

Company number: 09644561

Charity number: 1163214

Office of Scottish Charity Regulator Registration No: SC052668

# REACT Disaster Response Ltd

Report and financial statements  
For the year ended 31 March 2023



**REACT Disaster Response Ltd**  
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**For the year ended 31 March 2023**

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**REACT Disaster Response Ltd**  
**Reference and administrative information**  
**For the year ended 31 March 2023**

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**Company number** 09644561  
**Country of incorporation** United Kingdom

**Charity number** 1163214  
**Scottish charity number** SC052668  
**Country of registration** England & Wales, Scotland

**Registered office and operational address** Chilmark, Salisbury, SP3 5DU

**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:

Sir Nick Parker	Chair
Audrey Fauvel	(appointed 17 December 2020)
Nick Fothergill	
Sara George	
Kate Holt	
Andrew Maclean	
Elizabeth Stileman	

<b>Key management personnel</b>	Toby Wicks	Chief Executive
	Ben Lampard	Director of Operations
	Bridgette Jones	Chief Financial Officer
	Jane Pound	Chief People Officer
	Jade Rolph	Director of Fundraising
	Chris Lyon	Head of Tech & Innovation

**Bankers** Barclays Bank  
89 Charterhouse Street  
London, EC1M 6PE

**Solicitors** Stone King LLP  
Boundary House  
91 Charterhouse St  
London, EC1M 6HR

**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 March 2023.

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

### **Chair's Report**

The charity is now in the first year of its three-year strategic plan. Operationally we have carried out our first major overseas deployment to Türkiye in response to the earthquake; with our in-country partners we have continued to support the humanitarian effort close to the frontline in Ukraine; and we have conducted many smaller responses at home and abroad. The regional network is taking shape and our Responder base is growing both in number and relevant skills. Early evidence of progress is also being displayed in increased professionalism within the executive where new hires in the Headquarters are having an impact on critical functions such as finance, people, and operational duty of care. The charity is therefore continuing to fulfil its objectives while at the same time growing capability and the effectiveness of its supporting mechanisms. The upskilling of our Responders through training and deployed experience is a significant hidden benefit arising from our activities. This progress is inevitably increasing the core overhead which we intend to offset against the profit from our trading arm and increased fundraising. Both business development and fundraising capability have credible plans to meet their targets, but this will take time and will be effective in subsequent Financial Years. We are, therefore, deliberately drawing down on some of our reserves to invest in the future. Concurrently we are conducting a Board refresh as Trustees reach their 9-year term. We will be engaging four new Trustees over the next 12 months who have been recruited with great care to ensure the right skill-set, diversity, and experience are reflected on the Board. I am confident that the charity is well positioned to deliver its objectives both professionally and cost effectively for the foreseeable future.

Sir Nick Parker, Chair.

### CEO Statement

REACT has embarked on an ambitious three-year strategy designed to put in place sustainable practices and income streams, establish a regional footprint across the UK to provide rapid local emergency response, and to accelerate volunteer recruitment and training to allow us to respond to more international disasters.

During this year – referred to within the strategic plan as “getting the fundamentals right” – our international responses reached more than 93,000 people with in excess of 20,000 volunteer hours on deployment. More than 170 Responders passed at least one training course in 2022–23, with a total of 222 passes.

Yet, we cannot do this alone and Memoranda of Understanding with the British Red Cross and the Disaster Management Agency of Sierra Leone are both important milestones for REACT. This year we also commissioned our first ever external evaluation for Operation Anatolia – our response to the Türkiye earthquakes. There is always more to learn but the Trustees and all stakeholders in REACT can take great comfort from the headline takeaway from that evaluation: “Operation Anatolia was a great success and the strategic assurance it offered about operations at this level of maturity can be seen as a key step on a journey.”.

We also made good progress on the duty of care portfolio this year, in particular with implementation of a much more robust medical support package for teams on deployment.

Finally, I would add how delighted I am that REACT continues to attract the very highest calibre of applicants for both employee and volunteer opportunities which is both fundamental to our success and bodes well for the future.

Toby Wicks  
Chief Executive

## Objectives and Activities

### Purposes and aims

REACT Disaster Response unites experienced military veterans with seasoned first responders and skilled civilians to rapidly deploy emergency response teams to disasters in the UK and overseas in order to immediately improve the quality of life of those affected.

The objects of the Charity are, for the public benefit:

- 1 The relief and assistance of people in any part of the world who are the victims of natural hazards and disasters, catastrophe or other crises. To deliver this through the rapid deployment of vetted, skilled, experienced and well-equipped emergency response teams composed of humanitarian volunteers, many of whom are armed forces veterans and together provide humanitarian aid from the moment a disaster or catastrophe occurs to the point at which conventional disaster relief organisations are able to respond, and on an on-going basis;
- 2 The relief and assistance of people in the United Kingdom who are affected by natural hazards and disasters or critical incident, by providing the personnel referred to in Article 3.1.1 to support and complement where needed the responses of the emergency services and other national and regional organisations to such occurrences; and
- 3 To develop the capacity and skills of communities in the United Kingdom and around the world to reduce the risks associated with natural hazards, humanitarian crises, or the impacts of climate change through the deployment of volunteers referred to in article 3.1.1 as part of resilience mitigation, and capacity strengthening programmes; and
- 4 The training and mentoring of armed services veterans by using their skills and experience to deliver humanitarian operations and programmes referred to in articles 3.1.1, 3.1.2, & 3.1.3 to support their transition, skills development, employment prospects and wellbeing.

