

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 2024



REACT Disaster Response Ltd
Contents
For the year ended 31 March 2024

Reference and administrative information 1

Trustees’ annual report 2

Independent auditor’s report 22

Statement of financial activities (incorporating an income and expenditure account) 27

Balance sheet 28

Statement of cash flows 29

Notes to the financial statements 30

REACT Disaster Response Ltd
Reference and administrative information
For the year ended 31 March 2024

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 (Resigned 16.01.24)
Nick Fothergill (Resigned 18.06.24)
Sara George (Resigned 18.06.24)
Kate Holt
Andrew Maclean (Resigned 18.06.24)
Elizabeth Stileman (Resigned 12.03.24)
Noland Carter (Appointed 28.10.23)
James Coates (Appointed 18.06.24)
Maria Manley (Appointed 04.01.24)
Nadine Nohr (Appointed 04.01.24)
Nick Wills (Appointed 14.03.24)
Richard Wilson (Appointed 28.10.23)

Key management personnel

Toby Wicks	Chief Executive
Bridgette Jones	Chief Financial Officer
Jane Pound	Chief People Officer
Ben Lampard	Director of Operations (Resigned 18.11.23)

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
110 Golden Lane
London, EC1Y 0TG

The Trustees present their report and the audited financial statements for the year ended 31 March 2024.

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

This has been another eventful year. The major international response was to Morocco, in the immediate aftermath of September's earthquake. This operation demonstrated the charity's agility and ability to quickly reach those most in need. The fact that we were the only international charity operating in the High Atlas Mountains for the first 6 weeks after the disaster speaks volumes. The charity has continued to respond to the crisis in Ukraine, sending small teams at regular intervals to provide medical and hostile environment training to local NGOs operating close to the front line. This is a highly effective way to grow capacity in areas where it is most needed. Our relationship with the Ukrainian Education Platform has continued and our efforts have been instrumental in releasing over \$2.5m from UN funds to support their work. In the UK, there have been numerous responses which continue to build our relationships with local authorities and their communities. The importance of building effective partnerships both at home and abroad has been reinforced by our experience this year. This is an aspect of the charity that we intend to develop as our reputation grows and spreads. We intend to exploit these developing relationships to increase effectiveness and find innovative ways to share overheads. Our volunteer Responder base is strong and our high-quality training continues to adequately prepare Responders for deployment. The diverse capability of our teams matches the extraordinary demands that follow sudden onset disasters. As far as Governance is concerned, we continue to develop effective processes to look after our people and ensure the highest standard of safeguarding both internally and for our beneficiaries. Board scrutiny of the financial position of the charity has highlighted the need to develop a more sustainable approach to funding, we have made some cost savings while new fundraising initiatives are put in place and this will remain a priority over the next 3 years.

Sir Nick Parker, Chair.

CEO Statement

Since its founding in 2015, REACT has excelled in quickly mobilising and deploying highly trained specialist teams to stabilise crises. As humanitarian needs become increasingly chronic and complex, the system is struggling to keep pace. Our value lies in our ongoing commitment to disaster response, providing purpose, community and identity, especially for the hard-to-reach. This value proposition is even more relevant than when we embarked on our mission 9 years ago. The last year has seen a period of change and transformation for REACT, resulting in the charity earning a positive reputation both in the UK 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. One recent example of this was our rapid response in support of one of the largest evacuation operations since the end of the second world war. A 500kg unexploded bomb was discovered in the back garden of a home in Plymouth and Responders deployed within three hours, providing agile and immediate support wherever needed. 2023 also witnessed our first deployment in Scotland post-Covid, with seven Responders supporting a rest centre following a flood in Brechin. Such locally led responses are as a result of direct engagement work by our Regional Leaders developing strong relationships with local authorities.

Our international work continues to be dominated by sudden-onset responses, including the Morocco earthquake in September, as well as intentional capacity-strengthening efforts, such as our continuing Incident Management Training for local organisations in Ukraine. The organisation continues to be extremely successful in recruiting new volunteers, enhancing the range of skillsets and bringing greater diversity and experience to our Responder pool. We have nearly reached the organisational target set by our strategic plan.

To be a true force multiplier and to maximise our impact, REACT needs to invest in and manage partnerships more intentionally. Diversity and complementarity are essential elements for REACT's sustained success. Working with partners, we achieve a better outcome for the most vulnerable and hardest-to-reach people in need. Our response to the Morocco earthquake in September emphasised this, as we partnered at pace with local organisations to deliver an appropriate and adequate response. Successfully building structures, adapting approaches, and making on-the-ground changes require diversity, agility, and specialised expertise. Our limited resources mean that we must communicate to our partners, the crucial value they bring to our efforts.

REACT is a people offer. We are not about competition, control or size. The offer is about collaboration, complementarity and learning, respecting identities and using each other's strengths. This collaborative way of working demands that we learn from each other and push each other to improve quality and value for money. We can do more to fully utilise our outstanding pool of talent, who give so much and deserve the best experience. REACT's greatest strength is its people, and this directly benefits the communities we support both locally and globally.

The scale of the challenge over the next decade calls on us to work with even greater urgency and in partnership, acting as a catalyst for change on a much larger scale. The direction of travel 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 accountability and community engagement. Ultimately, however, 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.

