



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

Annual Report and Financial Statements

1st April 2018 – 31st March 2019

Registered Charity No. 802440

Scotland SC038067

REACT
Officers and Advisors
Year ended 31st March 2019

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 (Trustee Designate)

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

Wilkins Kennedy Audit Services
Gladstone House
77-79 High Street
Egham, Surrey, TW20 9HY

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 ending 31st March 2019. 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.

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** seven 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 needs which are unavailable from Healthcare Trusts and Local Authorities within a family's area of residence.

During 2018/19, **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, 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 £620,602 is given in Note 4 of the Financial Statements and this provides a clear outline of the different areas of support described above.

To enable access to **React's** service, 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.

Additionally, **React** continues to receive a greater number of applications than it is able to respond positively to. The charity will seek further funding to meet the high demand for its services, 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 re-home each item to a child with a similar need providing the equipment remains in good serviceable condition.

React Holidays

During 2018 **React** owned seven mobile holiday homes located at six coastal holiday parks across the UK. Families meeting **React's** criteria can request one week's holiday and the scheme remains extremely popular, with peak season often filled months in advance. A **React** mobile holiday home offers 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.

To ensure all families have the opportunity to take a holiday not far from home, the charity's caravans are located at various sites across the UK and the current locations are: Skegness (Coastfields); Isle of Wight (Thorness Bay); South Wales (Trecco Bay); Blackpool (Cala Gran); East Lothian (Seton Sands); and Kilkeel in Northern Ireland (Sandilands).

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

React in Scotland

React's work in Scotland continues to diversify and the charity maintains its strong relationships with healthcare professionals throughout the country including the Royal Hospital for Sick Children both in Glasgow and Edinburgh and all children's hospices. **React** relies heavily on healthcare professionals in all areas of Scotland to ensure families with life-limited children who could benefit from its service, do so.

The charity has received a wide variety of requests for equipment and assistance which have ranged from inexpensive basics such as clothing and bedding to specialist beds costing thousands of pounds. The charity owns a mobile home based in Seton Sands, East Lothian that is available to all families who require a break away from the usual care routine, which can be invaluable when caring for a terminally ill child.

We are extremely grateful to the many volunteers who support our work in Scotland and special thanks must go to Debbie Brownlee who began her relationship with **React** as an employee. Debbie was one of our first palliative care nurses whose post was eventually taken over by the NHS. She has continued to support **React's** work over a number of years and will give talks about the charity's work when asked to do so.

React in England

React assists children living with a variety of illnesses, who require equipment which is beyond their families financial means and unavailable through statutory sources. Working alongside palliative care professionals up and down the country **React** has seen a great demand in all areas of its service.

Fundraising volunteers throughout the country have organised their own events but in particular, the charity benefitted significantly from funds raised at the Trumpeters Ball held at the home and grounds of its Patron, Baroness van Dedem.

React owns three mobile homes based in Skegness, Blackpool and the Isle of Wight. Each site is quite different, Skegness is popular with families preferring a quieter seaside town, whilst Cala Gran, Blackpool is extremely popular with families due to its bright lights and endless fun on Blackpool Pleasure Beach. The home based in the Isle of Wight offers a countryside experience, which is a peaceful alternative for those living in a busy urban environment. Medical professionals working in palliative care often recommend respite breaks and the benefit is brought not only to the life-limited child but also the entire family.

React in Wales

Last year, we reported rising levels of child poverty throughout Wales, with End Child Poverty indicating that areas including Cardiff, Blaenau Gwent and Merthyr Tydfil have 30% of children living below the poverty line. These findings continue to be mirrored in the demand for **React** in Wales with many families demonstrating how they are caring for a life-limited child, whilst living in financial hardship. The most usual requests from families are wheelchair rain covers and canopies, sensory and educational equipment and specialist car seats.

React's two mobile homes based in Trecco Bay, South Wales continue to be extremely popular with Welsh families. The popularity of the site is attributed to its vast size, which offers a wide range of activities which are ideal for families. The site is in very close proximity to a beautiful Blue Flag beach.