REACT Disaster Response raises awareness of its activities and raises funds to cover the costs of recruiting, training and deploying volunteers in line with its charitable objects.

## Achievements and Performance

### Public benefit:

The Trustees review the aims, objectives and activities of the charity each year. This report looks at achievements and outcomes during the reporting period. The Trustees report on the success of each key activity, noting how REACT Disaster Response's operations have benefitted local populations.

The review helps Trustees ensure the charity's aims and activities remain focused on its stated objectives.

The Trustees have referred to the Charity Commission general guidance on public benefit when reviewing the charity's aims and objectives and when planning future activities. In particular, the Trustees consider how planned activities will contribute to the objectives that have been set.

### How our activities deliver public benefit.

The main activities and who we helped during this reporting period are described below:

## INTERNATIONAL OPERATIONS

### Türkiye

#### Operation ANATOLIA: February 2023

- 33 Responders deployed
- 41,875 people reached from the affected population

Early February, two devastating earthquakes struck south-eastern Türkiye, affecting more than 13.5 million people, displacing an estimated 1.3 – 1.6 million people. Hatay province was deemed one of the areas hardest to reach and worst affected.

Over 24 days, 33 volunteer REACT Responders deployed to help the affected population in Hatay province. The team provided support to the International Organisation for Migration (IOM) in the delivery of much-needed aid to those affected in Bitiren village, approximately 15km from the Syrian border. Home to 700 people, the majority of the citizens supported were young families with a predominantly agricultural background and



a traditional way of life. REACT provided situational awareness and unmet needs analysis on behalf of the United Nations Disaster Assessment and Coordination (UNDAC) team, and facilitated the distribution of aid including numerous kitchen sets, family hygiene kits, blankets and tarpaulins.

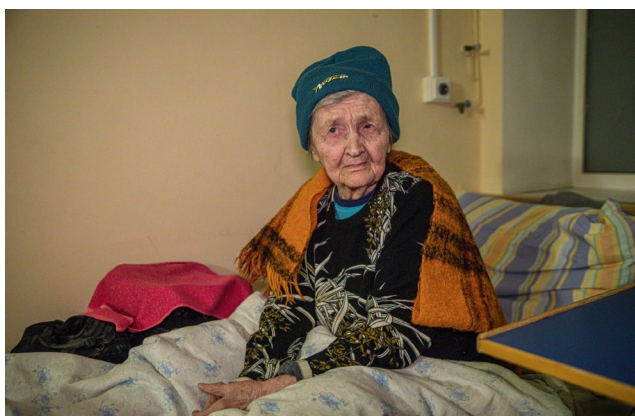
## **Ukraine**

### **Operation PACE: March 2022 – ongoing**

- 6 responders deployed
- 67,228 meals supported, reaching 33,990 people from the affected population

Our involvement in Ukraine dates back to March 2022 when a team was deployed to assess and meet the needs of the increasing flow of refugees in Dnipro.

REACT and its local and trusted partners began supplying essential food packs to some of the most challenging destinations, along and sometimes across the contact line in the east. More than 14,000 boxes were delivered.



In response to the freezing Ukrainian winter, our support via the Ukraine Education Platform (UEP) and its partner, GLOBA22, switched to the provision of hot meals for displaced people in Dnipro. A team of 3 Responders were deployed to the city to carry out due diligence and visit the five social hubs (for women and children, the elderly, and the physically handicapped) where the meals were being provided. More than 37,290 meals were eventually delivered.



In February this year the hot food programme was switched from Dnipro to Ukraine's second largest city, Kharkiv which is close to the border with Russia. Hot meals and sanitation kits continue to be supplied to the affected population via partners the UEP and local charity Myrne Nebo.





## UK OPERATIONS

### Operation BEDROCK:

- 7 training exercises supported

These operations support the development of local emergency response services. Taking part in these exercises provide our Responders with additional opportunities to experience high quality incident response scenarios. They are also essential in supporting us to build relationships and increase our network.



### Operation ELEOS:

- 7 welfare tasks supported

These tasks included supporting vulnerable people in the aftermath of Storm Eunice, refugee support and responding to major incidents. REACT teams deployed to Southampton and Winchester in February 2023 when a major incident was declared due to a severe shortage of water to households caused by a burst water main. Responders supported the local water authority by distributing bottled water to affected residents to ensure they had sufficient drinking water until repairs had been carried out.



### Operation PACE UK:

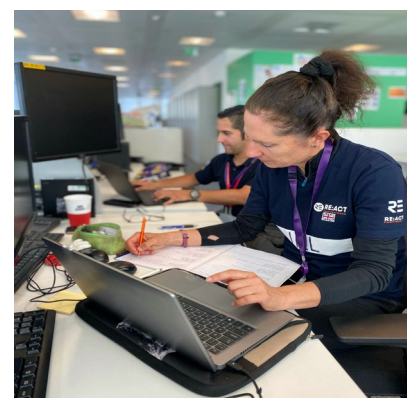
- 296,524 kg of miscellaneous aid (mainly food, shelter and WASH products)
- 28,089 kg of medical aid

This operation is UK based and supports our response in Ukraine. Responders are deployed to move and sort aid bound for areas of Ukraine where it is most needed.

### Operation LONDON BRIDGE:

- 45 responders deployed

Providing support to coordinate and control a large number of volunteers from other organisations and assisting with radio operation during and in preparation for, the funeral of Queen Elizabeth II.



### Operation SUSTAIN:

- 18 responders deployed to support Fareshare and Felix Project

The Felix Project is a London-based charity and part of the Fareshare network. They collect fresh and nutritious food that cannot be sold and distribute it to people experiencing food poverty.