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:

TRAINING

During the last financial year, REACT added 251 resilient and capable volunteers to its pool of Responders. Ready to deploy at a moment's notice; our incredible volunteers enable us to respond rapidly to disasters around the UK and internationally. More importantly, having more volunteers means that we can help even more people.

In 2023/2024, 629 Responders attended a training course facilitated by REACT. Of these, 34% were military veterans. 145 people successfully completed the UK Operations course. 83 Responders progressed to become International Responders and 140 undertook additional specialist training to further their skills in areas such as Operational Leadership, Wilderness First Aid and Hostile Environment and Awareness Training (HEAT).



INTERNATIONAL OPERATIONS

UKRAINE

REACT has been supporting Ukrainians affected by war for over two years, having first deployed there within weeks of the start of the conflict. This support has been delivered in a number of ways, depending on the urgent humanitarian need at any given time.

May

Responder and strategic advisor for Ukraine David Harrington and International Operations Manager Paul Taylor visited Kharkiv to develop relationships with Myrne Nebo and to accompany the distribution of food to settlements close to the contact line.

June

Within 48 hours of the catastrophic Kakhovka dam breach, the focus of support rapidly switched to those affected by flooding in Kherson. A REACT funding campaign was launched to provide 10,650 hot meals to those in need as a direct result of the flooding.

October

Responders David Harrington and Matt Ladbrook deployed to Ukraine with two objectives. The first was to deliver bespoke incident management training to partner organisations. The second was to connect UEP with the UN, enabling them to tap into vital funding and much-needed support.

November

Two teams of Responders deployed to Zaporizhzhya and Kherson, to deliver further incident management training to REACT partners Myrne Nebo, UEP and other local organisations working in front-line conflict areas on a daily basis. The training included a focus on trauma medicine, learning how to maintain an airway and arrest a catastrophic bleed. A total of 92 people received the potentially life-saving training.



December

REACT received word that, with our support, UEP has achieved official UN/OCHA partner status.

February

REACT Responders embarked on a second mission to deliver lifesaving incident management training to people living and working in close proximity to the front line. Aimed at bolstering community resilience, the training was facilitated in part by local organisation Globa22 and focussed on trauma medicine and included the sharing of lifesaving medical skills. Over 100 people, including healthcare professionals and first responders, attended the sessions.



"You came to Ukraine when everyone else left. You believe in Ukraine and our survival. You help us to stay and support our communities. We thank you." Mariana Kashchak, CEO of Ukrainian Education Platform.

MOROCCO

September

On the 8th of September 2023 a magnitude 6.8 earthquake hit Morocco approximately 71 km southwest of Marrakesh in the High Atlas Mountains, affecting approximately 2.2 million people. Final reports indicated over 3,000 deaths across Morocco, with over 1,450 deaths in Al-Haouz province (the earthquake's epicentre) alone. Whilst a widespread appeal for international

assistance was not made, organisations with specific specialist capabilities and the ability to operate in remote mountainous regions deployed. REACT deployed Responders with varying capabilities, including reconnaissance, liaison and logistics to support. Our response initially focused in the Province of Al-Houz, with a base in Amizmiz; but as needs changed the response was relocated to Imlil. REACT worked closely with local partners to empower their response efforts following the earthquake, carrying out needs



assessments for 27 communities to make sure the right types of support reached the right people with appropriate prioritisation. We identified shelter and sanitation as priority needs, and within 24 hours had established plans to help address these needs.

One of the main REACT tasks was building emergency latrines, which is challenging work in hot weather and dry hard ground conditions. Across ten villages our teams provided 1,800 people with sanitation to reduce the risk of disease outbreaks. These latrines were then handed over to local communities to maintain for as long as necessary. REACT teams also sourced and distributed tents to provide emergency shelter for more than 500 people, all sourced from a local provider to support the Moroccan economy. The medics in our teams also provided medical assistance to people who were unable to access care following the earthquake, and a REACT team built a temporary kindergarten for local children to provide a safe environment to learn.



October

As the earthquake's aftermath continued to impact the lives of those affected, another team of Responders deployed to support local organisations with the local procurement and distribution of more tents and the construction of emergency shelters.

January

Responders deployed alongside Taskforce Kiwi volunteers, to source and distribute emergency food packages and blankets to communities where an urgent need had been identified. The team worked with local partners to source and distribute 516 emergency family food packs to 17 villages in the High Atlas Mountains, covering over 850km. Each pack contained enough food and supplies to feed a family of five people, for up to four weeks. The packs contained essential items including beans, grains, tea and hand soap. The team also distributed 65 blankets to 193 villagers in Adouz before returning to the UK.



SIERRA LEONE

May

In May, REACT's International Operations Manager, Paul Taylor and Responder Caroline O'Callaghan returned from Sierra Leone after signing a Memorandum of Understanding (MOU) with the country's National Disaster Management Agency (NDMA).

The MOU enables REACT volunteers to support the NDMA during disasters as well as assist with longer-term capacity strengthening. This relationship comes after REACT provided essential support when flash flooding hit the capital of Sierra Leone, Freetown in 2019. Six people reportedly lost their lives and thousands of homes were washed away. The settlement of Kroo Bay, home to around 10,000 people, was hardest hit, with poor sanitation and lack of access to clean water threatening disease outbreak. In response, REACT teams supplied essential water purification equipment and training on how to use and deploy these essential units.