React in Northern Ireland

React continues to expand the charity's profile in Northern Ireland and works with healthcare professionals in every county who are working directly with the families. Responding to the needs of many, the charity has forged strong relationships with both those working in palliative care and families in desperate need of essential equipment. Additionally, **React's** mobile home in Kilkeel, County Down offers respite to families who desire a change in everyday routine yet need to remain within reach of essential medical care.

The charity continues to see a distinct rise in the requirement for safety and hygiene equipment which is attributed to the importance of infection control and safety also plays a vital role in caring for a terminally ill child who is living with complex illnesses.

PR & Marketing

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

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 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 arrange 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 accounts and meet regularly with the Finance Officer 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.

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 decreased from £844,513 to £665,485. This decline in total income is largely attributed to legacies totalling of £132,500 received last year from the estates of Elliott Simmons and Irving Young. When the legacies are excluded from usual fundraising activities, the charity's total income would have been £712,013. The 2018 results also benefitted from a higher number of organised events

Notwithstanding the drop in fundraising income, the Trustees have agreed to incur an even greater level of support to the families of terminally ill children. The Statement of Financial Activities shows the cost of Charitable Activities increasing from £559,520 in 2018 to £620,602 this year. This decision is part of the reason for the reported deficit in funds at the year-end of £52,282. It is the Trustees intention to continue to budget next year with a further deficit in funds as the cash reserves of the charity remain healthy as a direct consequence of the 2018 legacies.

Last year, the Trustees agreed that Irving Young's Legacy should be applied to an Expendable Endowment Fund and invested in an interest deposit, the income from which would be taken in full in each year. This would ensure Irving's Legacy would be used in accordance to his wishes and give the charity stability over the coming years. It is intended that the amount of the Expendable Endowment Fund, when added to the value of **React's** long-term investments, should not be less than the minimum level of reserves considered acceptable to safeguard the operation of the charity.

During the year **React** staged its biennial Trumpeters Ball which raised £82,529. We are extremely grateful to the Baroness van Dedem who hosted this prestigious event at her home, Trumpeters House, Richmond upon Thames.

As in previous years, a significant amount of **React's** total income has specific categories and geographical restrictions. This income is treated as restricted funds in the financial statements.

Management & Administration costs expressed as a percentage of total income are now 7.8% and is largely due to a team of dedicated employees and volunteers.

Investment income totalling £3,314 is derived from principally from collective managed funds and COIF interest deposits. The charity's investments in the managed funds are valued at £401,055, an increase of £17,679. The cost of generating funds (Note 3) is 16.6% of total funds raised in comparison to 18.6% (2017/18).

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 will review the charity's investments on a quarterly basis.

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 medical professionals engaged in their care. As previously mentioned, 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 are 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

We continue to stage a successful number of events with the help of our volunteer fundraising committees. Fundraising initiatives ranging from challenge events and golf tournaments have all aided **React's** work. The charity continues to participate in a number of sporting events including Marathons and the British 10K. We would like to thank the many individuals who have supported **React's** work by making personal donations and working within volunteer network groups to raise valuable income.

Charitable Trusts continue to support **React** and we are particularly grateful to them. During the year, the charity raised £304,856 in restricted income which enabled **React** to confidently award applications in specific categories and geographical areas.

We would also like to thank the many Schools, Companies and Adult organisations who have also contributed to **React's** ongoing success.

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 made about our fundraising endeavours during 2018/19. 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.

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

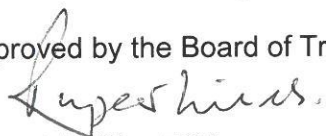
In accordance with charity law, we certify that:

- 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.

Auditors

Wilkins Kennedy Audit Services were appointed as the charity's auditors during the year and a resolution proposing that they be reappointed as the charity's auditors for 2019/20 will be put to the next Trustees meeting.

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



Rupert A Wiles FCA
Chairman

Date: 26 September 2019

REACT
Independent Auditor's Report to the Trustees of React
Year ended 31st March 2019

Opinion

We have audited the financial statements of **React** ("the charity") for the year ended 31 March 2019, which comprise the Statements of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the Financial Statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 March 2019 and of its incoming resources and application of resources, 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 requirement 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 accounts 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 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 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

REACT

Independent Auditor's Report to the Trustees of React Year ended 31st March 2019

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees Report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

We have been appointed as auditors under section 145 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

REACT
Independent Auditor's Report to the Trustees of React
Year ended 31st March 2019

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 auditors' 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.

