



Rapid **e**ffective **a**ssistance
for **c**hildren with potentially
terminal illness

Annual Report and Financial Statements

1st April 2020 – 31st March 2021

Registered Charity No. 802440

Scotland SC038067

REACT
Officers and Advisors
Year ended 31st March 2021

Founder

Sister Frances Dominica OBE

Patrons

Baroness van Dedem

Sir Derek Jacobi CBE

Samantha Bond

Trustees

R Wiles (Chairman)

R Clifford

Sister Frances Dominica OBE

K Entwisle

P Mellor

Dr. M Miller

J Burdett

Honorary Medical Advisor

Dr. M Miller Consultant Paediatric Palliative Medicine

Director

V Andreas

Office

React

St. Luke's House

270 Sandycombe Road

Kew

Richmond

Surrey TW9 3NP

Auditors

Peter Upton Ltd

Bridge House

2 Bridge Avenue

Maidenhead SL6 1RR

Bankers

Barclays Bank plc

8 George Street

Richmond Upon Thames

Surrey TW9 1JY

REGISTERED CHARITY NUMBER 802440 Scotland SC038067

The Trustees present their annual report and financial statements for the year ended 31st March 2021. The financial statements are prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's Trust Deed, Charity Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and the Financial Reporting Standard applicable in the UK and Ireland SORP (FRS102).

React's aims and objectives

React's objective is to improve the quality of life for children with life-limiting conditions living in financially disadvantaged families throughout the UK.

The charity carries out this objective by:

- providing children with essential aid and equipment that will enhance their quality of life, following recommendations from medical professionals who have identified a specific need.
- responding with practical and sensitive support within days, if not hours. When a child's life is short, an immediate response is vital.
- supporting those families who are unlikely to receive the assistance they need from any other source in sufficient time.
- providing assistance throughout a child's lifetime. Many life-limiting illnesses are degenerative and a child's needs may continually change.
- eliminating red tape and bureaucracy, allowing aid to be given quickly and without fuss, keeping administrative costs as low as possible.

The Trustees confirm that the charity's aims and objectives are in accordance with the Charity Commission's guidance on Public Benefit.

React's Delivery of Public Benefit

In order to achieve the charity's aims and objectives, **React** provides a wide range of support to families caring for a life-limited child. This support is essential to meet children's care, yet unavailable from any other source in sufficient time. The rapid response provided offers both practical and psychological support, and thus improving the mental health of carers.

Responding to applications, **React** provides children and their families with assistance which will ensure a child's life remains comfortable, inclusive and stimulating in the form of:

- Specialist equipment, including specialist beds, sleep systems, rapid nebulisers, portable suction machines, chairs and baths;
- Mobility equipment, including wheelchairs, arm supports, hoists, buggies, adapted trikes and walking frames;
- Educational equipment, including computers, educational software, communication aids and sensory equipment;
- Respite holidays, at one of **React's** five mobile homes located in the UK;
- Safety and Hygiene essential home care items, including white goods, beds, clothing and flooring;
- Travel and subsistence for lengthy hospital stays enabling parents to divide their time between a gravely ill child and siblings left at home;
- 'End of life' care, including memorial headstones and funeral expenses.

React's Delivery of Public Benefit (continued)

By providing aid and essential equipment to children and their families, the charity meets essential needs which are unavailable from Healthcare Trusts or Local Authorities, within a family's area of residence. React recognises the additional cost in both time and finance for families caring for a child with a terminal illness which is often compounded by a reduction of income and the need occurs for one or both parents to give up paid employment.

During 2020/21, **React** achieved its aims and objectives and in doing so provided a beneficial service to children with life-shortening conditions, who are living within financially disadvantaged families. The charity reviews the outcome of its work each year and assesses the benefits its service brings to each family. **React's** Honorary Medical Advisor and trustee, Dr. Mike Miller brings a wealth of experience and a greater understanding of the complex care needs our families face.

An analysis of total charitable expenditure amounting to £621,245 is given in Note 4 of the Financial Statements and this provides a detailed outline of the different areas of support described above.

To enable access to **React's** services, the charity encourages referrals from professionals working within children's palliative care. **React** also continues to seek opportunities to expand its service network, in order to meet the needs of families caring for a terminally ill child.

Plans for the Future

Public sector funding continues to be sporadic and this contributes towards the demand for **React's** services. Examples of where this occurs are as follows:

- Limits on NHS and Local Authority budgets restrict the level of statutory support available to families.
- Specialist equipment which improves the quality of life for terminally ill children is frequently unavailable through government sources and is often priced beyond the financial means of low-income families.
- As an illness progresses, the needs of a child may change, thus incurring increased costs due to the additional equipment required.

As a result of the above, **React** receives multiple requests from families. In wanting to serve as many families as possible, it is essential to understand and target the key need of each family with the assistance of the sponsor directly involved in their care. Additionally, due to advances in medical and technical science, children with debilitating illnesses are living longer and there is a range of specialist equipment produced to meet their specific needs. The expertise of professionals working in the field of children's palliative care has always played a pivotal role in the work of **React** and will continue to do so to ensure the equipment provided is of maximum benefit for each child.