VANUATU

February

In a focused two-week deployment, Responder Taryn Anderson joined forces with Taskforce Kiwi and Disaster Relief Australia for Operation Lola in Malekula, Vanuatu. The team conducted thorough damage assessments at 41 priority schools, a task undertaken in close partnership with Vanuatu's Ministry of Education and Training. Despite the devastation caused by Cyclone Lola, many schools had already made significant repairs, showcasing the indomitable spirit of these communities to secure education against the odds. This initiative was not just about immediate repairs but aimed at longer-term solutions for cyclone-proof educational facilities across Vanuatu.

UK

NHS Support

January – October

REACT teams supported Wexham Park, Walsall Manor, Worcestershire Royal and The Royal Stoke University Hospital, which were all experiencing severe pressure during periods of peak winter demand. The volunteers assisted with general porting, distribution of refreshments to staff and patients and general non-clinical support. Responders also supported the relocation of Walsall's Emergency Department.



Sudan Evacuee Support

April – May

While conflict raged 4,500 miles away in Sudan, REACT Responders were rapidly deployed to help support a large number of evacuees airlifted to the UK. Thousands of UK citizens and their families

were evacuated at very short notice and brought to Stansted, Birmingham, and Gatwick airports. The scale of the operations put huge pressure on local councils, so the voluntary sector was asked to help with managing their reception and helping address humanitarian needs. 86 REACT Responders from across the UK were deployed to support more than 1,000 evacuees.

Storm Babet

October

A red weather warning was issued in north east Scotland in October, as Storm Babet brought torrential rain and severe flooding to the region. The British Red Cross requested help with a rest centre in Brechin and two Response Teams deployed to support people evacuated from their homes.



Storm Ciaran

November

Storm Ciarán swept across the southern half of the UK early in November. It left in its wake wind gusts of up to 80mph in exposed locations and heavy rain across various regions. Mass power outages were anticipated affecting multiple communities.

REACT received a request for assistance on 01 November. Within six hours, four teams of Responders were ready to deploy. They carried out 340 welfare checks on those at risk of or affected by the flooding in Solent, Melksham, Poole and the New Forest.

Bristol Evacuation

November

A major incident was declared as 400 people were asked to evacuate their homes in Bristol. Barton House had been subject to a survey which found that in the event of a fire, explosion or large impact, there would be a risk to the structure of the block. We received a request from Bristol Civil Protection (Bristol City Council) to help set up a rest centre for evacuated residents. The first REACT Responders were on the scene within just two hours.

London Rest Centre Support

November – January

The Severe Weather Emergency Protocol (SWEP) is an emergency humanitarian response to severe weather conditions, the primary aim of which is to preserve life. When the protocol was activated late November, REACT received a request from several London authorities for support. Responders spent a total of 34 hours providing practical help and emotional support at emergency SWEP centres in Greenwich and Hounslow.

“I wanted to say a huge thank you to you and your wonderful REACT volunteers for the support to the SWEP shelters over the last week. You mobilised quickly, great communication and we've heard nothing but nice things about the volunteers who deployed. It was great working with you and felt like a really complimentary partnership.”

Christina Dalton, Emergency Response Operations Manager, British Red Cross

Baby Incubators for Ukraine

January

REACT Disaster Response and the Ukrainian Medical Association of the UK (UMAUK) have been actively working to provide vital medical supplies to Ukraine since 2022, including life-saving incubators. Through connections established with the Ukraine Medical Association in the UK (UMAK) and British Ukrainian Aid (BUA) and a meeting with the Hampshire Medical Fund, a local Rotary Club secured five fully serviceable incubators from the Hampshire Hospitals NHS Trust, which were collected and transported to hospitals in Ukraine.

Unexploded bomb in Plymouth

February

A 500kg bomb discovered in the back garden of a residential property in Plymouth prompted one of the largest UK evacuation operations since the end of the Second World War. REACT Responders deployed swiftly to support the evacuation and welfare of more than 10,000 people from the affected area before the device was carefully removed by bomb disposal experts from the British Army and Royal Navy.



REACT Responders were put on standby when a major incident was declared by Plymouth City Council. A support request was issued by the Council the next day and 20 Responders deployed to Home Park Stadium early the following morning to support the evacuation of residents and the facilitation of emergency rest centres. The next day, a request was received to provide help with the extension of the cordon, which affected homes along the route the bomb was due to take, as they transported it to sea where it would be safely detonated. REACT was able to support this request, by splitting on-scene Responders into two teams, deploying some to help with the additional evacuations, whilst a second team remained to support the Rest Centre. By 14:00 the area along the planned route had been cleared and at 18:00, residents were given the all-clear to return to their homes.



Known as Operation Foster, the collective and agile response was a testament to the collaboration between local emergency services including Devon and Somerset Fire and Rescue Service, Devon and Cornwall Police and the Coastguard, and members of the Armed Forces.

"I just wanted to say a massive thank you to everybody who is part of REACT. You have done a sterling job of helping to support everybody in Keyham and I just can't thank you enough. Thank you so much."

Tracey Leigh, Chief Executive of Plymouth City Council.

