

RARE CHARITY

England & Wales · Charity number 1169767

Details

Other names	RARE CHARITEA LTD
Status	Registered
Legal form	Charitable company
Company number	09936276
Registered	2016-10-19
Register	View on the Charity Commission register

Contact

Address	Rare Tea Co Ltd 35 Eyre Street Hill London EC1R 5ET
Phone	07546798836
Email	tom@rarecharity.com
Website	www.rarecharity.com

Activities

Objects: THE CHARITY'S OBJECTS ('OBJECTS') ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING:THE ADVANCEMENT OF EDUCATION; AND WITHOUT PREJUDICE TO THE GENERALITY OF THAT, THE COMPANY MAY SEEK TO FULFIL ITS OBJECTS BY PREDOMINANT BEING ACTIVE IN AREAS SURROUNDING FARMS IN AFRICA, NEPAL, INDIA AND SRI LANKA BY;1) AWARDING STUDENTS SCHOLARSHIPS TO ENTER UNIVERSITY, COLLEGE OR INSTITUTION OF HIGHER OR FURTHER EDUCATION.2) SUPPORTING EDUCATION INITIATIVES TO PREPARE FOR ENTRY TO ANY OCCUPATION, TRADE OR PROFESSION ON LEAVING ANY EDUCATIONAL ESTABLISHMENT.3) SUPPORTING EDUCATIONAL FACILITIES AND/OR INITIATIVES.

Activities: Our mission is to fund education where opportunities are rare but talent is not.We provide talented young people, within tea producing communities, with access to education. Our ambition is to equip young people with the agency to implement long-term and sustainable social change.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- India
- Malawi
- Nepal
- Scotland
- South Africa
- Sri Lanka
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-01-31	£97,381	£73,975	-	-
2024-01-31	£54,396	£69,991	-	-
2023-01-31	£94,267	£74,552	-	-
2022-01-31	£74,793	£59,535	-	-
2021-01-31	£56,310	£60,331	-	-

Trustees

Name	Role	Appointed
HENRIETTA MARGARET LOVELL	Chair	2016-01-05
Adam James Saddler Hickie		2019-11-08
CECILLIA MAKONYOLA		2016-07-13
Gemma Bell		2020-01-24
Robert Scott Anderson		2018-04-24
WILL LE FLEMING		2016-07-13

RARE CHARITY

England & Wales - Charity number 1169767

Accounts

Company registration number: 09936276

Charity registration number: 1169767

Rare Charity

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2025

Rare Charity**Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 13
Independent Examiner's Report	14
Statement of Financial Activities	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the Financial Statements	18 to 28

Rare Charity**Reference and Administrative Details**

Trustees

Ms Henrietta Lovell
Miss Cecillia Makonyola
Mr Will Le Fleming
Mr Robert Scott Anderson
Mr. Adam Hickie
Ms Gemma Bell

Principal Office

35 Eyre Street Hill
London
EC1R 5ET
The charity is incorporated in England & Wales.

Company Registration Number 09936276

Charity Registration Number 1169767

Independent Examiner Chloe Turner ACA

Rare Charity**Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31st January 2025.

Aims and Objectives

Mission

Rare Charity provides educational opportunities for people within tea communities. The people working in tea represent some of the most marginalised communities in many of the world's poorest countries. Rare Charity's mission is to equip talented and ambitious individuals to transform their community in their own ways and on their own terms.

Rare Charity's objectives remain as cited by the Charity Commission

The advancement of education; and without prejudice to the generality of that, the charity may seek to fulfil its objects by being active in areas predominantly surrounding farms in Africa, Nepal, India and Sri Lanka by:

1. Awarding students scholarships to enter university, college or institution of higher or further education;
2. Supporting education initiatives to prepare for entry to any occupation, trade or profession on leaving any educational establishment;
3. Supporting educational facilities and/or initiatives.

While these objectives remain true since its founding, the charity targets and continues to focus its operations in countries where it has strongly established links and potential for impact, specifically Malawi and Nepal.