The charity continues to work towards assisting all those families, who meet its criteria in pursuit of its mission, to ensure that a terminally ill child's quality of life is not compromised, no matter how short that life may be. It is not uncommon for children who are referred to **React** to be diagnosed with more than one medical condition and this often leads to both physical and neurological disabilities.

Recycling of Equipment

The responsibility and maintenance of equipment provided by **React** is passed on to each family. However, when there is a change of need or death of a child, **React** will endeavour to re-home each item to a child with a similar need providing the equipment remains in good serviceable condition.

React Holidays

The Coronavirus pandemic forced **React** to abandon its mobile homes holidays throughout the UK in respect of Summer 2020 as all sites were forced to close in order to comply with social distancing regulations laid down by the Government.

The great attraction of these holiday homes is that they offer enormous benefit not only to exhausted parents, but also to siblings, giving the whole family a chance to experience new surroundings in a relaxed environment. The charity's caravans are located at various sites across the UK and the current locations include: Skegness (Coastfields); South Wales (Trecco Bay); Blackpool (Cala Gran); and East Lothian (Seton Sands)

Families meeting **React's** criteria can normally request one week's holiday and the scheme is extremely popular, with peak season often filled months in advance. The Board of Trustees is currently considering the extent to which the charity will be able to resume providing these holidays in 2021. Much will depend upon the advice provided by the authorities as to the safety of families and the regulations required. Careful attention will be given to the response of the various park sites, thus ensuring effective distancing and cleaning measures

The average lifespan of a mobile home is five years. However, by following a detailed maintenance programme and relying on the goodwill of park management, many have lasted much longer. All holiday site maintenance teams work alongside the charity and provide detailed reports with regards to the condition of each mobile home and to advise on any essential repairs. Furthermore, **React** values feedback obtained from visiting families and ensures each home is visited annually by a member of staff who will report any issues to site management.

Coronavirus

Whilst all families felt the mental and emotional toll of the pandemic, for **React** parents, this was considerably difficult as they shielded for months with little or no outside support, worrying about protecting their vulnerable child from the virus. Additionally, the pandemic placed families under enormous financial strain. Many parents were furloughed or made redundant and even those living on income support benefits, struggled with rising costs incurred by food deliveries. **React** offered a friendly 'ear' to parents who required no more than, the knowledge that, there was help and support available. **React** staff successfully made the transition to home working and kept all services intact, thus protecting their co-workers and the needs of families. Having embraced this new way of working, the charity is content in knowing, **React** can operate this way indefinitely.

React in Scotland

React continues to build strong relationships with healthcare professionals throughout Scotland and is proud of its association with the Children's Hospice Association Scotland CHAS and the Royal Hospital for Sick Children in Glasgow and Edinburgh. The charity works alongside palliative care professionals to ensure families caring for a terminally ill child can access its services. Some reports suggest as many as 26% of children are living in poverty and this is reflected in the requests received from Scotland which can range from basic storage to store medications and supplies, to specialist equipment, specifically tailored to meet a child's needs. Referrals for specialist equipment equate to half of the number of requests received from Scotland with a particular interest in those of a postural nature and may include moulded seating or profiling beds. **React's** mobile home based at Seton Sands holiday village is always popular and a waiting list is in place for those hoping to take a holiday this year.

React remains thankful to its volunteers and supporters in Scotland including fundraising groups, charitable trusts and individuals who generously support its work in the country.

React in England

Research undertaken by Together for Short Lives advises that, there has been a sharp rise in the number of babies, children and young people living with a life-limiting or life-threatening condition in England. With more than two in five families living in poverty (Child Poverty Action Group), many parents are struggling financially which has had an enormous impact during the pandemic. For parents who have been separated from usual support systems and, with medical and healthcare organisations overwhelmed or limited to the amount of aid they can provide, families are often alone without adequate support. **React** continues to reach out to palliative care professionals to ensure families obtain access to vital support and now that many organisations are emerging from lockdown, the charity hopes to increase its charitable activities and reach those families who have since received a terminal prognosis for their child. The charity's mobile homes in Coastfields, Skegness and Cala Gran, Blackpool are an attractive option for holidaymakers and **React** hopes to fulfil all requests to visit this season.

It is with thanks to the support of local community groups, volunteers and charitable trusts and organisations that many families have benefitted from **React's** service and special thanks goes to the Eveson Trust for their generous award.

React in Wales

Prior to the coronavirus crisis, Save the Children reported that nearly one in three children are growing up in poverty, in Wales. This is reflected in the applications received from the country with requests varying from a basic cot or washing machine, to specialist profiling beds. **React** works closely with all children's hospices and has formed excellent relationships with Hope House and Ty Gobaith. The two mobile homes based in Trecco Bay, South Wales remain our most popular holiday homes where guests can enjoy the many facilities available including an outdoor wet play area, adventure play area and Blue Flag beach. Our work in Wales extends across the country and we try to facilitate all requests demonstrating a 'basic, essential, need'. Many families have sought help of an educational variety, especially for those children who are home schooled yet unable to obtain laptops and touchpads. For children who find communication difficult, a simple touch screen programme can often assist tremendously and will encourage learning whilst confined to the home. We thank those supporters who continue to recognise the value of **React's** work and to professionals who encourage welsh families to apply.

