	19,622	1,842	–	8,611	<b>30,075</b>	48,985
Website maintenance and computer running costs	2,963	–	–	6,953	<b>9,916</b>	6,427
Office expenses	1,113	82	–	1,060	<b>2,255</b>	4,391
	<b>470,213</b>	<b>80,273</b>	<b>2,286</b>	<b>296,729</b>	<b>849,501</b>	<b>814,979</b>
Support costs		296,729	–	(296,729)	–	–
Governance costs	2,286	–	(2,286)	–	–	–
<b>Total expenditure 2021</b>	<b>472,499</b>	<b>377,002</b>	<b>–</b>	<b>–</b>	<b>849,501</b>	
<b>Total expenditure 2020</b>	<b>782,367</b>	<b>98,834</b>	<b>–</b>	<b>–</b>		<b>814,979</b>

Harm Reduction International

Notes to the financial statements

For the year ended 31 December 2021

6 Analysis of expenditure (prior year) [the charitable activities should correspond to those itemised for income purposes]

	Charitable activities				
	Project Work £	Conference & support £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 8)	480,577	-	-	-	414,355
Other staff costs	7,219	671	-	4,415	12,305
Project expenses	58,885	272	-	-	59,157
Travelling costs	9,911	-	-	1,010	10,921
Consultancy fees	154,631	-	-	9,150	163,781
Recruitment and training costs	4,872	-	-	11,344	16,216
Journals and subscription costs	1,386	-	-	90	1,476
Meeting expenses	1,173	-	3,384	361	4,918
Legal, professional and regulatory fees	-	614	-	-	614
Conference expenses	-	2,026	-	-	2,026
Depreciation	-	-	-	18,947	18,947
Foreign exchange gains and losses	-	-	-	4,626	4,626
Audit and accountancy fees	4,050	-	8,783	-	12,833
Repairs and maintenance	-	-	-	30	30
Rent	9,175	5,392	-	14,425	28,992
Insurance	-	-	-	3,492	3,492
Printing, postage and stationery	148	-	-	339	487
Communications	34,065	7,244	-	7,676	48,985
Website maintenance and computer running costs	2,894	-	-	3,533	6,427
Office expenses	1,214	1,814	-	1,363	4,391
	770,200	18,033	12,167	80,801	814,979
Support costs		80,801	-	(80,801)	-
Governance costs	12,167	-	(12,167)	-	-
<b>Total expenditure 2020</b>	<b>782,367</b>	<b>98,834</b>	<b>-</b>	<b>-</b>	<b>814,979</b>

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

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	9,488	18,947
Operating lease rentals payable:		
Property	28,992	28,992
Auditor's remuneration (excluding VAT):		
Independent examination	3,500	6,000
Foreign exchange gains or losses	9,978	4,626
	<b>9,978</b>	<b>4,626</b>

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	428,616	349,137
Social security costs	37,838	34,942
Employer's contribution to defined contribution pension schemes	14,123	30,276
	<b>480,577</b>	<b>414,355</b>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £82,292 (2020: £82,298).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £314 (2020: £3,384) incurred by 1 (2020: 2) member relating to attendance at meetings of the trustees.

**9 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 12 (2020: 12).

**10 Related party transactions**

HRI declares two matters pertaining to related parties and relationships:

- HRI employs two staff who are related to a trustee. the staff were appointed via open competition without any influence of that trustee, and remunerated in accordance with the HRI salary bands, without influence of that trustee.
- In 2020/21, HRI had a written costs sharing agreement with HIT Projects Ltd, for the rental of office space used by HRI employees in Liverpool (valued at HIT £748.95 + VAT per month). There are no outstanding balances. The directors of HIT Projects Limited are related parties: Patrick O'Hare, HRI trustee; Madeleine O'Hare, HRI employee and Lucy O'Hare, HRI employee.

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

**11 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**12 Tangible fixed assets**

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At the start of the year	47,366	2,212	18,829	–	<b>68,407</b>
At the end of the year	47,366	2,212	18,829	–	<b>68,407</b>
<b>Depreciation</b>					
At the start of the year	18,947	2,212	18,829	–	<b>39,988</b>
Charge for the year	9,488	–	–	–	<b>9,488</b>
At the end of the year	28,435	2,212	18,829	–	<b>49,476</b>
<b>Net book value</b>					
At the end of the year	18,931	–	–	–	<b>18,931</b>
At the start of the year	28,419	–	–	–	<b>28,419</b>

All of the above assets are used for charitable purposes.