FLOOD RESPONSE CAPABILITY

As winter 2023 began to set in, more than 5 million homes in the UK were at risk of flooding. The last ten years have seen an increase in flooding events, whether from heavy rain, rivers overflowing or sea surges. In response to this increasing humanitarian need, REACT launched a UK Flood Appeal to ask the public to help raise £30,000 to train and equip more teams of volunteer Flood Responders. We are absolutely delighted to say that we reached our target, thanks to the generous contributions of donors.

REACT were able to train 20 REACT responders to MOD 2 standard (required to operate in moving water) and procured sufficient equipment to field two teams simultaneously. In addition, REACT underpinned the flood team project by also recruiting and retaining a qualified flood SME as a full-time project leader.

Typically, it takes more than 12 months to operationalise a new flood team. However, the REACT Flood Team were asked to be on standby within 2 months of initial training in the following regions:

- South West – Exeter & Cornwall
- Warwickshire
- Gloucestershire
- Cheshire – missing person searches
- Staffordshire – missing person



Most flood teams in the UK are regionally focussed (county based). REACT is designing its team to operate nationally, so it is not fixed to just one place. This idea has been well received by the National Fire Chief's Council and the county resilience planners REACT has approached with the concept.

UK RESILIENCE EXERCISES

REACT Responders have taken part in more than 20 resilience exercises in 23/24. These exercises simulate emergencies like floods and terrorist attacks and often include the emergency services, volunteer organisations and NGOs. They are designed to test process and planning in the event of a major incident.

One example of this is Exercise Lilibet which took place in November 2023. This was a large-scale exercise where Responders assisted Birmingham Airport Emergency Services in the live simulation of a major aviation Incident on the runway. Taking place from midnight to 03:00, it featured around 50 live casualty actors playing the roles of injured passengers and the attendance of all the Emergency Services.

STRENGTHENING RELATIONSHIPS

Teamwork is at the very centre of our approach and through experience we have learnt that collaboration is the cornerstone of any effective humanitarian action. This collaboration takes place before, during, and after events, so that we can develop best practices and gain understanding about our own strengths and weaknesses, as well as those of our partners. This ultimately means that the best asset can be brought to bear at the right time and in the right place.

British Red Cross

REACT signed an MOU with the British Red Cross (BRC) in April, after collaboration between BRC and REACT on response tasks during COVID and other crises. We work together by combining capabilities to respond rapidly to humanitarian emergencies and disasters in the UK. This helps to enhance the voluntary sector's crisis response, as part of UK Resilience. Since April we have worked together on operations including the Sudan evacuation crisis and cold weather rest centres in London, regularly participating in exercises together throughout the UK.

National Emergencies Trust

In July, REACT became the latest organisation to join the National Emergencies Trust's National Charitable Partners Programme, which aims to ensure that when domestic disasters arise, no one is left behind. The National Emergencies Trust is an independent charity set up to raise funds from the general public in the event of UK disasters such as floods, acts of terror and major accidents. When a disaster occurs, the National Emergencies Trust collaborates with charities like REACT and other bodies to raise and distribute money to support those affected.

Voluntary & Community Sector Emergencies Partnership

REACT has been a strong supporter of the VCS(EP) for many years. The VCS(EP) is a network which brings together local, regional and national organisations and plays a crucial role in major emergencies, from preparedness planning, to coordinating responses and building capability.

Taskforce Kiwi

In October, REACT announced a partnership agreement with Taskforce Kiwi, a sister organisation based in New Zealand/Aotearoa. The collaboration, founded on humility, practicality, and speed, comes after volunteers worked alongside each other on an operation following Cyclone Gabrielle, which devastated parts of the North Island.

Scotland Voluntary Sector Resilience Partnership

REACT joined the Voluntary Sector Resilience Partnership, attending its first meeting of the year in March. This strategic partnership, which brings together voluntary and public sector response organisations, serves as a cornerstone in fortifying communities against unforeseen adversities. The involvement of voluntary sector organisations is pivotal, ensuring a comprehensive approach to resilience building in Scotland.

Financial Review

Income for the group was a total of £992,019 which included a total of £286,487 from trading contracts, and income from donations decreased by £724,421. 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 £2,522,029 and included £196,114 of expenditure in delivering the trading subsidiary contracts.

The group movement in funds was a reduction of £1,530,008 for this reporting period, and profits from the trading subsidiary will be gift aided to the parent charity for this period.

The Balance Sheet has total funds of £1,134,712. The charity is consolidating its expenditure and activity in the current financial year to remain sustainable and deliver its strategic plan out to March 2025.

Following on from a period of growth, the charity had a challenging year in terms of fundraising and income from the trading subsidiary, which resulted in a significant loss being reported. Action has been taken, and a reduction in team costs, a focus on cost and project control is in place to ensure the current year result as a minimum is breakeven. The Finance committee are reviewing the Management Accounts on a monthly basis as an additional oversight during this period. The charity now has a new Director of Partnerships who is making positive progress with fundraising.

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:

- Financial Sustainability.
- Reliance on highly trained volunteers to deliver the strategic aims for humanitarian disasters, both in the UK and Internationally.
- Reputational Risk

Financial Sustainability is a strategic focus. With a new Director of Partnerships & Fundraising in post, creating an Income Generation plan that delivers more predictable income, focussing on unrestricted donations, therefore reducing the risk, and increasing the charity's ability to fulfil its

objectives, is of highest priority. The trading subsidiary is also working hard on business development to be able to deliver tax free gift-aid donations, and therefore support 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.