Public Benefit

Rare Charity exists to serve the public benefit through investing in education, enabling individuals to transform their own lives, their households, their community, and eventually their country and beyond. Rare Charity:

- a. offers secondary educational scholarships to young women to enable them to continue their education and avoid early marriage;
- b. offers tertiary educational opportunities to individuals with talent and ambition, who would otherwise have no access whatsoever to further education;
- c. equips these individuals to return to their community (should they so choose), to implement change in their own ways and on their own terms;

Rare Charity**Trustees' Report**

- d. thereby catalyses long-term, systemic and sustainable change within some of the world's most vulnerable rural communities in many of the world's poorest countries;
- e. provides a meaningful and illuminating connection between the consumers of tea and the people who produce it.

The founding principle of Rare Charity is sustainability. The Charity believes in enabling the growth of a cohort of skilled professionals, and in creating local role models who encourage their peers to continue with education.

Rare Charity believes in empowering young women. At least half of all tertiary scholarships are set aside for female students - and we fund secondary scholarships for girls, to offer them the same opportunities for further education as their male counterparts.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Rare Charity**Trustees' Report**

Activities and Objectives

Income

After a substantial drop in income during the previous year, this was a year of income growth. Much of this was driven by a fundraising event towards the end of the financial year, but there were also grants secured from the Coles-Medlock Foundation and the Illumine Service Foundation towards the delivery of a new programme in Nepal, which will begin in 2025. The ongoing support from Rare Tea Company creates a strong base for the charity's ongoing operations.

Operational Programmes

Rare Charity's long term approach to activities, means that delivery is often more influenced by the previous year's income. The lower income of the previous financial year meant this was a year of consolidation, ensuring strong delivery of support to existing scholars. At the same time, foundations have been set for new scholarships and initiatives in the year to follow.

Support remained effective in spite of a variety of challenges, including economic issues within Malawi which meant that established money transfer systems ceased trading in the local currency. Also, after a little over 18 months in post, the Country Manager moved on from the post at the end of the year. This was managed to allow for the smooth continuation of operational delivery, and a new management approach is being developed going forward. This is more focused on peer leadership, creating further development opportunities for our scholars and graduates, while remaining closely connected to the communities in which the charity works.

A new scholarship was awarded to one tertiary scholar, who became the first graduate from our secondary programme to progress to tertiary education.

Development of the new programme in Nepal continued and gathered pace. Government funding for education ends after scholars have reached GCSE/High School Diploma level. The lack of funding for advanced secondary education means there is a high level of drop out at the stage, particularly in rural areas, among women, and in the area where our partner tea farm is based. With the tea farm having strong connections with local secondary schools, we are well placed to identify and support financially excluded young women and allow them to continue upper secondary education. This will open the pathway for talented scholars to progress into tertiary education and gain the knowledge, skills and self-belief to affect change in their own lives and those around them.

Rare Charity**Trustees' Report**

Achievements and Performance

Income

Income rose substantially to a total of £97,381, a significant leap from the previous year's income of £54,396. The charity's long term approach to operations, support and financial planning allows for year by year fluctuation in income, providing short term operational running costs are sustained beyond the dedicated reserves for ongoing scholars. The gains made this year, coming towards the end of the financial year, will primarily support new scholarships in the coming year as well as continuing organisational sustainability.

The key fundraising successes were two-fold. The first was Rare Charity's first major fundraising event in five years, an exclusive high tea at Claridge's, hosted by Alexander Armstrong with dishes from special guest chefs including Thomasina Myers, Richard Hart, Ravneet Gill and Santiago Lastra. Secondly, proposals led to substantial grants being awarded towards the new Nepal programme from the Coles-Medlock Foundation and the Illumine Service Foundation. Leaving aside the donations raised from the event, monthly income increased slightly from the 2023 average of £637 to an average of £664.

Operational Programmes

Financial challenges in Malawi continued to have impacts on operations, and at one stage early in the year a number of financial services withdrew the Malawi Kwacha from their available currencies, affecting both our existing transfer service and bank. This led to a carefully managed transition to a new, well-established and reputable platform over a short time frame, which was been successful, and its ability to navigate the ongoing financial challenges in Malawi meant that it became established as our preferred transfer platform across the year. While these operational difficulties have been navigated, the financial situation within the country remains difficult. As with all issues, we are in close communication with our scholars, and have adapted the tailoring of some scholarships to increase support as needed.