React in Northern Ireland

React continues to raise awareness of its services in Northern Ireland, working closely with healthcare professionals including organisations such as the Royal Belfast Hospital for Children and the Northern Ireland Children's Hospice. The charity works alongside many palliative care teams and strives to make new contacts to ensure no child who meets our criteria, goes without. Research published by the Northern Ireland Commissioner for Children and Young People (NICCY) suggests that almost one in every four children born in Northern Ireland, is living in a family struggling to meet basic needs. Safety and hygiene equipment is very popular in Northern Ireland, where many usual high street stores do not exist. Families are forced to source white goods from individual traders making ordering and delivery difficult. We thank the many professionals who have offered to source goods on our behalf to make the purchase and delivery as easy as possible. Additional thanks must go to the charitable trusts who support our work in Northern Ireland and we will continue to do all we can to help those who are unable to access aid from any other source.

PR & Marketing

React does not normally engage in costly advertising and promotes its work through its website, social media and the distribution of literature produced 'in-house'. The charity's regular annual expense is a bi-annual newsletter which raises awareness in order to attract potential service users and donors.

In December 2017 we received a legacy of £100,000 from Elliott Simmons designated for the purposes of funding future PR and Marketing activities of the charity. As a result each year an amount has been deducted from this reserve representing the salary of the employee responsible for the charity's PR and Marketing. In 2020/21 an amount of £18,802 was applied to this reserve as shown in the Financial Statements and the balance of this donation still outstanding as at 31 March 2021 stands at £33,075.

Volunteers and Gifts in Kind

React benefits from a network of dedicated volunteers working across the UK, volunteering their time in a variety of ways including organising fundraising events (where possible), promoting awareness and acting as representatives. This is managed from the **React** office but relies on key volunteers to offer personal guidance. The charity provides each volunteer with a fundraising pack and monitors the provision of merchandise, collecting boxes and buckets.

React also receives a great deal of support from a dedicated Events Committee, set up to hold fundraising events throughout the year in aid of the charity's work. The charity continues to benefit from gifts in kind which include a variety of raffle and auction prizes given in support of **React** events.

Structure, Governance and Management

The charity is an unincorporated association constituted under a Trust Deed dated 7th November, 1989 as varied by a supplemental Deed dated 25th February 2010 and a resolution dated 4th March, 2015. The charity is honoured to receive guidance from **React's** Founder, Sister Frances Dominica OBE. Sister Frances is the Founder of Helen and Douglas House, the world's first children's hospice, based in Oxford.

React is proud to receive the support of its three Patrons, Samantha Bond, The Baroness van Dedem and Sir Derek Jacobi CBE who are willing to give up their valuable time in helping **React** with its fundraising activities.

Whilst the Trustees accept ultimate responsibility for directing the charity's affairs they have delegated the day-to-day operational decisions to the Director, who reports to the Board at Trustees meetings. In addition, the Director regularly consults and involves the Trustees on all significant developments relating to the charity's work.

The Trustees receive monthly management information to ensure finances are in keeping with the budget agreed by the Board at the beginning of the financial year.

Trustees Induction and Training

When required, the Trustees look for suitable candidates to join the Board who can bring experience and expertise relevant to the charity's objectives. New Trustees are invited to join the Board (initially for a year as a Trustee Designate) by the Chairman following consultations with existing Trustees. This method of recruitment enables the Board to assess the future contribution and effectiveness of each new member.

REACT
Report of the Trustees (continued)
Year ended 31st March 2021

Having accepted an invitation to join the Board, the Trustee Designate must sign a declaration relating to the purposes and aims of the charity, as well as their general and specific duties determined by the Chairman. The Trustee Designate is then supplied with a welcome pack containing information covering all aspects of **React's** work. This includes the history of **React**, annual reports and accounts and, a brief overview of all key policies relating to the Board and the organisation. New Trustees are also provided with published literature relating to Good Governance.

The Trustee Designate must then attend a series of meetings, initially with the Chairman, and later with the Director who will familiarise the Trustee with all the activities of the charity. In addition, all Trustees are encouraged to attend appropriate external training seminars, found in publications such as Governance and Third Sector.

Related Party Transactions & Conflict of Interest

In accordance with charity policy, on joining the board, Trustees must declare any interests that may conflict with their ability to act appropriately in their role as Trustee. If a conflict of interest should arise, they will be required to withdraw from any related decision-making situations. There have been no such issues of conflict this year.

Trustee Remuneration and Expenses

Trustees give their time freely with no remuneration paid during the year. However, expenses incurred whilst operating on behalf of the charity are paid to the Trustees, primarily to cover any claimed travel and subsistence costs. The policy of paying these expenses, as agreed by the Board and Director, is as follows:

- All expenses are entered on an Expenses Claim Form and must be authorised by the Director and a Trustee independent of the transaction before payment is made.

Details of Trustee expenses are disclosed on Note 6a in the Financial Statements.

The Trustees review the level of pay and remuneration awarded to key management personnel annually. Consideration, where available is given to comparable pay and remuneration set in similar organisations.

