



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

Annual Report and Financial Statements

1st April 2021 – 31st March 2022

Registered Charity No. 802440

Scotland SC038067

REACT
Officers and Advisors
Year ended 31st March 2022

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

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Richmond

Surrey TW9 3NP

Auditors

Peter Upton Ltd.

PO Box 782

Maidenhead

Berks

SL6 1FR

Bankers

Barclays Bank plc

8 George Street

Richmond Upon Thames

Surrey TW9 1JY

Weatherbys Bank

Sanders Road

Wellingborough

Northamptonshire NN8 4BX

REGISTERED CHARITY NUMBER 802440 Scotland SC038067

REACT
Report of the Trustees
Year ended 31st March 2022

The Trustees present their annual report and financial statements for the year ended 31st March 2022. 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
Report of the Trustees (continued)
Year ended 31st March 2022

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 2021/22, **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 £599,473 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

Over the years, **React** has built strong relationships with medical and healthcare professionals, enabling the charity to supply a 'fourth emergency service' and provide families caring for a terminally ill child with the vital aid and assistance they need. **React** will continue to work closely with consultants, nurses, GP's and social and healthcare workers, forging relationships with children's hospices and hospitals and all those working in the field of children's palliative care.

A flexible and varied service will continue to be provided to families, as we look to the future. For example, the NHS may offer a bulky and heavy suction machine but **React** can consider a lighter more portable model which is less restrictive for the family to use. This small consideration often means the difference between remaining housebound, to venturing out into the community to visit family and friends. **React** will work with professionals directly involved with each family to determine exactly what is the most beneficial aid needed for every individual child.

The charity continues to work towards assisting all 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.

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

In 2020, **React** was forced to close its mobile homes for the season in line with government guidelines. With the easing of restrictions in 2021, the charity reopened and re-introduced **React** holidays to families who went on to enjoy a week's stay at mobile homes located at four sites around the UK: Skegness (Coastfields); South Wales (Trecco Bay); Blackpool (Cala Gran); and East Lothian (Seton Sands).

Families who were required to cancel mobile home holidays in 2020 were offered the chance to re-book in 2021 without requiring to submit a new application. Families were thrilled to have the opportunity once again, to experience a **React** Holiday which offers enormous benefit to, not only exhausted parents, but to siblings, giving the whole family a chance to experience new surroundings in a relaxed environment.

The importance of respite holidays cannot be overstated. Caring for a terminally ill child is often a full-time nursing role which can be exhausting. Carer parents must learn complex care routines, travel to multiple hospital appointments on a daily or weekly basis and, typically provide 24 hour one-to-one care. A lack of respite can have a detrimental effect on mental and emotional wellbeing and time away from daily routines can be beneficial to the whole family. **React** is aware of the huge benefits gained from respite holidays and is pleased to offer an environment where, the family can relax and socialise with fellow holiday makers.

The charity's three-bedroom holiday homes provide families with similar amenities found in any home, including kitchen, spacious living and dining areas, bathroom and comfortable sleeping for up to six family members. **React** provides families with site passes giving access to indoor swimming, outdoor play, various sport facilities and evening entertainment. **React** has formed a good relationship with site managers to ensure families can speak directly with site staff should any problems occur during their stay.

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.

React in Scotland

React is proud of its long-standing relationships with health professionals and organisations throughout Scotland, who have helped maintain awareness of **React's** work, across the country. Organisations such as Children's Hospice Association Scotland and the Royal Hospital for Sick Children in Edinburgh and Glasgow, have been particularly key to the charity's services in Scotland and we would like to thank all health professionals who have been instrumental in streamlining **React's** work with families living in the country.

The nature of equipment requested varies greatly and ranges from simple sensory toys for children with developmental delay, to high-grade specialist bed for children who require frequent changes in position throughout the night. **React's** mobile home in Seton Sands holiday village remains a popular destination for families and the charity hopes to fulfil all requests for the coming season following a busy 2021.

React is grateful to all volunteers, donors, fundraising groups and charitable trusts and foundations who have continued to generously support its work in Scotland to enable families to benefit from the charity's service.