During a period of increased demand in winter 22/23, REACT provided additional support. The team sorted incoming deliveries in the Poplar Warehouse and prepared food to be cooked and distributed to food-deprived communities in London.

### Operation SEACOLE:

- 7 hospital/medical tasks undertaken at 5 different hospitals

REACT teams support NHS hospitals experiencing periods of severe pressure including increased winter demand. The Responders assist with tasks including general porting, distribution of welfare to staff and patients and general non-clinical support.



### Responder Training in 22/23:

REACT is significantly growing its pool of resilient and capable volunteers ready to deploy at a moment's notice. This will allow us to respond to more disasters and most importantly help more people.

- 1237 volunteer applications received.
- Of the 439 responders deployed in the UK and Internationally, 118 are UK-trained responders, and 116 are Internationally trained responders.
- Total volunteer hours: 15,431
- Total course passes: 222



### Our training courses:

#### HEAT (Hostile Environment Awareness Training)

HEAT is a form of stress exposure training designed to equip individuals with the skills to work in dangerous places as safely as possible.

- 33 additional HEAT-trained Responders in 22/23



### Wilderness Course

This 7 day course trains Responders to become specialists in providing pre- hospital care in the field.

- 10 additional MED-trained Responders in 22/23

### UK Operations Course

A 2 day course that equips new Responders to support disasters within the UK.

- 91 additional UK trained Responders in 22/23



### International Operations Course

Our International Operations course lasts 5 days and provides UK Responders with the skills to support disasters overseas.

- 60 additional internationally trained Responders in 22/23

### OLC (Operational Leaders Course)

The Operational Leadership Course enables Responders to lead a volunteer team both in the UK and internationally.

- 22 additional OLC trained Responders in 22/23

### Training and Mentoring of Armed Services Veterans

REACT is committed to supporting the veteran community. In 2022/23, the following numbers of veteran Responders completed a REACT training course:

- 52 completed the UK Operations course
- 39 completed the International Operations course
- 22 completed the HEAT course
- 17 completed the OLC

Of the total number of Responders deployed in 2022/23, 263 are veterans.



## Financial Review

Income for the group was a total of £2,279,459, which included a total of £658,438 from trading contracts, and income from donations increased by £1,154,606. The future development of further projects and contracts to create a trading profit to support the objectives of the charity remains a focus in the new strategic plan. This will reduce the reliance on charitable fundraising to cover core costs and therefore a more focussed approach on directly allocating charitable funds to humanitarian causes.

Expenditure for the group was a total of £3,051,820 and included £476,111 of expenditure in delivering the trading subsidiary contracts.

The group movement in funds was a reduction of £772,360 for this reporting period, and no profits from the trading subsidiary will be gift aided to the parent charity for this period.

The Balance Sheet has total funds of £2,664,722 and therefore has funds available to develop and deliver its new strategic plans out to March 2025.

REACT is extremely grateful to all its donors and supporters, including the receipt of pro-bono services and goods, for example, reduced flight costs, technical communications equipment and services, strategic consultancy, and legal advice. Those costs that we would expect to incur as part of the normal charity activities are included in the accounts.

## Principal Risks and Uncertainties

The Senior leadership team and Trustee Board have developed a risk register which is reviewed at every Board meeting, and the risks updated accordingly. Appropriate, systems and procedures are developed to mitigate the risks which the charity faces.

Principal Risks identified are:

- Lack of unrestricted funding to deliver the charitable objectives.
- Reliance on highly trained volunteers to deliver the strategic aims for humanitarian disasters, both in the UK and Internationally.
- Reputational Risk

Unrestricted funding remains a risk and therefore a strategic focus. With the new fundraising plan and the development of contracts within the trading subsidiary, this will support the income for the charity with tax free gift-aid donations, and therefore deliver sustainability.

Reliance on our Volunteers to deliver our operational capability, remains a challenge to ensure we have the right volunteers trained with the right skills to deliver our humanitarian strategic aims.

Reputational risk is mitigated by constant reinforcement of our values, proper assessment of the key areas of risk and strong communications. The charity takes safeguarding and the welfare of our team of staff and volunteers very seriously.

## Reserves Policy

The REACT Disaster Response policy is to target a level of reserves that represents six months' core operating costs, and an amount for working capital. This amounts to £750k + £200k = £950k

At the end of March 2023, the Charity had consolidated total funds of £2,664,772 of which £2,516,142 was unrestricted. Free reserves (being unrestricted funds, less any designated funds set aside for essential future spending, less the net book value of fixed assets) were £2,027,808. This includes the reserves held by the Charity's trading subsidiary. No profits will be donated by REACT Group Solutions for the period ended 31 March 2023 to the Charity.

## Future Plans

Since its establishment in 2015, REACT's strength has always been our ability to rapidly mobilise and deploy highly trained and specialist teams of Responders to help stabilise a situation.

The last two years has seen a period of great change and transformation for REACT from which the charity has emerged financially secure with positive reputations both in the UK domestic sphere and internationally. REACT is now a major player in UK resilience, known for our speed of response, our ability to take on demanding tasks, and the quality and leadership of our Responders and volunteers.

As humanitarian needs continue to grow more chronic and complex in nature, further impacted by the health and non-health related shocks of the Covid-19 pandemic, the humanitarian system is not keeping pace.