One new tertiary scholarship was awarded this year, and it was significant, being to the first graduate from our secondary programme. Olivia progressed to study her chosen programme of Laboratory Medicine just a few months after receiving her results. The second young woman in the same cohort narrowly missed out on the grades needed for her desired study in tertiary education, and requested support to retake her final year of secondary at her local school. This request was granted, with ongoing monitoring due to the school being outside of those where we currently support secondary scholars.

Rare Charity

Trustees' Report

We also celebrated the graduation of two more tertiary scholars - Faith and Fortune Jim. In addition to this, our second cohort of secondary scholars, with several achieving the required grades to follow in the footsteps of Olivia in the year to come.

Towards the end of the year, a new opportunity meant that it was no longer practical for the Country Manager to stay in post. This latest departure from the role led to a reconsideration of whether it is the best option for the charity, and a decision to pilot a new system of rotating peer leadership. This will give scholars and graduates a greater opportunity to feed into the programmatic work of the charity, developing their experience, as well as giving multiple ongoing lines of connection between the charity and the communities where it is working. This is a logical development to the mentorship, role modelling and community initiatives, with which many scholars and graduates had already been active.

Tertiary Scholarships

Since 2016 Rare Charity has committed to funding 24 young people through tertiary education. Every one of our scholars' academic performance is outstanding and there is a 0% drop-out rate.

We know our scholarship programme is working. Two further scholars graduated in 2024, bringing the total number of graduates up to sixteen. Each retains a strong commitment to their home communities and plans to share the benefit of their skills as qualified professionals. Having all come from exceptionally vulnerable families, their current professions are listed below:

- Wongani Jambo: Contact Centre Supervisor, ESCOM (Bachelor of Arts, Media for Development, 2019)
- Osman Karimu: Safety, Health, Environment, Risk & Quality Officer, Illovo Sugar (Bachelor of Science in Food Technology, 2019)
- Madalitso Nsajamah: Secondary School Teacher (Bachelor of Education Science, 2021)
- Andrea Sylvester: Medical Assistant, Namitambo Health Centre (Certificate in Clinical Medicine, 2022)
- Alex Khumbanyiwa: Laboratory Technician, Madinah, Ndirande Clinic (Diploma in Biomedical Science, 2022)
- Norah Jordan: Community Development Project Officer, CHICOSUDO (Diploma in Community Development, 2022)
- Sylvia Lodzani: Pharmacy Manager, PharmaPrime (Bachelor of Science in Pharmacy, Kamuzu University of Health Sciences, 2023)
- Lisnet Zuze: Secondary School Teacher (Bachelor of Arts in Education and Social Studies, University of Malawi, 2023)
- Chisomo Chatepa: Assistant Division Manager, Naming'omba Tea and Macadamia Farm (Bachelor of Science in Agriculture, Malawi Adventist University, 2023)
- Blessings Maudzu: Nurse, Hope Medi Clinic (Diploma in Nursing and Midwifery, St.

Rare Charity

Trustees' Report

Joseph's College, 2023)

- Chisomo Ndaona: HIV Diagnostic Assistant, MACRO (Diploma in Irrigation Technology, Natural Resources College, Lilongwe University of Agriculture and Natural Resources, 2023)
- Faith Sawasawa, Entrepreneur (Bachelor of Arts in Indigenous Knowledge Systems and Practices, Malawi University of Science and Technology, 2024);
- Fortune Jim William, Trainee Assistant Manager, Satemwa (Diploma in General Agriculture, Lilongwe University of Agriculture and Natural Resources, 2024);

Three more scholars are currently seeking further employment having completed internships and/or taken career breaks for their family. We are remaining in regular contact and offering guidance on the pathway back into work.

- Enelys Black (Diploma in Nursing and Midwifery, 2021)
- Yamikani Golden (Bachelor of Science in Agribusiness Management, Lilongwe University of Agriculture and Natural Resources, 2023)
- Lauryn Patel (Diploma in Clinical Medicine, Malawi College of Health Sciences, 2023)

An employment rate above 80% among graduates is extremely impressive considering the economic challenges in Malawi, where it was stated that only 9% enter the formal job market. Through our programmatic and peer support, we aim to maintain and increase the access to opportunity for present and future scholars. It is notable that tertiary education institutions in Malawi do not currently offer a careers service and there is little focus on the pathway to employment and job-hunting skills. Therefore, Rare Charity will step in to fill this gap, and encourage more institutions to adopt such services over the longer term.