Risk Management

The Trustees and Director, with input from key staff members, review annually major risks to which **React** is exposed, in particular those relating to the specific operational areas of the charity and its finances.

A Risk Assessment and Management Register has been established and is updated throughout the year and, where appropriate, plans are developed to mitigate any potential internal and external risks found.

Financial Review

This year, **React's** total income declined from £999,273 to £614,097. This decrease in total income is largely attributed to a number of legacies totalling £252,177 received during the previous financial period together with a successful fundraising event held on the grounds of the Bank of England in Roehampton in 2019. This was the last major fundraising event the charity was able to organise before the pandemic struck and the event scheduled for September 2020 at Trumpeter's House has been cancelled.

In the 2020 Annual Report, the Trustees indicated that they would be budgeting an operating deficit in the year in recognition of the sizeable cash balances the charity was holding. The Income and Expenditure Account in the 2021 Financial Statements show that this deficit amounted to £55,678.

During the past year, the charity has nevertheless been able to attract the ongoing support of charitable trusts despite the volatility in the financial markets. **React** newsletters to the general public have also generated a favourable response. The Trustees are incredibly grateful to the charity's supporters, who have recognised the difficult fundraising climate and donated to **React's** charitable activities throughout the year.

As in previous years, a significant amount of **React's** total income comes with specific categories and geographical restrictions. This income is treated as restricted funds as shown in the financial statements; and in compliance with the directives of the SORP, management and administration costs have been allocated to either charitable activities or fundraising costs.

Unsurprisingly, the pandemic and the Government's policies to combat the Covid-19 virus have severely affected the charity's ability to organise fundraising events. These events would have involved large numbers of people gathered in close proximity to one another and would therefore have contravened health regulations. Furthermore, the public's natural caution in the face of this epidemic would in any case, have reduced the numbers attending, despite the care and attention which would have been given to minimising the risk of transmission of the disease.

At the beginning of the first lockdown the trustees participated in the furlough scheme provided by the Government in protecting those jobs at risk. For **React**, this involved those employees who would normally have been working on fundraising events. When it became apparent that there would be no quick return to normal activities, the trustees regretfully decided to make these jobs redundant and as a result we parted with two part time employees. The benefit received by the charity under the furlough scheme amounted to £12,704 and is shown as an exceptional item in the Financial Statements (see Note 2). The absence of fundraising events is reflected in the sharp diminution of fundraising costs – down from £151,487 to £48,530.

The charity is reporting this year a slight decrease in the amount of its Charitable Activities from £632,848 in 2020 to £621,245 this year. The Trustees believe that the attention of medical sponsors for families was diverted to some extent in order to deal with the impact of the coronavirus in hospitals and hospices. Faced with this, our staff concentrated much of its efforts

REACT
Report of the Trustees (continued)
Year ended 31st March 2021

maintaining contact with families and encouraging applications from this source. As a result, there has only been a small drop in the number of applications from families but there has also been a small decline in the average value of equipment requested. This demonstrates the need for essential supplies which were unavailable through usual channels due to the pandemic.

The Trustees are confident that this situation will be reversed in 2021 following the very successful vaccination programme throughout the UK. The fall in the number of new coronavirus cases will result in a relaxation of health restrictions and consequently sponsors will once more concentrate more readily on the charity's well founded ability to improving the quality of life for terminally ill children.

Supporters of **React** should take considerable comfort in recognising the charity has so far been able to weather the negative impact of Covid-19 and will continue to be a safe beneficiary for ongoing financial support. **React's** existing financial strength is a reflection of past years' prudence in the management of its finances and this policy will continue to be adhered to.

The office has continued to function safely and well with the introduction of highly digitalised systems which have enabled staff to work largely from home. New procedures have been introduced to ensure that telephone calls can be answered at home and all relevant documents have been scanned and uploaded into a Cloud Storage system.

Resources Expended

React provides basic essential items to children living with life-limiting conditions in accordance with the purpose and aims of the charity. Demand continues to be consistent and **React** is able to meet this demand to the extent that incoming funds permit. The process for making awards is as follows:

- The **React** application form is filled in by a member of the family, with the requirement that all requests are fully endorsed by a medical professional involved in the care of the child, explaining the extent of benefit and including quotes and assessments as required
- A **React** Family Liaison Officer then assesses the application to ensure that it falls within **React's** remit and meets all the necessary criteria.
- All suitable applications are written up by the Family Liaison Officer as a detailed summary and passed to the Director for further assessment.
- Requests of under £2,000 are awarded by the Director following recommendation by the Family Liaison Officer.
- Requests between £2,000 - £3,000 are approved by the Director and at least one Trustee.
- Requests over £3,000 may only be awarded once approved by a majority of the Trustee Board.

Investment Policy

The basic principle governing Trustees' decisions when investing, is that they must take a prudent approach. When investing charitable funds, Trustees seek to strike the right balance between two objectives:

- Providing an income to help **React** carry out its purpose effectively in the short term
- Maintaining and, if possible, enhancing the value of the invested funds, so as to enable **React** to effectively carry out its purposes in the longer term.