**13 Debtors**

	2021 £	2020 £
Trade debtors	<b>9,360</b>	23,051
Other debtors	<b>180</b>	4,567
Prepayments	<b>20,363</b>	33,707
Accrued income	<b>652</b>	22,211
	<b>30,555</b>	83,536

**14 Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade creditors	<b>4,423</b>	40,618
Taxation and social security	<b>10,401</b>	15,569
Other creditors	<b>–</b>	183
Amounts due for Pensions	<b>2,760</b>	13,109
Accruals	<b>9,154</b>	19,858
Deferred income (note 15)	<b>742,584</b>	345,258
	<b>769,322</b>	434,595

**15 Deferred income**

Deferred income comprises grant income received during the year for

	2021 £	2020 £
Balance at the beginning of the year	<b>345,258</b>	314,752
Amount released to income in the year	<b>(345,258)</b>	(314,752)
Amount deferred in the year	<b>742,584</b>	345,258
Balance at the end of the year	<b>742,584</b>	345,258



## 16a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	18,931	–	–	18,931
Net current assets	811,247	–	101,696	912,943
Current liabilities	(769,322)	–	–	(769,322)
<b>Net assets at 31 December 2020</b>	<b>60,856</b>	<b>–</b>	<b>101,696</b>	<b>162,552</b>

## 16b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	28,419	–	–	28,419
Current assets	418,121	–	176,703	594,824
Current liabilities	(434,595)	–	–	(434,595)
<b>Net assets at 31 December 2020</b>	<b>11,945</b>	<b>–</b>	<b>176,703</b>	<b>188,648</b>

## 17a Movements in funds (current year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
<b>Restricted funds:</b>					
Global Fund/Alliance India	2,863	9,029	(11,892)	–	–
Global Fund (CRG) Strategic Initiative – LANPUD	–	18,049	(13,600)	–	4,449
Robert Carr Fund – Harm Reduction Consortium	7,706	109,262	(116,968)	–	–
Open Society Foundations – Emergency Powers	–	111,610	(111,610)	–	–
GSHR 2020: Swiss Federal Office of Public Health	863	7,628	(8,491)	–	–
UNODC – Moldova Prisons Project	–	14,409	(14,409)	–	–
UNAIDS Technical Support Mechanism (TSM)	4,935	17,738	(22,673)	–	–
Open Society Foundations – SAME	39,115	21,700	(42,582)	–	18,233
UNODC – COVID-19 Vaccinations and Harm	–	652	(652)	–	–
Robert Carr Fund – Global Drug Policy Index	34,765	29,370	(64,135)	–	–
MAC AIDS FUNDS UK	10,147	–	(10,147)	–	–
Open Society Foundations – LAWYERS	76,309	50,368	(53,182)	–	73,495
Global Fund (CRG) Strategic Initiative – UHRN	–	5,519	–	–	5,519
<b>Total restricted funds</b>	<b>176,703</b>	<b>395,334</b>	<b>(470,341)</b>	<b>–</b>	<b>101,696</b>
<b>Unrestricted funds:</b>					
<b>General funds</b>	<b>11,945</b>	<b>428,071</b>	<b>(379,160)</b>	<b>–</b>	<b>60,856</b>
<b>Total unrestricted funds</b>	<b>11,945</b>	<b>428,071</b>	<b>(379,160)</b>	<b>–</b>	<b>60,856</b>
<b>Total funds</b>	<b>188,648</b>	<b>823,405</b>	<b>(849,501)</b>	<b>–</b>	<b>162,552</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.