Rare Charity continued to provide tertiary educational scholarships for the following scholars.

- Madalitso Banda, originally studying a Bachelor of Accounting Practice, Millennium University, on an educational scholarship, later transferred to Malawi College of Accounting to study Bachelor Applied Accounting – Audit and Information Systems, on an educational scholarship with meals;
- Joyce Dzinjalama, Bachelor of Science in Biomedical Engineering, Malawi Polytechnic, awarded a full scholarship;
- Precious Masewo, Bachelor of Science in Agribusiness Management, Lilongwe University of Agriculture and Natural Resources, awarded an educational scholarship with accommodation;
- Morvin Namondwe, Bachelor of Science in Biomedical Sciences, Kamuzu University of Health Sciences, awarded an educational scholarship with meals.
- Gertrude Mawindo, Bachelor of Business Administration (Marketing), Malawi University of Business and Applied Sciences, awarded a full scholarship.
- Gift Clement, Bachelor of Applied Accounting – Audit and Information Systems, Malawi College of Accountancy, awarded a full scholarship.

Rare Charity

Trustees' Report

One further tertiary scholarship was awarded in Malawi to:

- Olivia Zuze, Bachelor of Science in Laboratory Medicine, Malawi Adventist University, Malamulo Campus, awarded an educational scholarship with accommodation.

In addition, Rare Charity continued its support for its first tertiary scholarship in Nepal:

- Schneider Orchard, Bachelor of Hotel Management, South Asian School of Tourism and Hotel Management, awarded an educational scholarship.

Each scholarship is holistic and tailored to the scholars' individual needs and, as we have seen in particular this year, can be adapted according to the specific circumstances of the scholar, should resources allow for this. A scholarship typically includes: fees, accommodation, meals, materials including a laptop, access to quality healthcare, funded work experience placement, exam fees and a tailored mentorship programme to support scholars' mental wellbeing.

Secondary Scholarships for Girls

Rare Charity was able to continue its programme for sponsoring girls through secondary school. The charity did not extend scholarships for new scholars, though an existing scholar was supported to resit a year at a local school after falling short of the required grades, along with a second scholar (attending a different local school) who fell short of her required grades in the subsequent cohort. This marked the first support to a secondary scholar outside of the two well-regarded boarding schools where Rare Charity has focussed its scholarships, and the scholars' progress is being carefully monitored to test the viability of this in future.

The holistic scholarships include fees, uniform, a materials allowance, a safeguarding programme and access to quality medical care. While the two scholars mentioned have been retaking the year at schools close to their home, all other scholars attend one of the district's best boarding schools, ensuring they have access to three meals per day, safe sleeping arrangements and an environment conducive to study.

Nepal Advanced Secondary Scholarships for Girls

The development of this new programme advanced significantly this year, from further planning the targeting of support to securing the funding commitments to sustain the programme through its first three (two-year) cohorts. Working closely with Jun Chiyabari Tea Garden, the key need for support was identified at the point where government funding for education ends, ahead of the final two years of upper secondary education. Equivalent to A-Levels in the UK, this stage is known as Plus 2 in Nepal, and drop out rates are high, particularly among girls and especially in rural communities. The programme is designed to respond to this need, working with the network of schools in the tea-growing areas which already have a strong connection with Jun Chiyabari, to ensure scholarships are awarded to talented young women with significant financial need. While initial support was secured from Coles Medlock Foundation to

Rare Charity**Trustees' Report**

allow the programme to commence, it arrived during the exam period where it might have been disruptive to announce the scholarship. With the foundations agreement, the launch was postponed to the next academic year. This allowed for both for the proper launch during the first cohorts final year of government-funded study, and also to seek further funding so that the project could become sustainable beyond the initial launch period, after which we had told many charitable initiatives had faded away. This funding came in the form of a significant pledge from the Illumine Service Foundation, which will allow the continuing delivery of the programme.