At the end of March 2024, the Charity had consolidated total funds of £1,134,712 of which £992,525 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 £553,846. This includes the reserves held by the Charity's trading subsidiary. Profits will be donated by REACT Group Solutions for the period ended 31 March 2024 to the Charity.

Future Plans

Future Direction: Growing impact through unapologetic collaboration

REACT faces a dynamic and challenging environment characterized by three persistent and worsening macro trends:

1. **Increasing Humanitarian Burden:** The global humanitarian landscape is witnessing escalating crises, ranging from natural disasters to conflict-driven displacements, exacerbating the need for immediate and effective humanitarian response.
2. **Plateauing Funding:** Despite the rising need for aid, funding from traditional sources is stagnating, creating a significant gap between required and available resources.
3. **Decreasing Access:** Security concerns, political barriers, and logistical challenges are increasingly limiting access to affected areas, complicating the delivery of aid.

These trends underscore the growing relevance of REACT's model, which emphasizes agility, local leadership, and collaboration. As we navigate these challenges, it becomes clear that a locally led response framework is the future. Therefore, REACT must position itself as a small, fast, and uncompromisingly collaborative entity to remain effective and impactful.

Strategic Vision

REACT is a catalytic NGO dedicated to providing rapid response during sudden-onset disasters. To maximise our impact, we aim to build strategic collaborations with humanitarian organisations globally, with the long-term vision that by 2035, a critical mass of humanitarian organisations will have integrated REACT's rapid response methodology

into their operations.

Enhanced Reputation and Demand: REACT's consistent performance has enhanced its reputation and recognition in the humanitarian sector, leading to an increase in demand for our services. This recognition opens opportunities "higher up the value chain," allowing us to play a more strategic role in large-scale humanitarian efforts.

Focus Areas: To capitalize on these opportunities, REACT will focus on three key areas:

1. **Scale:** Expanding our reach to serve more communities efficiently.
2. **Affordability:** Ensuring cost-effective operations to maximize the impact of every dollar spent.
3. **Sustainability:** Building long-term, sustainable solutions that empower local communities.

Strategic Priorities

1. **Retain Capability:** Maintain and enhance our operational capacity to respond effectively to crises.
2. **Consolidate Movement Up the Value Chain:** Strengthen our position as a key player in strategic humanitarian initiatives.
3. **Confirm Routes to Market:** Solidify our operational pathways to ensure smooth and effective delivery of aid.
4. **Demonstrate Effectiveness:** Continuously showcase our impact through measurable outcomes and high standards.

Our goal is to be a standard-bearer for rapid disaster response, with our methodology adopted by major humanitarian organisations within the next decade. By fostering collaboration and sharing our expertise, we believe that we can create a network of partners capable of responding to disasters more quickly and effectively, ultimately saving more lives and resources.

Implementation Plan

- 25/26: Focus on capacity building by launching training programs and developing partnerships with key humanitarian organisations. Begin documenting and sharing REACT's best practices.
- 26/27: Expand joint response initiatives and increase the number of organisations integrating our methodology. Host the first global summit on rapid disaster response.
- 27/28 and beyond: Achieve widespread adoption of REACT's methodology across the humanitarian sectors. Continue refining and promoting our approach, ensuring it remains at the forefront of disaster response innovation.

Measuring Success

1. Number of organisations trained and adopting in REACT's methodology.
2. Increase in the speed and effectiveness of disaster responses involving REACT and its partners.
3. Adoption of rapid response strategies by major humanitarian organisations globally.

Conclusion

REACT Disaster Response is well positioned to catalyse a global shift in how humanitarian organisations respond to disasters. Through strategic collaborations, capacity strengthening, and advocacy, we can ensure that in ten years, rapid response is not just a specialty but a standard practice across the humanitarian sector. We invite all partners to join us in this mission to save more lives and reduce suffering worldwide.

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. Our new Head of Fundraising is focussing on sustainable and predictable income generation, with the fundraising pipeline being under constant review and development, whilst collaborating with our Head of Communications to create 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.

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 has seen 6 new Trustees join, and 5 have resigned. Our thanks go to the Trustees who have resigned, having all been with us for many years, giving their time and knowledge to support REACT and its objectives.

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 2024 was 12 (2023 – 9). 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 24 September 2024 and signed on their behalf by

Sir Nick Parker
Chair

Opinion

We have audited the financial statements of REACT Disaster Response Ltd (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 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 2024 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 Ltd'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. 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)
22 October 2024
for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