As we embark on the second phase, "Sharpening the saw", of the 2022–2025 Strategy, with a deliberate focus on the speed and scale of our responses, our ambition remains the same, to ensure that REACT is fit for purpose to provide rapid humanitarian action for those hardest to reach people affected by sudden-onset disasters and escalating emergencies. The scale of the challenge calls on us to work with greater urgency and in partnership, acting as a catalyst for change on a much larger scale. The strategy moves REACT further towards locally led responses and complex emergency work while keeping our humanitarian mandate at our core. We aim to become a leading example for humanitarian reform and a catalyst for operationalising localisation, accountability, and community engagement.

Our triple value proposition – harnessing continued service (purpose, community, identity) for rapid disaster response for the hardest to reach, whilst maximising the value of every pound – is more relevant today than even seven years ago, when the organisation was conceived. To be able to serve effectively, REACT must continue to learn what vulnerable populations (and those serving them) need most. "Rapid humanitarian action for those hardest to reach" is generic by design to deliver accountability to affected populations with agility.

Ultimately, disaster response is a team effort that requires a diverse and energetic coalition of advocates and practitioners. REACT is hard at work expanding that coalition and welcomes new voices from all corners.

## Fundraising

REACT has a strategy for income generation of which fundraising is a substantial part, together with developing the trading subsidiary to enable profits to be gift aided to the parent charity, therefore supporting the delivery of the charitable objectives.

We operate across many areas of fundraising, with a focus on, Trusts & Foundations, Community Fundraising and Corporate Partnerships, all of which are managed by an employed fundraising team. We have an experienced Trusts and Foundations manager joining in August 2023 to support the Head of fundraising in delivering the income objectives. The fundraising pipeline is under constant review and development, and wider engagement to publicise charitable objectives and gain the trust of new donors, and corporate partners.

REACT Disaster Response is registered with the Fundraising Regulator and we have a professional team who are members of the Institute for Fundraising. REACT complies with the codes of operation with no breaches during this reporting period.

REACT Disaster Response has a Complaints Register and no complaints have been received during this reporting period.

## Structure, Governance and Management

REACT Disaster Response is a charitable company Ltd by guarantee, incorporated on 17 June 2015 and registered as a charity on 19 August 2015.

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.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 7 to the accounts.

Day-to-day operations are delegated to the Chief Executive and the Senior Leadership Team.

Trustees meet at least four times a year and provide strategic direction and governance oversight.

All new Trustees are provided with an induction pack, which includes the charity's Memorandum of Association, a statement of trustee roles and responsibilities, conflict of interest policy and relevant guidance from the Charity Commission. The Chair meets with each new Trustee individually and a programme of support and training is available for new Trustees.

REACT Disaster Response owns 100% of the shares of REACT Group Solutions Ltd. REACT Group Solutions is a Ltd company, registered in England & Wales, and changed its name from RE:Silent Response Ltd to REACT Group Solutions Ltd on 9<sup>th</sup> February 2023.

## Appointment of Trustees

The board of REACT Disaster Response selects Trustees based on their skills and experience to ensure that there is a good professional and cultural fit. The Board are currently recruiting four

new Trustees as the current Trustees come to the end of their tenure, according to the governing document.

## **Remuneration Policy for Key Management Personnel**

To be efficient and effective, REACT Disaster Response Ltd works to attract and retain experienced, quality team members. The Remuneration Committee recommends pay rates and benefits to the Board following guidance for the sector and benchmarking roles, taking into consideration such factors as inflation. The CEO's remuneration is approved together with the Chair. All decisions are ratified by the Board and inform the annual budgeting process.

## **Statement of Responsibilities of the Trustees**

The Trustees (who are also directors of REACT Disaster Response 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, giving 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, for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and 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 taking reasonable steps to prevent and detect fraud and other irregularities.

Insofar as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom

governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees as of 31 March 2023 was 9 (2022 – 8). The Trustees are members of the charity, but this only entitles them to voting rights. The Trustees have no beneficial interest in the charity.

## **Auditor**

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to act in that capacity.

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

The Trustees' annual report was approved by the Trustees on 28 September 2023 and signed on their behalf by

Sir Nick Parker  
Chair



## Opinion

We have audited the financial statements of REACT Disaster Response (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on REACT Disaster Response's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## Other Information

The other information comprises the information included in the Trustees' annual report, other than the group financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Trustees' annual report, has been prepared in accordance with applicable legal requirements

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' annual report and from the requirement to prepare a strategic report.

## Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

## Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the board, which included obtaining and reviewing supporting documentation, concerning the charity's/ group's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity/ group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity/group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

13 November 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
<b>Income from:</b>							
Donations and legacies	2	751,162	645,840	<b>1,397,002</b>	62,959	179,437	242,396
Charitable activities							
Charitable Operations	3	223,636	–	<b>223,636</b>	259,586	–	259,586
Other trading activities	4	658,438	–	<b>658,438</b>	11,512,771	–	11,512,771
Interest income		383	–	<b>383</b>	403	–	403
<b>Total income</b>		<b>1,633,619</b>	<b>645,840</b>	<b>2,279,459</b>	<b>11,835,719</b>	<b>179,437</b>	<b>12,015,155</b>
<b>Expenditure on:</b>							
Raising funds – charity	5	522,955	–	<b>522,955</b>	523,880	–	523,880
Raising funds – trading activities	5	476,111	–	<b>476,111</b>	8,716,988	–	8,716,988
Charitable activities							
Operations	5	756,773	716,371	<b>1,473,144</b>	407,579	8,454	416,033
Training	5	335,823	40,050	<b>375,873</b>	159,267	–	159,267
Membership	5	203,737	–	<b>203,737</b>	249,326	273,188	522,514
<b>Total expenditure</b>		<b>2,295,399</b>	<b>756,421</b>	<b>3,051,820</b>	<b>10,057,040</b>	<b>281,642</b>	<b>10,338,682</b>
<b>Net income / (expenditure) for the year</b>	6	<b>(661,780)</b>	<b>(110,581)</b>	<b>(772,360)</b>	<b>1,778,679</b>	<b>(102,205)</b>	<b>1,676,473</b>
Transfers between funds		(31,003)	31,003	–	–	–	–
<b>Net movement in funds</b>	17	<b>(692,783)</b>	<b>(79,578)</b>	<b>(772,360)</b>	<b>1,778,679</b>	<b>(102,205)</b>	<b>1,676,473</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		3,208,925	228,157	<b>3,437,081</b>	1,430,246	330,362	1,760,608
<b>Total funds carried forward</b>		<b>2,516,142</b>	<b>148,579</b>	<b>2,664,722</b>	<b>3,208,925</b>	<b>228,157</b>	<b>3,437,081</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 18 to the financial statements.