## 17b Movements in funds (prior year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
<b>Restricted funds:</b>					
Global Fund/Alliance India	6,565	62,458	(70,487)	4,327	<b>2,863</b>
EC Death Penalty	28,895	54,825	(83,523)	(197)	–
Robert Carr Fund	18,743	116,324	(127,361)	–	<b>7,706</b>
Open Society Foundation – Emergency Powers	–	1,646	(1,646)	–	–
GSHR 2020: Swiss Federal Office of Public Health	–	8,060	(7,197)	–	<b>863</b>
GSHR 2020: UNAIDS TSM	–	30,181	(31,847)	–	–
UNAIDS TSM – Sust.Financing	–	9,325	(4,390)	–	<b>4,935</b>
Open Society Foundation – SAME	–	56,071	(16,956)	–	<b>39,115</b>
EJAF COVID-19	–	23,818	(23,818)	–	–
Robert Carr – GDPI	–	45,057	(10,292)	–	<b>34,765</b>
MAC AIDS FUNDS UK	–	75,000	(63,187)	–	<b>10,147</b>
Open Society Foundation – LAWYERS	–	85,471	(9,162)	–	<b>76,309</b>
Global Fund/Alliance India – Impact Report	–	10,049	(10,049)	–	–
<b>Total restricted funds</b>	<b>54,203</b>	<b>578,285</b>	<b>(459,915)</b>	<b>4,130</b>	<b>176,703</b>
<b>Unrestricted funds:</b>					
<b>General funds</b>	<b>51,374</b>	<b>319,765</b>	<b>(355,064)</b>	<b>(4,130)</b>	<b>11,945</b>
<b>Total unrestricted funds</b>	<b>51,374</b>	<b>319,765</b>	<b>(355,064)</b>	<b>(4,130)</b>	<b>11,945</b>
<b>Total funds</b>	<b>105,577</b>	<b>898,050</b>	<b>(814,979)</b>	<b>–</b>	<b>188,648</b>

## Purposes of restricted funds

## Global Fund/Alliance India

Global Fund support for research on the investment in harm reduction in seven countries in Asia.

Transfers from Unrestricted funds, made to agree balance brought forward with donor's audited account.

## Global Fund (CRG) Strategic Initiative – LANPUD

Global Fund CRG technical assistance to strengthen the participation of civil society and communities in Global Fund processes in Latin America.

## Robert Carr Fund – Harm Reduction Consortium

Robert Carr Fund support for research and advocacy across all teams – public health, human rights, sustainable financing and conference.

## Open Society Foundations – Emergency Powers

OSF support for research and advocacy on the impact of COVID-19 emergency powers on the rights of marginalised populations; part of a global 'Resist Emergency Powers' campaign.

## GSHR 2020: Swiss Federal Office of Public Health

The Swiss Federal Office of Public Health support for research and documentation of the status of harm reduction in Western Europe, linked to the Global State of Harm Reduction report.

**Purposes of restricted funds (continued)**
**UNODC – Moldova Prisons Project**

UNODC support for research and analysis on the accessibility, acceptability, and quality of harm reduction services in Moldovan prisons.

**UNAIDS Technical Support Mechanism (TSM)**

Via the technical support mechanism, UNAIDS support to undertake analysis on funding for harm reduction in low- and middle-income countries.

**Open Society Foundations – SAME**

OSF support for regional coordination and advocacy amongst human rights, death penalty and criminal justice actors in South Asia and the Middle East.

**UNODC – COVID-19 Vaccinations and Harm Reduction**

UNODC support to develop a technical guidance to strengthen the provision of COVID-19 vaccines for people who use drugs.

**Robert Carr Fund – Global Drug Policy Index**

Robert Carr Fund support for a consortium of actors to develop a global drug policy index.

**MAC AIDS Fund UK**

MAC AIDS Fund support for research on access to harm reduction services and domestic budget advocacy in Kenya and Uganda.

**Open Society Foundation – LAWYERS**

OSF support for a global network of lawyers providing services for populations vulnerable to HIV, including advocacy and training (Lawyering on the Margins).

**Global Fund (CRG) Strategic Initiative – UHRN**

Global Fund CRG technical assistance to develop a harm reduction resource mobilisation and engagement plan to support advocacy for increased allocation of resources to harm reduction programmes in Uganda.

**18 Operating lease commitments payable as a lessee**

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

	Property		Equipment	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	36,000	36,000	–	–
One to five years	36,000	72,000	–	–
	<b>72,000</b>	<b>108,000</b>	<b>–</b>	<b>–</b>

**19 Legal status of the charity**

The Charity is controlled by the Trustees

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