React in England

Families based in England, particularly in the country's largest towns and cities, continue to struggle with the persistent effects of the pandemic. Children living with a wide range of complex illnesses often struggle with compromised immune systems, making the risk of infection from Covid-19 potentially fatal. Whilst the easing of restrictions and vaccination rollout has enabled some to resume their normal lives, many families are still required to isolate wherever possible, as the threat from the virus remains present. **React** continues to offer an 'ear' to families who reach out, simply to hear a friendly, sympathetic voice at the end of a phone.

England is home to some of the most renowned paediatric healthcare services in the world, including Great Ormond Street Hospital, Birmingham Children's Hospital and Alder Hey Children's Hospital and **React** continues to enjoy close links with each of them and countless others. **React's** mobile homes in Skegness and Blackpool provide an attractive option for families in need of a respite break at seaside resorts which, provide fun for the whole family and the opportunity to make precious memories together.

React would like to thank all supporters in England who, enable the charity to continue its rapid service and recognition is given to volunteers around the country who have run soup kitchens during lockdown and signed up for running events to raise valuable donations.

React in Wales

Demand for React **React's** work in Wales is widespread and the average cost of a single request from families living in the country has risen by 16% over the past twelve months. This increase in cost has been widely attributed to the ongoing coronavirus pandemic, as specialist equipment typically accessible through hospice visits and therapy sessions has been inaccessible for many families who are isolating with their child at home. The desire to own equipment for home use has increased and therefore, led the demand.

The opening of **React's** holiday site situated in Trecco Bay holiday park in Porthcawl, South Wales, is a popular location and the charity houses two homes here for families to use. The homes are situated alongside a Blue Flag beach, with remarkable views, rock pools and golden sands for families to enjoy quality time together. **React** also offers families assistance towards fuel and transport costs for those in the greatest financial need.

Working with the many hospitals and hospices across Wales and including the various children's palliative care teams, **React** can deliver a prompt and efficient service, responding within a matter of hours and we thank and acknowledge all volunteers, donors and fundraisers who kindly support **React's** work in the country.

React in Northern Ireland

Many families living in Northern Ireland face limitations from statutory sources and health authorities and therefore, turn to **React** as a last resort. The charity liaises with Northern Ireland Children's Hospice and The Royal Belfast Hospital for Sick Children, to identify families struggling to obtain essential aid which can significantly improve care routines and life quality in the home. Equipment to enhance safety and hygiene is a prominent need because children living with complex illnesses are highly susceptible to infection. Essential domestic equipment such as white goods, are often difficult to obtain as the majority of mainland high street stores, do not service Northern Ireland. **React** works to build relations with small local retailers to ensure a swift and efficient service.

React extends its sincere thanks to various charitable trusts and foundations who support **React's** work in Northern Ireland, allowing the charity to reach out to those families caring for a terminally ill child, who are in desperate need.

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.

REACT
Report of the Trustees (continued)
Year ended 31st March 2022

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. £16,885 has been deducted from this reserve in 2021/22 representing the salary of the employee responsible for the charity's PR and Marketing and the balance of this award as of 31 March 2022, stands at £16,190.

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, promoting awareness and acting as **React** 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.

Due to the pandemic, the work of a dedicated Events Committee, run by a group of volunteers, has been put on hold. Their activity will be encouraged to resume at their earliest convenience and it is expected that, social fundraising events will resume. **React** continues to maintain relationships from those organisations and companies offering gifts in kind which include a variety of raffle and auction prizes.

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 2022

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 £615,513 to 593,031.

This decrease in total income is attributed to a fall in the value of legacies received compared to the previous financial period (from £25,000 to £5,000), to the absence of any fundraising events due to Covid 19 restrictions and a decline in private donations as higher costs of living have eroded the public's discretionary expenditure. However, income from Charitable Trusts has marginally increased which is most encouraging as competition for this source of income between charitable organisations is strong.

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.

Despite the reported fall in income, the Board of Trustees have continued to persevere with its ongoing policy of generating a deficit on the Income and Expenditure Account as cash reserves have remained strong. As a result the deficit of £53,088 for the year is close to the reported deficit in 2021 of £55,678 with the charity able to provide almost £600,000 of support to families.