As at 31 March 2023

	Note	The group 2023 £	2022 £	The charity 2023 £	2022 £
<b>Fixed assets:</b>					
Tangible assets	11	19,337	24,262	19,337	19,261
Investments	12	–	–	2	2
		<u>19,337</u>	<u>24,262</u>	<u>19,339</u>	<u>19,263</u>
<b>Current assets:</b>					
Debtors	14	308,395	962,757	354,045	391,774
Cash at bank and in hand		2,641,259	2,949,564	2,524,814	1,105,894
		<u>2,949,654</u>	<u>3,912,321</u>	<u>2,878,859</u>	<u>1,497,668</u>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	15	(304,269)	(499,501)	(240,995)	(236,082)
		<u>2,645,385</u>	<u>3,412,821</u>	<u>2,637,864</u>	<u>1,261,586</u>
<b>Net current assets</b>					
		<u>2,664,722</u>	<u>3,437,083</u>	<u>2,657,203</u>	<u>1,280,850</u>
<b>Total assets less current liabilities</b>					
		<u>2,664,722</u>	<u>3,437,083</u>	<u>2,657,203</u>	<u>1,280,850</u>
<b>Total net assets</b>		<u>2,664,722</u>	<u>3,437,083</u>	<u>2,657,203</u>	<u>1,280,850</u>
<b>Funds:</b>	17a, b				
Restricted income funds		148,580	228,157	148,580	228,157
Unrestricted income funds:					
General funds		2,039,626	1,052,693	2,039,626	1,052,693
Designated funds		468,997	–	468,997	–
Non-charitable subsidiary funds		7,519	2,156,233	–	–
		<u>2,516,142</u>	<u>3,208,926</u>	<u>2,508,623</u>	<u>1,052,693</u>
<b>Total unrestricted funds</b>					
		<u>2,664,722</u>	<u>3,437,083</u>	<u>2,657,203</u>	<u>1,280,850</u>
<b>Total funds</b>		<u>2,664,722</u>	<u>3,437,083</u>	<u>2,657,203</u>	<u>1,280,850</u>

Approved by the trustees on 28 September 2023 and signed on their behalf by

Sir Nick Parker  
Chair

Consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
		(772,360)		1,676,474	
(as per the statement of financial activities)					
Depreciation charges		9,307		13,237	
Losses on exchange rates		–		–	
Dividends, interest and rent from investments		(383)		(403)	
Loss on the disposal of fixed assets		–		7,367	
(Increase)/decrease in debtors		654,363		498,229	
Increase/(decrease) in creditors		(195,232)		(1,173,905)	
<b>Net cash provided by / (used in) operating activities</b>			<b>(304,305)</b>		<b>1,020,999</b>
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		383		403	
Proceeds from the sale of fixed assets		–		15,960	
Purchase of fixed assets		(4,384)		(39,029)	
Proceeds from sale of investments		–		–	
<b>Net cash (used in) / provided by investing activities</b>			<b>(4,001)</b>		<b>(22,666)</b>
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		–	–	–	(110,000)
Cash inflows from new borrowing		–	–	–	–
<b>Net cash (used in) financing activities</b>			<b>–</b>		<b>–</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(308,306)</b>		<b>888,333</b>
Cash and cash equivalents at the beginning of the year			<b>2,949,565</b>		<b>2,061,232</b>
Change in cash and cash equivalents due to exchange rate movements			–		–
<b>Cash and cash equivalents at the end of the year</b>	a		<b>2,641,259</b>		<b>2,949,565</b>

Analysis of cash and cash equivalents and of net debt

	At 1 April 2022 £	Cash flows £	Other non-cash changes £	At 31 March 2023 £
Cash at bank and in hand	2,949,565	(308,306)	–	2,641,259
<b>a Total cash and cash equivalents</b>	<b>2,949,565</b>	<b>(308,306)</b>	<b>–</b>	<b>2,641,259</b>
Loans falling due within one year	–	–	–	–
Loans falling due after more than one year	–	–	–	–
Finance lease obligations	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>



**1 Accounting policies**

**a) Statutory information**

Re:act Disaster Response is a charitable company limited by guarantee and is incorporated in England and Wales, and also registered in Scotland. The registered office address is Chilmark, Salisbury, Wiltshire, United Kingdom, SP3 5DU.

**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), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary REACT Group Solutions Ltd on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented (because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006).

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

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 trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

**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.

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

**1 Accounting policies (continued)**

**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.

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

**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.

**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 in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose. Furthermore it includes the costs of trading activities
- Expenditure on charitable activities includes the costs of delivering services and other 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.