Wilkins Kennedy Audit Services

Paul Creasey (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

Statutory Auditor

Gladstone House
77-79 High Street
Egham, Surrey
TW20 9HY

27 September 2019

Wilkins Kennedy Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

REACT
Statement of Financial Activities
Year Ended 31st March 2019

		Unrestricted Funds	Restricted Funds	Expendable Endowment Fund	Designated Funds		
		Ordinary Activities	Ordinary Activities	Ordinary Activities	Ordinary Activities	Total	Total
	Notes	£	£	£	£	2019 £	2018 £
Income from:							
Donations and legacies							
Donations and gifts		266,064	304,856	-	-	570,920	597,372
Legacies		-	-	-	-	-	132,500
		266,064	304,856	-	-	570,920	729,872
Investment income		3,314	-	-	-	3,314	4,228
Exceptional items	2	82,529	-	-	-	82,529	103,035
Funding events and other		8,722	-	-	-	8,722	7,378
Total income		360,629	304,856	-	-	665,485	844,513
Expenditure on:							
Cost of raising funds	3	58,809	35,897	-	16,020	110,726	157,395
Charitable activities	4	332,050	288,552	-	-	620,602	559,520
Investment costs		-	-	2,513	-	2,513	513
Total expenditure		390,859	324,449	2,513	16,020	733,841	717,428
Net gains/ (losses) on investment assets	7	(880)	-	16,954	-	16,074	(10,654)
Net movement in funds		(31,110)	(19,593)	14,441	(16,020)	(52,282)	116,431
Reconciliation of funds							
Total funds brought forward		228,965	58,367	291,193	100,000	678,525	562,094
Total funds carried forward		197,855	38,774	305,634	83,980	626,243	678,525

All activities relate to continuing operations.

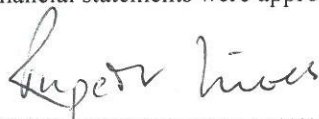
The Statement of Financial Activities includes all gains and losses recognised in the year.

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

REACT
Balance Sheet
As at 31st March 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Designated Funds	Total Funds £	2018 £
Fixed Assets							
Tangible Assets	8	14,321	-	-	-	14,321	24,071
Investments	7	95,421	-	305,634	-	401,055	383,376
Total Fixed Assets		<u>109,742</u>	<u>-</u>	<u>305,634</u>	<u>-</u>	<u>415,376</u>	<u>407,447</u>
Current Assets							
Debtors & prepayments	9	4,927	-	-	-	4,927	3,155
Cash at Bank		87,186	38,774	-	83,980	209,940	273,323
Total Current Assets		<u>92,113</u>	<u>38,774</u>	<u>-</u>	<u>83,980</u>	<u>214,867</u>	<u>276,478</u>
Liabilities							
Creditors due within one year	10	4,000	-	-	-	4,000	5,400
Net current assets		<u>88,113</u>	<u>38,774</u>	<u>-</u>	<u>83,980</u>	<u>210,867</u>	<u>271,078</u>
Net Assets		<u>197,855</u>	<u>38,774</u>	<u>305,634</u>	<u>83,980</u>	<u>626,243</u>	<u>678,525</u>
The funds of the charity							
Unrestricted income funds	12	197,855	-	-	-	197,855	228,965
Designated funds		-	-	-	83,980	83,980	100,000
Restricted income funds		-	38,774	-	-	38,774	58,367
Endowment funds		-	-	305,634	-	305,634	291,193
Total charity funds		<u>197,855</u>	<u>38,774</u>	<u>305,634</u>	<u>83,980</u>	<u>626,243</u>	<u>678,525</u>

The financial statements were approved by the Trustees on [26/9/19] 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 2019