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



REACT Disaster Response Ltd
Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Income from:							
Donations and legacies	2	371,649	300,932	672,581	751,162	645,840	1,397,002
Charitable activities							
Charitable Operations	3	31,278	–	31,278	223,636	–	223,636
Other trading activities	4	286,487	–	286,487	658,438	–	658,438
Interest income		1,673	–	1,673	383	–	383
Total income		691,087	300,932	992,019	1,633,619	645,840	2,279,459
Expenditure on:							
Raising funds – charity	5	315,766	–	315,766	522,955	–	522,955
Raising funds – trading activities	5	196,114	–	196,114	476,111	–	476,111
Charitable activities							
Operations	5	1,163,793	308,324	1,472,117	756,773	716,371	1,473,144
Training	5	313,663	60,000	373,663	335,823	40,050	375,873
Volunteers	5	164,370	–	164,370	203,737	–	203,737
Total expenditure		2,153,705	368,324	2,522,029	2,295,399	756,421	3,051,820
Net income / (expenditure) for the year	6	(1,462,618)	(67,392)	(1,530,010)	(661,780)	(110,581)	(772,360)
Transfers between funds		(61,000)	61,000	–	(31,003)	31,003	–
Net movement in funds	17	(1,523,618)	(6,392)	(1,530,010)	(692,783)	(79,578)	(772,360)
Reconciliation of funds:							
Total funds brought forward		2,516,142	148,579	2,664,722	3,208,925	228,157	3,437,082
Total funds carried forward		992,525	142,187	1,134,712	2,516,142	148,579	2,664,722

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 2024

	Note	The group 2024 £	2023 £	The charity 2024 £	2023 £
Fixed assets:					
Tangible assets	11	28,533	19,337	28,533	19,337
Investments	12	–	–	2	2
		28,533	19,337	28,535	19,339
Current assets:					
Debtors	14	91,406	291,864	185,997	354,045
Cash at bank and in hand		1,172,721	2,641,259	1,020,735	2,524,814
		1,264,126	2,933,123	1,206,732	2,878,859
Liabilities:					
Creditors: amounts falling due within one year	15	(157,947)	(287,737)	(142,786)	(240,995)
Net current assets		1,106,179	2,645,385	1,063,946	2,637,864
Total assets less current liabilities		1,134,712	2,664,722	1,092,481	2,657,203
Total net assets		1,134,712	2,664,722	1,092,481	2,657,203
Funds:	17a, b				
Restricted income funds		142,187	148,580	142,187	148,580
Unrestricted income funds:					
General funds		582,379	2,039,626	582,298	2,039,626
Designated funds		367,997	468,997	367,997	468,997
Non-charitable subsidiary funds		42,149	7,519	–	–
Total unrestricted funds		992,525	2,516,142	950,294	2,508,623
Total funds		1,134,712	2,664,722	1,092,481	2,657,203

Approved by the trustees on 24 September 2024 and signed on their behalf by

Sir Nick Parker
Chair

REACT Disaster Response Ltd

Consolidated statement of cash flows

For the year ended 31 March 2024

	Note	2024 £	£	2023 £	£
Cash flows from operating activities					
		(1,530,008)		(772,360)	
(as per the statement of financial activities)					
Depreciation charges		16,471		9,307	
Losses on exchange rates		-		-	
Dividends, interest and rent from investments		(1,673)		(383)	
Loss on the disposal of fixed assets		-		-	
(Increase)/decrease in debtors		216,990		654,363	
Increase/(decrease) in creditors		(146,323)		(195,232)	
Net cash provided by / (used in) operating activities			(1,444,544)		(304,305)
Cash flows from investing activities:					
Dividends, interest and rents from investments		1,673		383	
Proceeds from the sale of fixed assets		-		-	
Purchase of fixed assets		(25,667)		(4,384)	
Proceeds from sale of investments		-		-	
Net cash (used in) / provided by investing activities			(23,994)		(4,001)
Cash flows from financing activities:					
Repayments of borrowing		-	-	-	-
Cash inflows from new borrowing		-	-	-	-
Net cash (used in) financing activities			-		-
Change in cash and cash equivalents in the year			(1,468,538)		(308,306)
Cash and cash equivalents at the beginning of the year			2,641,259		2,949,565
Change in cash and cash equivalents due to exchange rate movements			-		-
Cash and cash equivalents at the end of the year	a		1,172,721		2,641,259

1 Accounting policies

a) Statutory information

REACT Disaster Response LTD 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

Following on from a challenging year relating to Income generation, which resulted in a financial loss, the charity has changed its permanent team structure, and balanced its budget for the current year to be breakeven as a minimum. Following on from robust forecasting and stress testing of the 12 months from Sept 24, 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 | 5% |
| ● Operations | 60% |
| ● Volunteer training | 20% |
| ● Volunteers | 15% |

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 2024

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 £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Grants	14,948	129,918	144,866	14,948	129,918	144,866
Donations	316,398	171,014	487,412	659,748	515,922	1,175,670
Donations – Gift In Kind	40,303	–	40,303	76,466	–	76,466
	<u>371,649</u>	<u>300,932</u>	<u>672,581</u>	<u>751,162</u>	<u>645,840</u>	<u>1,397,002</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Charitable operations	31,278	–	31,278	223,636	–	223,636
Total income from charitable activities	<u>31,278</u>	<u>–</u>	<u>31,278</u>	<u>223,636</u>	<u>–</u>	<u>223,636</u>

4 Income from other trading activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Trading Activities	286,487	–	286,487	658,438	–	658,438
	<u>286,487</u>	<u>–</u>	<u>286,487</u>	<u>658,438</u>	<u>–</u>	<u>658,438</u>

REACT Disaster Response Ltd

Notes to the financial statements

For the year ended 31 March 2024

5a Analysis of expenditure (current year)