The Trustee Board consider the suitability of any investment, both for **React** as a charity and as a means of investment. The Trustees must be satisfied that the type of any proposed investment is appropriate for **React** as a charitable organisation and will consider the need for diversification to ensure the reduction of risk. The Board is satisfied with their decision to invest with Smith & Williamson and CAF and will review the charity's investments on a quarterly basis.

Despite the serious impact the Coronavirus has had on normal commercial activities around the world, financial markets have been looking forward to a substantial recovery in worldwide economies. This has been reflected in a significant improvement in stock values and these have been reflected in the charity's investments. Although the threat of inflation and higher interest rates are beginning to be aired, the markets have been relatively sanguine about these threats. The trustees believe that the managers of its funds will continue to safeguard the charity's assets appropriately.

The charity's investments in the managed funds are valued at £458,763, an increase of £103,399. The cost of generating funds (Note 3) is 7.6% of total funds raised in comparison to 15.3% in 2019/20. Investments in our Endowment Fund are entrusted to Smith & Williamson who manage the funds on a discretionary basis. The increase in the value of these funds is a net figure after taking into account additions and sales to/from the funds together with the relevant profits and losses attaching to these transactions.

Reserves Policy

Reserves are needed by the charity to:

- Maintain as far as possible a prudent level of charitable support to families during periods when income levels are low.
- Meet contractual liabilities should the organisation need to close

This includes redundancy pay, amounts due to creditors and commitments under leases.

- Ensure the charity can honour existing commitments to families caring for a terminally ill child during any period of re-organisation or closure

The Trustees have established a policy to retain a level of reserves of up to 6 months working capital, which is considered an acceptable level to safeguard the operation of the charity. A 6 months reserves policy accounts for salaries, overheads, statutory redundancy pay and charitable expenditure to allow the charity to maintain the level of support pledged to individual families and

REACT
Report of the Trustees (continued)
Year ended 31st March 2021

medical professionals engaged in their care. The Trustees will apply the amount of the Expendable Endowment Fund and that part of the Unrestricted Funds as represented by the charity's investments in ensuring the minimum level of reserves is maintained

Monitoring and reviewing of Reserves Policy:

- The Trustees will consider the level of reserves required each year when setting the following year's budget.
- The Reserves Policy is reviewed by the Trustees every year.
- The level of reserves will be monitored and recorded in monthly Management Accounts.

Fundraising

React adheres to the code of fundraising practice as set out by the Fundraising Regulator and does not subscribe to fundraising agencies. The charity also complies with the new General Data Protection Regulation (GDPR) and is mindful in its approach and does not send out "blanket" emails or correspondence.

As outlined in the Financial Review above, the charity has not been able to organise any large scale fundraising events due to the restrictions imposed by Government in response to the pandemic. Nevertheless, the charity has continued to seek funds from the public through its twice yearly newsletters and regular applications and activity reports to charitable trusts. The trustees are very grateful for the support shown to **React** from these sectors throughout the year.

We are proud to say, there were no complaints made about our fundraising endeavours during 2020/21. Additionally, we do not approach **React** families for funding, recognising a duty to protect vulnerable people. Those donors receiving the **React** bi-annual newsletter, who have not contacted or donated to the charity in the past 5 years, are automatically deleted from our database. All requests to be removed before this time are strictly adhered to.

Legacies

We would like to encourage and thank supporters who have made provision for **React** in their Will. Their commitment to **React** will help us to build a secure financial foundation on which we can expand and enhance our work with terminally ill children throughout the UK.

However, it is important to recognise that the receipt of legacies, whilst most welcome, are unpredictable by their very nature and the size of last year's receipts are unlikely to be repeated

Responsibilities of the Trustees in Relation to Financial Statements

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs and of the incoming and outgoing resources of the charity for that year. 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 accounting standards and statements of recommended practice have been followed subject to any 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 accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Acts. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Officers & Advisors

Members of the Board, who are Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Disclosure to Auditors

In accordance with charity law, we certify that:

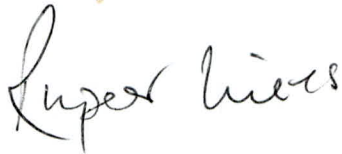
- so far as we are aware, there is no relevant audit information unknown to the charity's Auditors.

As the Trustees of the charity, we have taken the necessary steps in order to make ourselves aware of any relevant audit information, and to establish that the charity's auditors are aware of that information.

REACT
Report to the Trustees (continued)
Year ended 31st March 2021

We have appointed Peter Upton Ltd to act as our auditors of the 2020.21 Financial Statements

Approved by the Board of Trustees and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Rupert Wiles', written in a cursive style.

Rupert A Wiles FCA
Chairman

Date: 8 October 2021

REACT

Report of the Independent Auditors to the Members of REACT Year ended 31st March 2021

Opinion

We have audited the financial statements of REACT (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

REACT

Report of the Independent Auditors to the Members of REACT (continued) **Year ended 31st March 2021**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Director 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Director.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

Responsibilities of directors

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 director determines 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 director is responsible for assessing the 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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

REACT

Report of the Independent Auditors to the Members of REACT (continued) Year ended 31st March 2021

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 is detailed below.