The cash position of the charity has been boosted through sales earlier in the financial year of investment units managed by Smith & Williamson and CCLA. These sales were authorised by the Trustees in order to take advantage of strong financial markets and to generate realised gains sufficient to cover, what at that time, was a much larger deficit. This has been a timely decision to have taken as markets have since become very volatile and there is every indication that we are now entering into a financial bear market. It is therefore possible that we shall be reporting a fall in the value of our investments in next year's Annual Report unless there is better news in the meantime on inflation and the destructive war in Ukraine.

Supporters of **React** should continue to take considerable comfort in recognising the charity has so far been able to weather the negative impact of Covid-19 and market volatility 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 were introduced last year to ensure that telephone calls could be answered at home and all relevant documents were scanned and uploaded into a Cloud Storage system. These new systems have worked well and have enabled the charity to function efficiently.

REACT
Report of the Trustees (continued)
Year ended 31st March 2022

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.

The Financial Review above has outlined the steps the Trustees have taken during the year to take advantage of healthy increases in the value of the charity's portfolio of investments. An amount of £100,000 was taken out of the portfolio to fund charitable activities but as will be seen from Note 7, subsequent improvements in the values of the underlying securities have reduced the impact of these sales in the portfolio. However, the Trustees are anticipating a decline in values by the end of the 2022/23 Year End due to current volatility in the financial markets.

Investments in our Endowment Fund continue to be 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 six 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 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 Regulations

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.

We are proud to say, there were no complaints raised in relation to fundraising activities during 2021/22. **React** does not approach its beneficiaries for funding, recognising a duty to protect vulnerable people. The charity acts immediately to donors who wish to be removed from any mailing list and, those donors receiving the **React** bi-annual newsletter, who have not contacted or donated to the charity during the past 5 years, will be automatically deleted. Our policy to comply with all requests, asking to delete personal information, is 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.

We have appointed Peter Upton Ltd to act as our auditors of the 2021/22 Financial Statements.

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



Rupert A Wiles FCA
Chairman

Date: 22 August 2022

Opinion

We have audited the financial statements of React (the 'charity') for the year ended 31 March 2022 which comprise the Statements of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) regulations 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 the charity'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.

REACT

Independent Auditor's Report to the Trustees (continued) Year ended 31st March 2022

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report to the Trustees is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

REACT

Independent Auditor's Report to the Trustees (continued) **Year ended 31st March 2022**

Our 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 Independent 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We exercise professional judgement and maintain professional scepticism throughout 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.

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 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 Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees 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)

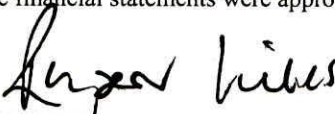
PO Box 782
Maidenhead
Berks
SL6 1FR

Date: 25 August 2022

REACT
Balance Sheet
As at 31st March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Designated Funds	Total Funds £	2021 £
Fixed Assets							
Tangible Assets	8	8,650				8,650	10,603
Investments	7	82,349		350,910		433,259	458,763
Total Fixed Assets		<u>90,999</u>		<u>350,910</u>		<u>441,909</u>	<u>469,366</u>
Current Assets							
Debtors & prepayments	9	427				427	396
Cash at Bank		348,619	14,913		16,190	379,722	382,659
Total Current Assets		<u>349,046</u>	<u>14,913</u>		<u>16,190</u>	<u>380,149</u>	<u>383,055</u>
Liabilities							
Creditors due within one year	10	7,440				7,440	9,209
Net current assets		341,606	14,913		16,190	372,709	843,212
Net Assets		<u>432,605</u>	<u>14,913</u>	<u>350,910</u>	<u>16,190</u>	<u>814,618</u>	<u>843,212</u>
The funds of the charity							
Unrestricted income funds	12	432,605	-	-	-	432,605	429,180
Designated funds		-	-	-	16,190	16,190	33,075
Restricted income funds		-	14,913	-	-	14,913	20,837
Endowment funds		-	-	350,910	-	350,910	360,120
Total charity funds		<u>432,605</u>	<u>14,913</u>	<u>350,910</u>	<u>16,190</u>	<u>814,618</u>	<u>843,212</u>

The financial statements were approved by the Trustees on [22/8/22] and signed on its behalf by:



 R A Wiles FCA Chairman

The notes on pages 19 to 24 form part of these financial statements.