Moving Funds Internationally

The Board acknowledges that as Trustees they have a legal duty to protect their Charity's funds and to ensure that funds are legitimately used to further the Charity's purpose. Formal banking systems were used in a responsible manner to ensure that Charity funds were safeguarded. International transfers were made via one of the following routes:

- HSBC
- StoneX

The latter was the transfer platform that Rare Charity moved to, from its previous provider, Convera, when the latter put a hold on transfers in Malawi Kwacha. The transition was successful, and it provided a stable and reliable platform for transfers to Malawi and Nepal throughout the year.

Each transaction was recorded at every step, so that funds were fully accounted for, from initial transfer to final destination.

Any release of funds by Rare Charity's Managing Director is underwritten and approved by a member of the board.

Rare Charity

Trustees' Report

Reserves

As per Rare Charity's Reserves Policy, we hold the following funds in reserves:

Unrestricted Reserves

Rare Charity needs to ensure its long-term viability in order to honour our commitment to our scholars and their tea communities. Our reserves are held to build the charity's resilience against unpredictable drop-offs in regular income streams. They are also held to enable sound financial management and forward financial planning.

Our reserves should fall between 3 and 9 months' running costs and should never exceed 12 months. We aim to carry forward **6-7 months'** running costs this year.

We recognise this is on the higher end of the spectrum in this sector, but our reasons are:

1. Our scholarships can last up to a 5-year period, and we need to assure our ability to deliver all programmes to completion: to be present to mentor and guide our scholars, and minimise risks of unplanned closure and insolvency at all costs.
2. At present our regular income streams are only partly assured, for instance in 2022 44% of our income came from a single major donor completing their 3-year pledge. Until we have a more assured annual income stream which allows us to forecast longer-term, we aim for **6-7 months'** running costs to be held.

Restricted Reserves

Rare Charity currently does not hold restricted reserves, although this can be revised should a donor or funder require it.

Designated Reserves

Rare Charity holds designated reserves, which are separate from our unrestricted reserves.

Every time we commit to a new scholarship, we set aside the **total cost** of programme, so that the scholar can be assured of completion. The total cost of a scholarship may include tuition and examination fees, meal and accommodation costs, a laptop allowance, a work experience allowance, medical care and safeguarding costs – over the period of the student's course. These are set out in our designated reserves.

Our designated reserve levels are dynamic and depend on our number of scholars and their progression through their course.

Full records are kept of every scholar's forecasted costs to take them to course completion.

Rare Charity**Trustees' Report**

Structure and Management

Charity Status

Rare Charity is a Charitable Company, founded by Henrietta Lovell. Rare Charity was incorporated on 5 January 2016; its name was officially changed to Rare Charity on 1 July 2016. Rare Charity is governed under its Articles of Association, which were adopted on 4 July 2016. In the event of Rare Charity being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The Directors of the Company are also known as Charity Trustees for the purposes of Charity Law. Under the requirements of the Articles of Association, the Trustees are elected to serve for a period no longer than nine years, after which they must be re-elected at the next Annual General Meeting. At every Annual General Meeting one-third of the Trustees must retire from office, but may offer themselves for re-appointment.

All trustees give their time voluntarily and received no benefits from the charity.

The Board of Trustees seeks to ensure that the needs of the Charity's work are appropriately reflected through the diversity of the trustee body. Rare Charity's work focusses on offering education opportunities in tea communities; the current country of operation is Malawi. The Board reflects strong expertise in the relevant professional areas: the tea industry (Henrietta Lovell), best practice in education (Will le Fleming), Malawi's economy, infrastructure, law and culture (Robert Anderson and Cecilia Makonyola) and best practice in the international charity sector (Cecilia Makonyola). Chartered Accountant Adam Hickie is our treasurer. Gemma Bell, Director at Gemma Bell and Company Ltd advises on the charity's messaging and public image.

Organisational Structure

Rare Charity's Board of 6 trustees are responsible for the strategic direction and policy of the Charity. The Board meets quarterly, including an Annual General Meeting once per year. Resolutions are agreed at said meetings (provided there is a quorum), or by written resolution.