We exercise professional judgement and maintain professional scepticism through the audit. It is our responsibility to identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and to obtain evidence that is sufficient and appropriate to provide a basis for our opinion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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



Peter Upton (Senior Statutory Auditor)
for and on behalf of Peter Upton (STATUTORY AUDITOR)

Bridge House
2 Bridge Avenue
Maidenhead
Berkshire
SL6 1RR

Date: 14 October 2021

REACT
Statement of Financial Activities
Year Ended 31st March 2021

		Unrestricted Funds	Restricted Funds	Designated	Endowment		
		Unrestricted Funds	Restricted Funds	Expendable Endowment	Designated Funds	Total	Total
		£	£	£	£	£	2020 £
Income from:							
Donations and gifts		313,495	301,658			615,153	697,138
Legacies							252,177
		313,495	301,658			615,153	949,315
Investment income		240				240	2,683
Exceptional items	2	(1,296)				(1,296)	
Funding events							47,275
Total income		312,439	301,658			614,097	999,273
Expenditure on:							
Cost of raising funds		9,736	19,992		18,802	48,530	151,487
Charitable activities		344,379	276,866			621,245	632,848
Total expenditure		354,115	296,858		18,802	669,775	784,335
Surplus/(deficit)		(41,676)	4,800		(18,802)	(55,678)	(47,856)
Net gains/ (losses) on investment assets		24,092		79,307		103,399	(45,890)
Net movement in funds		(17,584)	4,800	79,307	(18,802)	47,721	169,248
Total funds brought forward		446,764	16,037	280,813	51,877	795,491	626,243
Total funds carried forward		429,180	20,837	360,120	33,075	843,212	795,491

All activities relate to continuing operations.

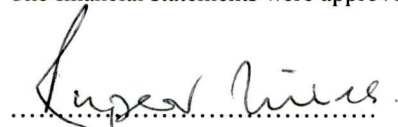
The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 23 form part of these financial statements.

REACT
Balance Sheet
As at 31st March 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Designated Funds	Total Funds £	2020 £
Fixed Assets							
Tangible Assets	8	10,603				10,603	7,673
Investments	7	98,643		360,120		458,763	355,365
Total Fixed Assets		109,246		360,120		469,366	363,038
Current Assets							
Debtors & prepayments	9	396				396	39,394
Cash at Bank		328,747	20,837		33,075	382,659	416,501
Total Current Assets		329,143	20,837		33,075	383,055	455,895
Liabilities							
Creditors due within one year	10	9,209				9,209	23,442
Net current assets		319,934	20,837		33,075	373,846	795,491
Net Assets		429,180	20,837	360,120	33,075	843,212	795,491
The funds of the charity							
Unrestricted income funds	12	429,180	-	-	-	429,180	446,764
Designated funds		-	-	-	33,075	33,075	51,877
Restricted income funds		-	20,837	-	-	20,837	16,037
Endowment funds		-	-	360,120	-	360,120	280,813
Total charity funds		429,180	20,837	360,120	33,075	843,212	795,491

The financial statements were approved by the Trustees on [15 Sep] and signed on its behalf by:



 R A Wiles FCA Chairman

The notes on pages 18 to 23 form part of these financial statements.

REACT
Statement of Cash Flows
Year Ended 31st March 2021

	2021	2020 £
Cash flows from operating activities		
Cash(absorbed) by operations	(33,842)	206,561
Investing activities		
Purchase of assets	7,192	
Proceeds on sale of assets	-	-
Net cash (used by)/generated from investing activities	<u>(26,650)</u>	<u>206,561</u>
Financing activities	-	-
Net cash generated from financing activities		-
Net increase in cash and cash equivalent	<u>(26,650)</u>	<u>206,561</u>
Cash and cash equivalents at the beginning of the year	416,501	209,940
Cash and cash equivalents at the end of the year	<u><u>382,659</u></u>	<u><u>416,501</u></u>
Cash generated from operations		
(Deficit)/Surplus for the year	(55,678)	169,248
Adjustments for:		
Investment income recognised in the profit and loss		45,690
Depreciation	4,263	6,648
Gain on disposals of investments	-	-
Fair value losses on impairments	-	-
Movement in working capital:		
Decrease/(increase) in trade and other receivables	38,998	(34,467)
(Decrease)/increase in trade and other payables	(14,233)	19,442
Cash absorbed by operations	<u><u>(26,650)</u></u>	<u><u>206,561</u></u>

1. Accounting policies

a) Basis of accounting

React is an unincorporated association, registered as a charity in both England and Wales and Scotland. Its principal office is disclosed on page 1. 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 Accounting Reporting Standard applicable in the United Kingdom and the Republic of Ireland issued in October 2019, the Accounting Reporting Standard issued in the United Kingdom and the Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. In the light of the impact of the worldwide Covid-19 pandemic, appropriate steps have been taken by the Trustees to ensure the safety of its staff and visitors in compliance with the Government's recommendations, and the cash resources of the charity are sufficiently robust to ensure normal charitable activities are able to proceed over the next financial period. Therefore, the Trustees continue to adopt the going concern basis of preparing the financial statements.

b) Incoming resources

Recognition of incoming resources

These are included in the Statement of Financial Activities (SoFA) when:

- * The charity becomes entitled to the resources
- * The trustees are virtually certain they will receive the resources and
- * The monetary value can be measured with sufficient reliability

Grants and donations

Grants and donations are only included in the Statement of Financial Activities when the charity has unconditional entitlement to the resources.