**j) 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.

● Cost of raising funds	19.00%
● Operations	46.00%
● Volunteer training	11.00%
● Membership	24.00%

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.

**1 Accounting policies (continued)**

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £250. 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:

● Computer equipment	4 years
● Motor vehicles	4 years
● Fixtures and fittings	4 years
● Plant and machinery	4 years

**l) Investments in subsidiaries**

Investments in subsidiaries are held at cost.

**m) 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.

**n) Short term deposits**

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

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

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

**p) Creditors and provisions**

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

**q) 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 loans which are subsequently measured at amortised cost using the effective interest method.

**r) Pensions**

The group operates defined contribution pension schemes. The assets of the schemes are held separately from each other and from the those of the charitable company and its subsidiary, in independently administered funds. The pension cost charge represents contributions payable under the schemes.

The charitable company has no liability under the scheme other than for the payment of those contributions.

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

s) Critical accounting judgements and key sources of estimation uncertainty

Key judgements that the charity has made which may have a significant effect on the accounts include the categorisation of income between donations and income from charitable activities.

The trustees do not consider that there are any sources of estimate 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.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Grants	14,948	129,918	<b>144,866</b>	–	129,918	129,918
Donations	736,214	515,922	<b>1,252,136</b>	62,959	49,519	112,478
	<u>751,162</u>	<u>645,840</u>	<u><b>1,397,002</b></u>	<u>62,959</u>	<u>179,437</u>	<u>242,396</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Charitable operations	223,636	–	<b>223,636</b>	259,586	–	259,586
Total income from charitable activities	<u>223,636</u>	<u>–</u>	<u><b>223,636</b></u>	<u>259,586</u>	<u>–</u>	<u>259,586</u>

4 Income from other trading activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Trading Activities	658,438	–	<b>658,438</b>	11,512,771	–	11,512,771
	<u>658,438</u>	<u>–</u>	<u><b>658,438</b></u>	<u>11,512,771</u>	<u>–</u>	<u>11,512,771</u>

5a Analysis of expenditure (current year)

	Fundraising		Charitable activities			Governance costs	2023 Total	2022 Total
	Charity £	Trading activities £	Operations £	Training £	Membership £	£	£	£
Staff costs (Note 7)	308,076	76,410	483,337	246,504	144,136	–	<b>1,258,463</b>	2,449,927
Other staff costs	4,295	18,659	5,087	1,541	1,517	–	<b>31,099</b>	76,578
Project costs	–	279,468	762,772	13,961	–	–	<b>1,056,201</b>	6,835,199
Direct fundraising costs	79,491	–	–	–	–	–	<b>79,491</b>	72,298
Support costs:	–	–	–	–	–	–	–	–
General	78,992	44,130	80,033	88,767	5,207	1,844	<b>298,973</b>	367,207
Depreciation	1,749	–	5,340	1,028	779	411	<b>9,307</b>	13,229
Facilities & Technology	34,836	6,555	70,721	12,859	31,988	–	<b>156,959</b>	154,108
Insurance	5,715	45,137	34,860	5,714	9,143	1,715	<b>102,284</b>	184,821
Legal and professional fees	–	5,420	–	–	–	40,179	<b>45,599</b>	174,685
Travel	1,262	332	10,321	556	180	794	<b>13,445</b>	10,630
Loss on disposal of fixed assets	–	–	–	–	–	–	–	–
	<b>514,416</b>	<b>476,111</b>	<b>1,452,470</b>	<b>370,930</b>	<b>192,950</b>	<b>44,943</b>	<b>3,051,820</b>	<b>10,338,681</b>
Governance costs	8,539	–	20,674	4,943	10,787	(44,943)	–	–
<b>Total expenditure 2023</b>	<b>522,955</b>	<b>476,111</b>	<b>1,473,144</b>	<b>375,873</b>	<b>203,737</b>	<b>–</b>	<b>3,051,820</b>	<b>–</b>
Total expenditure 2022	<b>523,880</b>	<b>8,990,176</b>	<b>416,033</b>	<b>159,267</b>	<b>249,326</b>	<b>–</b>	<b>–</b>	<b>10,338,681</b>

Notes to the financial statements

For the year ended 31 March 2023

5b Analysis of expenditure (prior year)

	Fundraising		Charitable activities			Governance costs	2022 Total
	Charity £	Trading activities £	Operations £	Training £	Membership £	£	£
Staff costs (Note 7)	213,527	1,669,493	266,546	115,531	134,390	50,440	2,449,927
Other staff costs	47,030	29,548	–	–	–	–	76,578
Project costs	18,774	6,728,527	66,717	21,182	–	–	6,835,199
Direct fundraising costs	72,298	–	–	–	–	–	72,298
Support costs:							
Consultancy	122,084	245,123	–	–	–	–	367,207
Depreciation	2,240	1,301	6,843	1,318	999	527	13,229
Facilities & Technology	25,519	27,197	5,008	8,311	87,376	697	154,108
Insurance	7,081	141,850	22,908	4,165	7,081	1,737	184,821
Legal and professional fees	–	141,313	–	–	–	33,372	174,685
Travel	–	5,825	4,805	–	–	–	10,630
Loss on disposal of fixed assets	–	–	–	–	–	–	–
	508,553	8,990,176	372,827	150,506	229,846	86,774	10,338,682
Governance costs	15,327	–	43,205	8,761	19,481	(86,774)	–
<b>Total expenditure 2022</b>	<b>523,880</b>	<b>8,990,176</b>	<b>416,033</b>	<b>159,267</b>	<b>249,326</b>	<b>–</b>	<b>10,338,682</b>