	2019 £	2018 £
Cash flows from operating activities		
Cash absorbed by operations	(61,778)	126,682
Investing activities		
Purchase of assets	(1,605)	(381,823)
Proceeds on sale of assets	-	94,751
Net cash (used by)/generated from investing activities	(1,605)	(287,072)
Financing activities	-	-
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalent	(63,383)	(160,390)
Cash and cash equivalents at the beginning of the year	273,323	433,713
Cash and cash equivalents at the end of the year	<u><u>209,940</u></u>	<u><u>273,323</u></u>
Cash generated from operations		
(Deficit)/Surplus for the year	(52,282)	116,431
Adjustments for:		
Investment income recognised in the profit and loss	-16,074	10,654
Depreciation	10,877	11,661
Gain on disposals of investments	-	(203)
Fair value losses on impairments	-	(9,284)
Movement in working capital:		
Decrease/(increase) in trade and other receivables	(1,772)	(477)
(Decrease)/increase in trade and other payables	(2,527)	(2,100)
Cash absorbed by operations	<u><u>(61,778)</u></u>	<u><u>126,682</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 are prepared under the historical cost convention, as modified to include the revaluation of investments and, in accordance with the requirements of the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006. The Financial Reporting Standard applicable in the UK and Ireland (FRS 102). The accounts are prepared in GB sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £. The charity meets the definition of a public benefit entity under FRS 102.

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. 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 2019

2. Exceptional items	Donations and Gifts		Donations and Gifts	
	2019		2018	
	£		£	
Midsummer Ball	82,529		-	
Bank of England Event	-		73,035	
Richmond May Ball	-		30,000	
	<u>82,529</u>		<u>103,035</u>	

Exceptional items relate to events held on behalf of React by outside sponsors and therefore unpredictable as to their timing and occurrence

3. Cost of Raising Funds

	(Note)	Unrestricted Funds		Restricted Funds		Total	
		2019	2018	2019	2018	2019	2018
		£	£	£	£	£	£
Public Relations & fundraising		20,322	21,364	12,405	-	32,727	21,364
Support costs		51,740	80,382	23,492	52,531	75,232	132,913
Governance Costs	5	<u>2,767</u>	<u>3,118</u>	<u>-</u>	<u>-</u>	<u>2,767</u>	<u>3,118</u>
		<u>74,829</u>	<u>104,864</u>	<u>35,897</u>	<u>52,531</u>	<u>110,726</u>	<u>157,395</u>

4. Charitable Activities

	Nos (Note)	2019		Nos (Note)	2018	
		£			£	
Educational & Specialist Equipment	246	195,992		285	194,827	
Safety & Hygiene Equipment	182	87,724		267	102,046	
Respite Holidays	20	3,870		21	4,291	
Mobile Home Holidays	217	47,807		242	48,108	
Funeral Expenses	21	20,660		29	27,117	
Travel & Subsistence	47	6,781		61	6,605	
Direct Charitable Expenditure	733	362,834		905	382,994	
Support costs		255,001			173,407	
Governance Costs	5	<u>2,767</u>			<u>3,119</u>	
Total Charitable Expenditure		<u>620,602</u>			<u>559,520</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, Isle of Wight, Skegness, Scotland, Northern Ireland and Wales.

5. Governance Costs

	Unrestricted Funds		Restricted Funds	
	2019	2018	2019	2018
	£	£	£	£
Audit fees	4,960	5,600	-	-
Trustees Expenses (6a)	<u>574</u>	<u>637</u>	<u>-</u>	<u>-</u>
	<u>5,534</u>	<u>6,237</u>	<u>-</u>	<u>-</u>

REACT
Notes to the Financial Statements
Year Ended 31st March 2019

5a. Net Incoming Resources

Net Income Resources for the year is stated after charging:

	2019	2018
	£	£
Depreciation	10,877	11,661
Rents payable under operating leases	6,852	6,852
Auditors remuneration	4,960	5,600
	<u>22,689</u>	<u>24,113</u>

6. Trustees & employees information

a) 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 (2018: £Nil)

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

	2019	2018
	£	£
Trustees Meeting Costs	474	564
Trustees expenses reimbursed	100	73
	<u>574</u>	<u>637</u>

b) Employee costs during the year were:

	2019	2018
	£	£
Salaries	262,191	239,552
Social security costs	23,064	21,390
Pension costs	2,796	-
	<u>288,051</u>	<u>260,942</u>

There was 1 employee who earned between £60,000-£69,999 (2018:1)

The average number of persons employed during the year
Full time equivalent

2019	2018
<u>8</u>	<u>8</u>

7. Investments

2019	2018
£	£
<u>401,055</u>	<u>383,376</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.