Legacies

Legacies are included in the Statement of Financial Activities as an incoming resource in the year in which the charity is notified and when the value and entitlement of the legacy is known with reasonable certainty.

Tax reclaims on donations and gifts

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Investment income

This is included in the accounts when receivable.

Investment gains and losses

This includes any gains or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

c) Restricted Funds

Restricted Funds are funds which are used in accordance with the specific restrictions imposed by the donors. The cost of raising such funds are charged against these funds.

d) Designated Funds

Designated Funds are funds set aside from the unrestricted funds for a specific purpose.

e) Expendable Endowment Fund

The Expendable Endowment Fund may be invested to produce income and to finance expenditure at the discretion of the trustees.

Accounting policies (continued)

f) Depreciation

Provision is made for depreciation on tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Mobile homes:	20% straight line
Office Equipment:	20% written down value

g) Support Costs

Support costs include central function costs such as staff and overhead costs in support of React's principle activity. Where relevant, they have been allocated to activity cost categories on a percentage basis as appropriate.

h) Basis of recognition and allocation of expenditure

- *Charitable expenditure* includes any VAT payable and is reported as part of the expenditure to which it relates. It comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- *Site fees* payable in respect of mobile homes are recorded in the year that the fees are invoiced
- *Costs of raising funds* comprises the costs associated with attracting voluntary income.
- *Governance costs* include those costs associated with meeting the constitutional and statutory requirements of the charity and include costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

i) Taxation

React is a registered charity which renders its income exempt from UK income tax.

Irrecoverable VAT is not separately analysed and is charged to the statement of financial activities when the expenditure to which it relates to is incurred and is allocated as part of the expenditure to which it relates.

Tax recovered from voluntary income received under Gift Aid is recognised when the related income is receivable and is allocated to the income category to which the income relates.

j) Investments

Investments are included at market value at the balance sheet date.

k) Operating lease

Rental payments under the operating lease are charged as expenditure incurred over the term of lease.

l) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with an original maturity date of three months or less.

m) Debtors

Debtors are measured at transaction price less any impairment unless the arrangements constitute a financial transaction, in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest.

n) Creditors and Provisions

Creditors and provisions are recognised when 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 to settle the past obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their transaction price after allowing for any trade discounts due unless the arrangement constituted a financing transaction in which case the transaction is measured at present value of future payments discounted at the prevailing market rate of interest.

REACT
Notes to the Financial Statements
Year Ended 31st March 2021

2. Exceptional items	Donations and Gifts	
	2021	2020
	£	£
(a) Furlough receipts	12,704	-
(b) Shortfall in legacy receipt	(14,000)	-
	<u>(1,296)</u>	<u>-</u>

(a) Exceptional items relate to furlough receipts from the UK Government in respect of employees not working for the charity but still employed by React

(b) Greater probate costs has reduced the anticipated amount of the legacy

3. Cost of Raising Funds

	(Note)	Unrestricted/ Designated Funds		Restricted Funds		Total	
		2021	2020	2021	2020	2021	2020
		£	£	£	£	£	£
Public Relations & fundraising		335	45,429	335	8,134	670	53,563
Support costs		26,914	57,876	20,946	38,320	47,860	96,196
Governance Costs	5		1,728		-		1,728
		<u>27,249</u>	<u>105,033</u>	<u>21,281</u>	<u>46,454</u>	<u>48,530</u>	<u>151,487</u>

4. Charitable Activities

	(Note)	2021		2020	
		Nos	£	Nos	£
		(Note)		(Note)	
Educational & Specialist Equipment			175,958	246	193,322
Safety & Hygiene Equipment			106,770	182	133,191
Respite Holidays				20	7,503
Mobile Home Holidays			19,766	217	32,407
Funeral Expenses			10,737	21	23,202
Travel & Subsistence			3,089	47	4,820
Direct Charitable Expenditure			316,320	733	394,445
Support costs			296,645		236,675
Governance Costs	5		8,280		1,728
Total Charitable Expenditure			<u>621,245</u>		<u>632,848</u>

Note: With the exception of Mobile Home holidays, the numbers shown above represent the number of cheques issued. The numbers inserted under Mobile Home holidays represent the number of holidays available each year at caravan sites in Blackpool, Skegness, Scotland and Wales.