	Fundraising		Charitable activities			Governance costs	2024 Total	2023 Total
	Charity £	Trading activities £	Operations £	Training £	Membership £	£	£	£
Staff costs (Note 7)	223,382	137,181	936,064	182,410	97,995	–	1,577,032	1,258,463
Other staff costs (inc contractors)	–	52,415	–	–	–	–	52,415	31,099
Project costs	–	–	301,071	96,879	–	–	397,950	1,056,201
Direct fundraising costs	61,762	–	–	–	–	–	61,762	79,491
Support costs:								
Consultancy	10,188	–	76,743	40,753	30,565	–	158,250	298,973
General	7,176	–	69,639	28,703	21,527	4,736	131,781	59,043
Depreciation	–	–	16,471	–	–	–	16,471	9,307
Facilities & Technology	3,887	4,450	46,639	15,546	11,660	–	82,182	156,959
Insurance	8,254	2,067	22,700	8,254	2,064	845	44,185	102,284
	314,650	196,114	1,469,327	372,547	163,811	5,581	2,522,029	3,051,820
Governance costs	1,116	–	2,790	1,116	559	(5,581)	–	–
Total expenditure 2024	315,766	196,114	1,472,117	373,663	164,370	–	2,522,029	–
Total expenditure 2023	522,955	476,111	1,473,144	375,873	203,737	–	–	3,051,820

REACT Disaster Response Ltd

Notes to the financial statements

For the year ended 31 March 2024

5b Analysis of expenditure (prior year)

	Fundraising		Charitable activities			Governance costs	2023 Total
	Charity £	Trading activities £	Operations £	Training £	Membership £	£	£
Staff costs (Note 7)	308,076	76,410	483,337	246,504	144,136	–	1,258,463
Other staff costs	4,295	18,659	5,087	1,541	1,517	–	31,099
Project costs	–	279,468	762,772	13,961	–	–	1,056,201
Direct fundraising costs	79,491	–	–	–	–	–	79,491
Support costs:	–	–	–	–	–	–	–
Consultancy	78,992	44,130	80,033	88,767	5,207	1,844	298,973
General	1,262	5,752	10,321	555	180	40,973	59,043
Depreciation	1,749	–	5,340	1,028	779	411	9,307
Facilities & Technology	34,836	6,555	70,721	12,859	31,988	–	156,959
Insurance	5,715	45,137	34,860	5,714	9,143	1,715	102,284
	514,416	476,111	1,452,471	370,929	192,950	44,943	3,051,820
Governance costs	8,539	–	20,674	4,943	10,787	(44,943)	–
Total expenditure 2023	522,955	476,111	1,473,145	375,872	203,737	–	3,051,820

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2024 £	2023 £
Depreciation	16,471	9,307
Loss on disposal of fixed assets	-	-
Operating lease rentals:		
Property	-	32,535
Auditor's remuneration (excluding VAT):	-	-
Audit of the Charity and the Group	10,200	9,500
Audit of subsidiary	-	-
	<u>16,471</u>	<u>41,842</u>

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

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	1,358,480	1,079,093
Redundancy and termination costs	4,957	-
Social security costs	144,601	120,956
Employer's contribution to defined contribution pension schemes	68,994	58,414
	<u>1,577,032</u>	<u>1,258,463</u>

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

	2024 No.	2023 No.
£60,000 – £69,999	3	2
£70,000 – £79,999	-	-
£80,000 – £89,999	3	3
£90,000 – £99,999	-	-
£100,000 – £109,999	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel of the group and of charity were £389,042 (2023: £544,578).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £0). No charity trustee received payment for professional or other services supplied to the charity (2023: £0).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £598 (2023: £347) incurred by 1 (2023: 1) members relating to attendance at meetings of the trustees or active operational tasks for REACT.

8 Staff numbers

The average number of employees of the charity (head count based on number of staff employed) during the year was 25 (2023: 27). The average for the group was 30 (2023:46).

9 Related party transactions

There were £7,580 (2023- £1,758) of donations from related parties, of which all were unrestricted donations.

Notes to the financial statements

For the year ended 31 March 2024

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:

	2024 £	2023 £
UK corporation tax at 19%	-	-

11 Tangible fixed assets

The group	Plant and Machinery £	Motor Vehicles £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost or valuation					
At the start of the year	10,066	13,805	5,858	31,359	61,088
Additions in year	-	-	268	25,398	25,667
Disposals in year	(4,108)	(13,805)	(5,406)	(4,749)	(28,068)
At the end of the year	5,959	-	720	52,008	58,687
Depreciation					
At the start of the year	6,342	13,805	5,402	16,202	41,751
Charge for the year	1,489	-	219	14,763	16,471
Eliminated on disposal	(4,108)	(13,805)	(5,406)	(4,749)	(28,068)
At the end of the year	3,723	-	215	26,216	30,154
Net book value					
At the end of the year	2,235	-	505	25,792	28,533
At the start of the year	3,724	-	456	15,157	19,337
The charity					
Cost					
At the start of the year	10,066	13,805	5,858	31,359	61,088
Additions in year	-	-	268	25,398	25,667
Disposals in year	(4,108)	(13,805)	(5,406)	(4,749)	(28,068)
At the end of the year	5,958	-	720	52,008	58,687
Depreciation					
At the start of the year	6,342	13,805	5,402	16,202	41,751
Charge for the year	1,489	-	219	14,763	16,471
Eliminated on disposal	(4,108)	(13,805)	(5,406)	(4,749)	(28,068)
At the end of the year	3,723	-	215	26,216	30,154
Net book value					
At the end of the year	2,235	-	505	25,792	28,533
At the start of the year	3,724	-	456	15,157	19,337

All of the above assets are used for charitable purposes.