The historical cost of the fixed asset investments at the year end is £392,621.

Movements in non-current investments

Cost or valuation	Unrestricted Funds	Endowment Fund	Total
	£	£	£
At 1st April 2018	96,304	287,072	383,376
Net additions	-	1,605	1,605
Valuation Change	(880)	16,954	16,074
Disposals	-	-	-
At 31st March 2019	<u>95,424</u>	<u>305,631</u>	<u>401,055</u>
Carrying Amount			
At 31st March 2019			<u>401,055</u>
At 31st March 2018			<u>383,376</u>

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

	2019	2018
	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 2019

8. Fixed Assets

	Mobile Homes	Office Equipment	Total
Cost	£	£	£
As at 1st April 2018 - as restated	153,198	6,393	159,591
Additions	-	1,126	1,126
	<u>153,198</u>	<u>7,519</u>	<u>160,717</u>
Depreciation			
As at 1st April 2018	131,124	4,395	135,519
Charge for the year	9,553	1,324	10,877
	<u>140,677</u>	<u>5,719</u>	<u>146,396</u>
Net Book Value			
As at 31st March 2019	<u>12,521</u>	<u>1,800</u>	<u>14,321</u>
As at 31st March 2018	<u>22,074</u>	<u>1,997</u>	<u>24,071</u>

9. Debtors

	2019	2018
	£	£
Prepayments	4,927	3,155
	<u>4,927</u>	<u>3,155</u>

10. Creditors: amounts falling due within the year

	2019	2018
	£	£
Accruals and advance payments	4,000	5,400
	<u>4,000</u>	<u>5,400</u>

11. Operating Lease Commitments

As at 31st March 2019, **React** had the following operating lease commitments:-

	2019	2018
	£	£
Office Lease		
Within 1 year	6,852	6,852
2-5 years	<u>18,843</u>	<u>25,695</u>

12. Analysis of charitable funds

Analysis of fund movements	Fund b/fwd	Income	Expenditure	Gains and Losses	Fund c/fwd
	£	£	£	£	£
a) Unrestricted Funds	228,965	360,629	(390,859)	(880)	197,855
b) Restricted Funds	58,367	304,856	(324,449)	-	38,774
c) Expendable Endowment Funds	291,193	-	(2,513)	16,954	305,634
d) Designated Funds	100,000	-	(16,020)	-	83,980
Total	678,525	665,485	(733,841)	16,074	626,243

- a) The unrestricted funds are available to be spent for any of the purposes of the charity.
- b) The restricted funds are funds which are used in accordance with the specific restrictions.
- c) The Expendable Endowment Fund is a legacy received in the prior year from the charity's founder.
- d) The Designated Funds are funds set aside from the unrestricted funds at the Trustees discretion.

13. Comparative consolidated statement of financial activities

	Unrestricted Funds	Restricted Funds	Expendable Endowment Fund	Designated Funds	Total Funds
	£	£	£	£	2018 £
Income from:					
Donations and gifts	264,071	333,301	-	-	597,372
Legacies	-	-	32,500	100,000	132,500
	264,071	333,301	32,500	100,000	729,872
Investment income	3,035	-	1,193	-	4,228
Exceptional items	103,035	-	-	-	103,035
Funding events and other	7,378	-	-	-	7,378
Total income	383,111	238,481	250,000	100,000	844,513
Expenditure on:					
Cost of raising funds	104,864	52,531	-	-	157,395
Charitable activities	292,522	266,998	-	-	559,520
Investment costs	-	-	513	-	513
Total expenditure	397,386	319,529	513	-	717,428
Net gains/ (losses) on investment assets	(1,167)	-	(9,487)	-	(10,654)
Net movement in funds	(21,034)	13,772	23,693	100,000	116,431
Reconciliation of funds					
Total funds brought forward	267,499	44,595	250,000	-	562,094
Total funds carried forward	246,465	58,367	273,693	100,000	678,525

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) SC038067 (Scotland).