5. Governance Costs

	Unrestricted Funds		Restricted Funds	
	2021	2020	2021	2020
	£	£	£	£
Audit fees	8,280	4,960	-	-
Trustees Expenses (6a)	-	574	-	-
	<u>8,280</u>	<u>5,534</u>	<u>-</u>	<u>-</u>

REACT
Notes to the Financial Statements
Year Ended 31st March 2021

5a. Net Incoming Resources

Net Income Resources for the year is stated after charging:

	2021	2020
	£	£
Depreciation	4,263	6,648
Rents payable under operating leases		7,536
Auditors remuneration	8,280	3,000
	<u>8,280</u>	<u>3,000</u>

6. Trustees & employees information

The Trustees have taken out indemnity insurance

Neither the trustees nor any other persons connected with them received any remuneration or benefits in kind from the Charity during the year (2020: £Nil)

During the year under review expenses were paid to Trustees as follows:

	2021	2020
	£	£
Trustees Meeting Costs	-	474
Trustees expenses reimbursed	-	100
	<u>-</u>	<u>574</u>

b) Employee costs during the year were:

	2021	2020
	£	£
Salaries	248,989	271,830
Social security costs	23,153	23,341
Pension costs	6,710	5,799
	<u>278,852</u>	<u>300,970</u>

1 employee earning between £60,000-£69,999 (2020/2021)

	2021	2020
The average number of persons employed during the year	7	8
Full time equivalent	<u>7</u>	<u>8</u>

7. Investments

	2021	2020
	£	£
	<u>458,763</u>	<u>355,365</u>

Fixed assets investments consists of quoted shares, trade bonds and similar investments. These are measured initially at cost and subsequently at fair value based on published market prices.

Movements in non-current investments

Cost or valuation	Unrestricted Funds	Endowment Fund	Total
	£	£	£
At 1st April 2020	74,552	280,813	355,365
Net additions			
Valuation Change	24,092	79,307	103,399
Disposals	-	-	-
At 31st March 2021	<u>98,644</u>	<u>360,120</u>	<u>458,764</u>
Carrying Amount			
At 31st March 2021			<u>458,764</u>
At 31st March 2020			<u>355,365</u>

The investments held with the Charities Aid Foundation at the year end consists of -

	2021	2020
	No.of units	No.of units
CAF- Balanced Growth Fund	<u>64,267</u>	<u>64,267</u>

REACT
Notes to the Financial Statements
Year Ended 31st March 2021

8. Fixed Assets			
Cost	£	£	£
As at 1st April 2020	153,198	7,519	160,717
Additions	-	7,193	7,193
	<u>153,198</u>	<u>14,712</u>	<u>167,910</u>
Depreciation			
As at 1st April 2020	145,889	7,155	153,044
Charge for the year	2,571	1,692	4,263
	<u>148,460</u>	<u>8,847</u>	<u>157,307</u>
Net Book Value			
As at 31st March 2021	<u>4,738</u>	<u>5,865</u>	<u>10,603</u>
As at 31st March 2020	<u>7,309</u>	<u>364</u>	<u>7,673</u>

9. Debtors	2021	2020
	£	£
Prepayments	395	39,394
	<u>395</u>	<u>39,394</u>

10. Creditors: amounts falling due within the year	2021	2020
	£	£
Accruals & Sundry creditors	9,210	23,442
	<u>9,210</u>	<u>23,442</u>

11. Operating Lease Commitments

As at 31st March 2021 **React** had the following operating lease commitments:-

	2021	2020
	£	£
Office Lease		
Within 1 year	4,482	11,910
2-5 years	1,353	35,418
5+ years		29,469
	<u></u>	<u></u>

12. Analysis of charitable funds

Analysis of fund movements	Fund b/fwd	Income	Expenditure	Gains and Losses	Transfers	Fund c/fwd
	£	£	£	£		£
a) Unrestricted Funds	446,764	312,439	(354,115)	24,092		429,180
b) Restricted Funds	16,037	301,658	(296,858)			20,837
c) Expendable Endowment Funds	280,813			79,307		360,120
d) Designated Funds	51,877		(18,802)			33,075
Total	795,491	614,097	(669,775)	103,399		843,212

12. Analysis of charitable funds (continued)

- The Unrestricted Funds are available to be spent for any of the purposes of the charity.
- The Restricted Funds are funds which are used in accordance with the specific restrictions.
- The Expendable Endowment Fund is a legacy received in prior years from the charity's founder.
- The Designated Funds are funds set aside from a legacy to be used for PR expenditure

13. Comparative consolidated statement of financial activities

	Unrestricted Funds	Restricted Funds	Expendable Endowment Fund	Designated Funds	Total	Total Funds
	£	£	£	£	£	2020 £
Income from:						
Donations and gifts	313,495	301,658			615,153	697,138
Legacies					-	252,177
	313,495	301,658			615,153	949,315
Investment income	240				240	2,683
Exceptional items	(1,296)				(1,296)	
Funding events and other						47,275
Total income	312,439	301,658			614,097	999,273
Expenditure on:						
Cost of raising funds	9,736	19,992		18,802	48,530	151,487
Charitable activities	344,379	276,866			621,245	632,848
Investment costs						
Total expenditure	354,115	296,858		18,802	669,775	784,335
Net gains/ (losses) on investment assets	24,092		79,307		103,399	(45,890)
Net movement in funds	(17,584)	4,800	79,307	(18,802)	47,721	169,248
Total funds brought forward	446,764	16,037	280,813	51,877	795,491	626,243
Total funds carried forward	429,180	20,837	360,120	33,075	843,212	795,491

Ella's first shoes. Ella's last shoes.



We're here for the children who'll never grow up
Visit www.reactcharity.org to donate. Thank you

React
GIVING DEPTH TO SHORT LIVES

Registered Charity No. 802440 (England&Wales) SC008067 (Scotland)