REACT
Statement of Financial Activities
Year Ended 31st March 2022

	Unrestricted Funds	Restricted Funds	Designated	Endowment		
	Unrestricted Funds	Restricted Funds	Expendable Endowment	Designated Funds	Total	Total
	£	£	£	£	£	2021 £
Income from:						
Donations and gifts	267,389	320,542			587,931	615,153
Legacies	5,100				5,100	
	272,489	320,542			593,031	615,153
Investment income	247				247	240
Exceptional items	2					(1,296)
Funding events						
Total income	272,736	320,542			593,278	614,097
Expenditure on:						
Cost of raising funds	14,212	15,796		16,885	46,893	48,530
Charitable activities	288,803	310,670			599,473	621,245
Total expenditure	303,015	326,466		16,885	646,366	669,775
Surplus/(deficit)	(30,279)	(5,924)		(16,885)	(53,088)	(55,678)
Net gains/ (losses) on investment assets	5,705		18,789		24,494	103,399
Net movement in funds	(24,574)	(5,924)	18,789	(16,885)	(28,594)	47,721
Transfer between reserves	27,999		(27,999)			
Total funds brought forward	429,180	20,837	360,120	33,075	843,212	795,491
Total funds carried forward	432,605	14,913	350,910	16,190	814,618	843,212

All activities relate to continuing operations.

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

The notes on pages 19 to 24 form part of these financial statements.

REACT
Statement of Cash Flows
Year Ended 31st March 2022

	2022	2021 £
Cash flows from operating activities		
Cash(absorbed) by operations	(2,937)	(33,842)
Investing activities		
Purchase of assets	1,815	7,192
Proceeds on sale of assets	100,000	-
Net cash (used by)/generated from investing activities	<u>98,878</u>	<u>(26,650)</u>
Financing activities	(123,966)	-
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalent	<u>(25,088)</u>	<u>(26,650)</u>
Cash and cash equivalents at the beginning of the year	382,659	416,501
Cash and cash equivalents at the end of the year	<u><u>379,485</u></u>	<u><u>382,659</u></u>
Cash generated from operations		
(Deficit)/Surplus for the year	(55,088)	(55,678)
Adjustments for:		
Investment income recognised in the profit and loss		
Depreciation	3,768	4,263
Gain on disposals of investments	24,494	-
Fair value losses on impairments	-	-
Movement in working capital:		
Decrease/(increase) in trade and other receivables	(31)	38,998
(Decrease)/increase in trade and other payables	1,769	(14,233)
Cash absorbed by operations	<u><u>(25,088)</u></u>	<u><u>(26,650)</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 age 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 2022

2. Exceptional items	Donations and Gifts	
	2022	2021
	£	£
(a) Furlough receipts	-	12,704
(b) Shortfall in legacy receipt	-	(14,000)
		(1,296)

(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	
		2022	2021	2022	2021	2022	2021
		£	£	£	£	£	£
Public Relations & fundraising		17,657	335	-	335	17,657	670
Support costs		13,439	26,914	15,796	20,946	29,235	47,860
Governance Costs	5	-	-	-	-	-	-
		31,096	27,249	15,796	21,281	46,892	48,530

4. Charitable Activities

	2022	2021
	£	£
Educational & Specialist Equipment	187,719	175,958
Safety & Hygiene Equipment	89,171	106,770
Mobile Home Holidays	32,522	19,766
Funeral Expenses	14,222	10,737
Travel & Subsistence	8,613	3,089
Direct Charitable Expenditure	332,247	316,320
Support costs	267,226	296,645
Total Charitable Expenditure	599,473	621,245

Note: The values inserted under Mobile Home holidays represent the cost of holidays available each year at caravan sites in Blackpool, Skegness, Scotland and Wales.