A scheme of delegation is in place and responsibility for the following rests with the Managing Director:

- Day-to-day oversight of delivering scholarship programmes and management of the Malawi Country Manager and Support Officer, ensuring that the Charity delivers the services specified, in accordance with all safeguarding and due diligence procedures, and that key indicators are met;

Rare Charity**Trustees' Report**

- Ensuring the healthy growth of the Charity's income through fundraising activities in accordance with the Board's mandate;
- Day-to-day financial record-keeping;
- Administration;
- Marketing and PR to maintain and grow the Charity's good reputation.

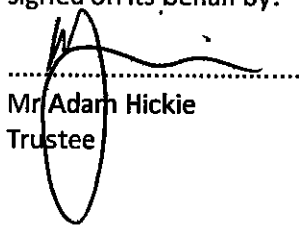
Details of any funds held by a custodian trustee

There are no funds held by any trustee and no trustee receives any financial benefit from the Charity.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 2 October 2025 and signed on its behalf by:


.....
Mr Adam Hickie
Trustee

Rare Charity**Statement of Trustees' Responsibilities**

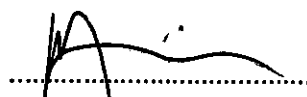
The trustees (who are also the directors of Rare Charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 2 October 2025 and signed on its behalf by:


.....
Mr Adam Hickie
Trustee

Rare Charity**Independent Examiner's Report to the trustees of Rare Charity ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 January 2025.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Rare Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Chloe Turner ACA
Highfield
Cirencester Road
Minchinhampton
Stroud
GL6 9EQ

Date: 22/10/2025

Rare Charity**Statement of Financial Activities for the Year Ended 31 January 2025
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted £	Restricted £	Total 2025 £	Total 2024 £
Income and Endowments from:					
Donations and legacies	3	45,260	14,322	59,582	54,396
Other trading activities	4	37,799	-	37,799	-
Total Income		83,059	14,322	97,381	54,396
Expenditure on:					
Raising funds	5	(10,291)	-	(10,291)	(893)
Charitable activities	6	(54,004)	(9,680)	(63,684)	(69,098)
Total Expenditure		(64,295)	(9,680)	(73,975)	(69,991)
Net income/(expenditure)		18,764	4,642	23,406	(15,595)
Net movement in funds		18,764	4,642	23,406	(15,595)
Reconciliation of funds					
Total funds brought forward		51,718	16,029	67,747	83,342
Total funds carried forward	15	70,482	20,671	91,153	67,747

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2024 is shown in note 15.

Rare Charity**(Registration number: 09936276)****Balance Sheet as at 31 January 2025**

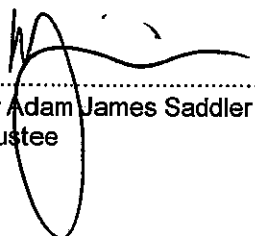
	Note	2025 £	2024 £
Current assets			
Debtors	12	5,000	1,123
Cash at bank and in hand	13	86,858	67,362
		91,858	68,485
Creditors: Amounts falling due within one year	14	(705)	(738)
Net assets		91,153	67,747
Funds of the charity:			
Restricted		20,671	16,029
Unrestricted income funds			
General unrestricted funds		29,814	24,048
Designated funds		40,668	27,670
Total unrestricted funds		70,482	51,718
Total funds	15	91,153	67,747

For the financial year ending 31 January 2025 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 15 to 28 were approved by the trustees, and authorised for issue on 2 October 2025 and signed on their behalf by:



.....
Mr Adam James Saddler Hickie
Trustee

The notes on pages 18 to 28 form an integral part of these financial statements.

Rare Charity**Statement of Cash Flows for the Year Ended 31 January 2025**

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash income/(expenditure)		23,406	(15,595)
Working capital adjustments			
(Increase)/decrease in debtors	12	(3,877)	2,280
(Decrease)/increase in creditors	14	(33)	730
Net cash flows from operating activities		19,496	(12,585)
Net increase/(decrease) in cash and cash equivalents		19,496	(12,585)
Cash and cash equivalents at 1 February		67,362	79,947
Cash and cash equivalents at 31 January		86,858	67,362

All of the cash flows are derived from continuing operations during the above two periods.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2025

1 Charity status

The charity is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

35 Eyre Street Hill

London

EC1R 5ET

These financial statements were authorised for issue by the trustees on 2 October 2025.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Rare Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