Notes to the financial statements

For the year ended 31 March 2023

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

This is stated after charging / (crediting):

	2023 £	2022 £
Depreciation	9,307	13,237
Loss on disposal of fixed assets	–	12,706
Operating lease rentals:		
Property	32,535	48,740
Auditor's remuneration (excluding VAT):	–	–
Audit of the Charity and the Group	9,500	8,300
Audit of subsidiary	–	5,000

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	1,079,093	2,217,407
Redundancy and termination costs	–	–
Social security costs	120,956	186,029
Employer's contribution to defined contribution pension schemes	58,414	46,490
	<b>1,258,463</b>	<b>2,449,926</b>

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

	2023 No.	2022 No.
£60,000 – £69,999	2	1
£70,000 – £79,999	–	–
£80,000 – £89,999	3	2
£90,000 – £99,999	–	2
£100,000 – £109,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel of the group and of charity were £544,578 (2022: £264,596 ).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £0). No charity trustee received payment for professional or other services supplied to the charity (2022: £0).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £0 (2022: 0) incurred by £347 (2022: 0 ) members relating to attendance at meetings of the trustees or active operational tasks for RE:ACT.

**8 Staff numbers**

The average number of employees of the charity (head count based on number of staff employed) during the year was 27 (2022: 24). The average for the group was 46 (2022:183 ).

**9 Related party transactions**

There were £1,758 (2022 – 0) of donations from related parties, of which all were unrestricted donations.

Notes to the financial statements

For the year ended 31 March 2023

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary REACT Group Solutions Ltd distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2023 £	2022 £
UK corporation tax at 19%	-	-

11 Tangible fixed assets

The group	Plant and Machinery £	Motor Vehicles £	Fixtures and Fittings £	Computer Equipment £	Total £
<b>Cost or valuation</b>					
At the start of the year	10,066	13,805	5,405	72,534	101,810
Additions in year	-	-	453	3,931	4,384
Disposals in year	-	-	-	(45,106)	(45,106)
At the end of the year	10,066	13,805	5,858	31,359	61,088
<b>Depreciation</b>					
At the start of the year	4,854	13,805	5,238	53,653	77,550
Charge for the year	1,488	-	164	7,655	9,307
Eliminated on disposal	-	-	-	(45,106)	(45,106)
At the end of the year	6,342	13,805	5,402	16,202	41,751
<b>Net book value</b>					
<b>At the end of the year</b>	3,724	-	456	15,157	19,337
At the start of the year	5,212	-	167	18,881	24,262
<b>The charity</b>					
<b>Cost</b>					
At the start of the year	10,066	13,805	5,405	66,158	95,434
Additions in year	-	-	453	8,931	9,384
Disposals in year	-	-	-	(43,730)	(43,730)
At the end of the year	10,066	13,805	5,858	31,359	61,088
<b>Depreciation</b>					
At the start of the year	4,854	13,805	5,238	52,277	76,174
Charge for the year	1,488	-	164	7,655	9,307
Eliminated on disposal	-	-	-	(43,730)	(43,730)
At the end of the year	6,342	13,805	5,402	16,202	41,751
<b>Net book value</b>					
<b>At the end of the year</b>	3,724	-	456	15,157	19,337
At the start of the year	5,212	-	167	13,881	19,260

All of the above assets are used for charitable purposes.



Notes to the financial statements

For the year ended 31 March 2023

12 Trading subsidiary company

The charity owns the whole of the issued ordinary share capital of REACT Group Solutions Ltd, a company registered in England. The company number is 11539755. The registered office address is Chilmark, Salisbury, SP3 5DU. The investment is carried at cost of £2 (2022: £2).

REACT Group Solutions Ltd is used for non-primary purpose trading activities. REACT Group Solutions Ltd was incorporated on 28th August 2018 and commenced trading in September 2020. All activities have been consolidated on a line by line basis in the statement of financial activities. All taxable profits are expected to be distributed under Gift Aid to the parent charity.

A summary of the results of the subsidiary is shown below:

	2023 £	2022 £
Turnover	658,438	11,512,771
Cost of sales	(359,351)	(8,175,751)
<b>Gross profit/(loss)</b>	<b>299,087</b>	<b>3,337,020</b>
Administrative expenses	(291,940)	(1,018,897)
Cost recharges payable to parent undertaking	–	–
<b>Profit/(loss) on ordinary activities before interest and taxation</b>	<b>7,147</b>	<b>2,318,123</b>
Interest receivable and similar income	372	403
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>7,519</b>	<b>2,318,526</b>
Taxation on profit on ordinary activities	–	–
<b>Profit / (loss) for the financial year</b>	<b>7,519</b>	<b>2,318,526</b>
<b>Retained earnings</b>		
Total retained earnings brought forward	2,156,232	987,707
Profit / (loss) for the financial year	7,519	2,318,525
Distribution of Profits	(2,156,232)	(1,150,000)
<b>Total retained earnings carried forward</b>	<b>7,519</b>	<b>2,156,232</b>
The aggregate of the assets, liabilities and reserves was:		
Assets	269,192	2,461,478
Liabilities	(261,673)	(305,246)
<b>Reserves</b>	<b>7,519</b>	<b>2,156,232</b>

Amounts owed to/from the parent undertaking are shown in note 14.