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 (2023: £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:

	2024 £	2023 £
Turnover	286,487	658,438
Cost of sales	(113,460)	(359,351)
Gross profit/(loss)	173,027	299,087
Administrative expenses	(130,989)	(291,940)
Cost recharges payable to parent undertaking	–	–
Profit/(loss) on ordinary activities before interest and taxation	42,038	7,147
Interest receivable and similar income	111	372
Profit / (loss) on ordinary activities before taxation	42,149	7,519
Taxation on profit on ordinary activities	–	–
Profit / (loss) for the financial year	42,149	7,519
Retained earnings		
Total retained earnings brought forward	7,519	2,156,232
Profit / (loss) for the financial year	42,149	7,519
Distribution of Profits	(7,519)	(2,156,232)
Total retained earnings carried forward	42,149	7,519
The aggregate of the assets, liabilities and reserves was:		
Assets	159,081	269,193
Liabilities	(116,930)	(261,672)
Reserves	42,151	7,521

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:

	2024 £	2023 £
Gross income	806,794	3,952,063
Result for the year	(757,925)	1,456,649

14 Debtors

	The group		The charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	16,410	207,492	12,450	54,483
Other debtors	6,000	6,000	6,000	6,000
PayPal & Stripe debtor	13,904	426	8,746	426
Amounts due from group undertakings	–	–	16,532	202,636
Prepayments	50,369	76,070	50,369	75,872
Accrued income	4,722	18,407	1,587	14,627
	91,405	308,395	95,684	354,045

15 Creditors: amounts falling due within one year

	The group		The charity	
	2024 £	2023 £	2024 £	2023 £
VAT	7,384	87,518	1,652	68,249
Trade creditors	27,527	81,581	22,352	60,605
Taxation and social security	53,820	41,880	50,485	35,266
Other creditors	11,455	8,705	11,455	8,705
Accruals	57,760	84,585	56,760	68,170
	157,946	304,269	142,704	240,995

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

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	28,533	–	28,533
Net current assets	963,992	142,187	1,106,179
Net assets at 31 March 2024	992,525	142,187	1,134,712

16b Analysis of group net assets between funds (prior 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
Net assets at 31 March 2023	2,516,142	148,580	2,664,722

17a Movements in funds (current year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Op Pace – Ukraine	–	29,233	(135,233)	106,000	–
Op Atlas – Morocco Earthquake	–	82,593	(102,593)	20,000	–
Rapid Response Fund (GIP)	129,918	129,918	(45,000)	(84,918)	129,918
Veterans Foundation – Training	–	20,000	(20,000)	–	–
Op Anatolia (Turkey Earthquake Appeal)	7,201	1,285	(28,403)	19,918	–
Op Arap	8,591	–	(8,591)	–	–
W Simpson – Overseas Resposnse Fund	1,870	960	–	–	2,830
Flood Development Fund	–	30,743	(28,504)	–	2,239
Burges Salmon Trust – Bristol & SW	–	200	–	–	200
RRT Fund – Midlands Region	1,000	6,000	–	–	7,000
Total restricted funds	148,580	300,932	(368,325)	61,000	142,187
Unrestricted funds:					
General funds	2,039,627	404,488	(1,869,255)	7,519	582,379
Designated funds	468,997	–	(40,000)	(61,000)	367,997
Total unrestricted funds	2,508,624	404,488	(1,909,255)	(53,481)	950,376
Non-charitable subsidiary funds	7,519	286,598	(244,449)	(7,519)	42,149
Total funds	2,664,722	992,019	(2,522,029)	–	1,134,712

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 31 March 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 April 2023 £
Restricted funds:					
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
Total restricted funds	228,157	645,839	(756,420)	31,003	148,580
Unrestricted funds:					
General funds	1,052,693	974,809	(1,644,107)	1,656,232	2,039,627
Designated funds	–	500,000	–	(31,003)	468,997
Total unrestricted funds	1,052,693	1,474,809	(1,644,107)	1,625,229	2,508,624
Non-charitable subsidiary funds	2,156,233	658,810	(651,292)	(2,156,232)	7,519
Total funds	3,437,083	2,779,458	(3,051,819)	(500,000)	2,664,722

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 Training, Op Atlas (Morocco Earthquake), Op Anatolia (Turkish Earthquake. Op Pace (Ukraine Projects) . approved by the donor.
Op Anatolia – Turkey Earthquake Appeal to support our humanitarian response for our teams deployed into Turkey, and a secondary purpose of replenishment of equipment and consumables.

Rapid Response Fund – Midlands Region

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

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

Funds received in year:

Rapid Response Fund

Op Atlas – Moroccon Earthquake Fund

Rapid Response Fund – Midlands Region

Op Pace – Ukraine Appeal.

Veterans Foundation – funding for Volunteer Training

Flood Development Fund

18 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.