5. Governance Costs

	Unrestricted Funds		Restricted Funds	
	2022	2021	2022	2021
	£	£	£	£
Audit fees	3,613	8,280	-	-
Governance Costs	-	1,728	-	-
Trustees Expenses (6a)	-	-	-	-
	3,613	10,008	-	-

REACT
Notes to the Financial Statements
Year Ended 31st March 2022

5a. Net Incoming Resources

Net Income Resources for the year is stated after charging:	2022	2021
	£	£
Depreciation	3,768	4,263
Auditors remuneration	3,160	8,280

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 (2021: £Nil)

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

	2022	2021
	£	£
Trustees Meeting Costs	-	-
Trustees expenses reimbursed	334	-
	<u>334</u>	<u>-</u>

	2022	2021
	£	£
b) Employee costs during the year were:		
Salaries	229,388	248,989
Social security costs	20,139	23,153
Pension costs	5,824	6,710
	<u>255,351</u>	<u>278,852</u>

1 employee earning between £60,000-£69,999 (2021/2022)

	2022	2021
The average number of persons employed during the year	6	7
Full time equivalent		

7. Investments

	2021	2020
	£	£
	<u>432,538</u>	<u>458,763</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 2021	98,644	360,120	458,763
Net additions			
Valuation Change	3,705	70,070	73,775
Disposals	(20,000)	(80,000)	(100,000)
At 31st March 2022	<u>82,349</u>	<u>350,190</u>	<u>432,538</u>
Carrying Amount			
At 31st March 2022			<u>432,538</u>
At 31st March 2021			<u>458,763</u>

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

	2022	2021
	No.of units	No.of units
CAF- Balanced Growth Fund	<u>51,977</u>	<u>64,267</u>

REACT
Notes to the Financial Statements
Year Ended 31st March 2022

8. Fixed Assets

Cost	£	£	£
As at 1st April 2021	153,198	14,712	167,910
Additions	-	1,815	1,815
	<u>153,198</u>	<u>16,527</u>	<u>169,725</u>
Depreciation			
As at 1st April 2021	148,460	8,847	157,307
Charge for the year	2,571	1,197	3,768
	<u>151,031</u>	<u>10,044</u>	<u>161,075</u>
Net Book Value			
As at 31st March 2022	2,167	6,483	8,650
As at 31st March 2021	<u>4,738</u>	<u>5,865</u>	<u>10,603</u>

9. Debtors

	2022	2021
	£	£
Prepayments	427	396
	<u>395</u>	<u>396</u>

10. Creditors: amounts falling due within the year

	2022	2021
	£	£
Accruals & Sundry creditors	7,440	9,210

11. Operating Lease Commitments

As at 31st March 2022 **React** had the following operating lease commitments:-

	2022	2021
	£	£
Office Lease		
Within 1 year	1,353	4,482
2-5 years	-	1,353
5+ years	-	-

12. Analysis of charitable funds

Analysis of fund movements	Fund b/fwd	Income	Expenditure	Gains and Losses	Transfers	Fund c/fwd
	£	£	£	£		£
a) Unrestricted Funds	429,180	272,736	(303,015)	5,705	27,999	432,605
b) Restricted Funds	20,837	320,542	(326,466)			14,913
c) Expendable Endowment Funds	360,120			18,789	(27,999)	350,910
d) Designated Funds	33,075		(16,885)			16,190
Total	843,212	593,278	(646,366)	24,494		814,618

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

REACT
Notes to the Financial Statements
Year Ended 31st March 2022

13. Comparative consolidated statement of financial activities

	Unrestricted Funds	Restricted Funds	Expendable Endowment Fund	Designated Funds	Total	Total Funds
	£	£	£	£	£	2021 £
Income from:						
Donations and gifts	267,389	320,542				615,153
Legacies	5,100				5,100	
	272,489	320,542			593,031	615,153
Investment income	247				247	240
Exceptional items						(1,296)
Funding events and other						
Total income	272,736	320,542			593,278	614,097
Expenditure on:						
Cost of raising funds	14,212	15,796	-	16,885	46,893	48,530
Charitable activities	288,803	310,670			599,473	621,245
Investment costs						
Total expenditure	303,015	326,466		16,885	646,366	669,775
Net gains/ (losses) on investment assets	5,705		18,789		24,494	103,399
Net movement in funds	(24,574)	(5,924)	18,789	(16,885)	(28,594)	47,721
Transfer between reserves	27,999		(27,999)	-		
Total funds brought forward	429,180	20,837	360,120	33,075	843,212	795,491
Total funds carried forward	432,605	14,913	350,910	16,190	814,618	843,212



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Ella's last shoes.**

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