**13 Parent charity**

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

	2023 £	2022 £
Gross income	3,952,063	1,767,883
Result for the year	<u>1,456,649</u>	<u>566,227</u>

**14 Debtors**

	The group 2023 £	2022 £	The charity 2023 £	2022 £
Trade debtors	207,492	802,956	54,483	259,163
Other debtors	6,000	6,000	6,000	6,000
PayPal debtor	426	3,356	426	3,356
Amounts due from group undertakings	–	–	202,636	43,635
Prepayments	76,070	91,545	75,872	48,707
Accrued income	18,407	57,092	14,627	30,913
	<u>308,395</u>	<u>960,948</u>	<u>354,045</u>	<u>391,774</u>

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

	The group 2023 £	2022 £	The charity 2023 £	2022 £
VAT	87,518	104,013	68,249	83,670
Trade creditors	81,581	121,839	60,605	21,190
Taxation and social security	41,880	34,334	35,266	19,038
Other creditors	8,705	15,203	8,705	13,947
Accruals	84,585	224,113	68,170	98,237
	<u>304,269</u>	<u>499,501</u>	<u>240,995</u>	<u>236,082</u>

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

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	19,337	–	19,337
Net current assets	2,496,805	148,580	2,645,385
<b>Net assets at 31 March 2023</b>	<b>2,516,142</b>	<b>148,580</b>	<b>2,664,722</b>

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

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	24,262	–	24,262
Net current assets	3,184,664	228,157	3,412,821
<b>Net assets at 31 March 2022</b>	<b>3,208,926</b>	<b>228,157</b>	<b>3,437,083</b>

17a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
<b>Restricted funds:</b>					
Op Pace – Ukraine	21,834	454,572	(597,277)	120,871	–
Operations – Bahamas	8,712	–	(8,712)	–	–
Rapid Response Fund (GIP)	129,918	129,918	(40,050)	(89,868)	129,918
Ukraine Donation – PepsiCo	14,897	–	(14,897)	–	–
Op Anatolia (Turkey Earthquake Appeal)	–	58,879	(51,679)	–	7,201
Op Arap	8,591	–	–	–	8,591
W Simpson – Overseas Resposnse Fund	400	1,470	–	–	1,870
Blackrock – Tech Fund	43,805	–	(43,805)	–	–
RRT Fund – Midlands Region	–	1,000	–	–	1,000
<b>Total restricted funds</b>	<b>228,157</b>	<b>645,839</b>	<b>(756,420)</b>	<b>31,003</b>	<b>148,580</b>
<b>Unrestricted funds:</b>					
<b>General funds</b>	<b>1,052,693</b>	<b>974,809</b>	<b>(1,644,107)</b>	<b>1,656,232</b>	<b>2,039,627</b>
<b>Designated funds</b>	<b>–</b>	<b>500,000</b>	<b>–</b>	<b>(31,003)</b>	<b>468,997</b>
<b>Total unrestricted funds</b>	<b>1,052,693</b>	<b>1,474,809</b>	<b>(1,644,107)</b>	<b>1,625,229</b>	<b>2,508,624</b>
<b>Non-charitable subsidiary funds</b>	<b>2,156,233</b>	<b>658,810</b>	<b>(651,292)</b>	<b>(2,156,232)</b>	<b>7,519</b>
<b>Total funds</b>	<b>3,437,083</b>	<b>2,779,458</b>	<b>(3,051,819)</b>	<b>(500,000)</b>	<b>2,664,722</b>

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

Notes to the financial statements

For the year ended 31 March 2023

17b Movements in funds (prior year)

	At 31 March 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
<b>Restricted funds:</b>					
Operations	13,369	24,622	(8,454)	–	29,537
Rapid Response Fund	–	129,918	–	–	129,918
Ukraine Donation– PepsiCo	–	14,897	–	–	14,897
EMSO–RRF	–	10,000	–	–	10,000
Blackrock – Tech Fund	316,993	–	(273,188)	–	43,805
<b>Total restricted funds</b>	<b>330,362</b>	<b>179,437</b>	<b>(281,642)</b>	<b>–</b>	<b>228,157</b>
<b>Unrestricted funds:</b>					
<b>General funds</b>	<b>440,730</b>	<b>324,355</b>	<b>(862,392)</b>	<b>1,150,000</b>	<b>1,052,693</b>
<b>Total unrestricted funds</b>	<b>440,730</b>	<b>324,355</b>	<b>(862,392)</b>	<b>1,150,000</b>	<b>1,052,693</b>
<b>Non-charitable subsidiary funds</b>	<b>987,707</b>	<b>11,513,174</b>	<b>(9,194,648)</b>	<b>(1,150,000)</b>	<b>2,156,233</b>
<b>Total funds</b>	<b>1,758,799</b>	<b>12,016,966</b>	<b>(10,338,682)</b>	<b>–</b>	<b>3,437,083</b>

**Purposes of restricted & designated funds**

Rapid Response Fund (GIP) – This fund is available for repsonder training and international humanitarian deployments. Funds were transferred in year to support our Hot Food initiative in Ukraine, approved by the donor.  
Op Anatolia – Turkey Earthquake Appeal to support our humanitarian response for our teams deployed into Turkey.

Rapid Response Fund – Midlands Region

Op Pace – Ukraine Fund. Humanitarian response via partners in Ukraine including a hot food project for displaced people.

Designated Fund: For the purpose of funding humanitarian deployments and overseas projects, including training and equipment.

**Funds received in year:**

Rapid Response Fund (GIP)

Op Anatolia – Turkey Earthquake Appeal

Rapid Response Fund – Midlands Region

Op Pace – Ukraine Appeal.

18 Operating lease commitments payable as a lessee

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

	Property 2023 £	2022 £
Less than one year	–	6,460
One to five years	–	–
	<b>–</b>	<b>6,460</b>

20 Legal status of the charity

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