These financial statements are presented in Sterling, which is also the company's functional currency. The financial statements are rounded to the nearest £1.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2025

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those 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.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2025

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2025

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2025**

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2025**

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total
	General £	£	funds £
Donations and legacies;			
Donations from individuals	40,947	1,587	42,534
Grants, including capital grants;			
Government grants	3,713	-	3,713
Grants from other charities	-	12,735	12,735
Donated services and facilities	600	-	600
Total for 2025	45,260	14,322	59,582
Total for 2024	39,059	15,337	54,396

4 Income from other trading activities

	Unrestricted funds	
	General £	Total funds £
Events income;		
Other events income	37,799	37,799
Total for 2025	37,799	37,799

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Unrestricted funds	Total
	General £	funds £
Note		
Donations	10,291	10,291
Total for 2025	10,291	10,291
Total for 2024	893	893

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2025**

6 Expenditure on charitable activities

		Unrestricted funds	Restricted	Total
	Note	General £	funds £	funds £
Grant funding of activities		7,737	5,796	13,533
Staff costs		38,913	3,884	42,797
Allocated support costs		6,754	-	6,754
Governance costs	7	600	-	600
Total for 2025		54,004	9,680	63,684
Total for 2024		58,616	10,482	69,098

	Activity undertaken directly £	Activity support costs £	Total expenditure £
Educational grants & student support	56,330	6,754	63,084

In addition to the expenditure analysed above, there are also governance costs of £600 (2024 - £613) which relate directly to charitable activities. See note 7 for further details.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2025**

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total
	General £	funds £
Independent examiner fees		
Examination of the financial statements	600	600
Total for 2025	600	600
Total for 2024	613	613

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	42,571	42,364
Social security costs	185	3,713
Pension costs	41	817
	42,797	46,894

No employee received emoluments of more than £60,000 during the year.

10 Independent examiner's remuneration

	2025 £	2024 £
Examination of the financial statements	600	600

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2025**

12 Debtors

	2025 £	2024 £
Prepayments	-	1,123
Other debtors	5,000	-
	5,000	1,123

13 Cash and cash equivalents

	2025 £	2024 £
Cash at bank	86,858	67,362

14 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	525	739
Other creditors	180	(1)
	705	738

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2025**

15 Funds

	Balance at 1 February 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2025 £
Unrestricted					
General	24,048	81,269	(62,505)	(12,998)	29,814
Designated	27,670	-	-	12,998	40,668
Total unrestricted	51,718	81,269	(62,505)	-	70,482
Restricted	16,029	14,322	(9,680)	-	20,671
Total funds	67,747	95,591	(72,185)	-	91,153

	Balance at 1 February 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2024 £
Unrestricted					
General	30,394	39,059	(59,509)	14,104	24,048
Designated	41,774	-	-	(14,104)	27,670
Total unrestricted	72,168	39,059	(59,509)	-	51,718
Restricted	11,174	15,337	(10,482)	-	16,029
Total funds	83,342	54,396	(69,991)	-	67,747

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2025

16 Analysis of net assets between funds

	Unrestricted			Total funds
	General £	Designated £	Restricted £	£
Current assets	30,537	40,668	20,653	91,858
Current liabilities	(705)	-	-	(705)
Total net assets	29,832	40,668	20,653	91,153

	Unrestricted			Total funds
	General £	Designated £	Restricted £	£
Current assets	24,786	27,670	16,029	68,485
Current liabilities	(738)	-	-	(738)
Total net assets	24,048	27,670	16,029	67,747

17 Analysis of net funds

	At 1 February 2024 £	Financing cash flows £	At 31 January 2025 £
Cash at bank and in hand	67,362	19,496	86,858
Net debt	67,362	19,496	86,858

	At 1 February 2023 £	Financing cash flows £	At 31 January 2024 £
Cash at bank and in hand	79,947	(12,585)	67,362
Net debt	79,947	(12,585)	67,362

RARE CHARITY

England & Wales - Charity number 1169767

Accounts

Company registration number: 09936276

Charity registration number: 1169767

Rare Charity

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2024

Rare Charity**Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 11
Independent Examiner's Report	12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 to 26

Rare Charity**Reference and Administrative Details**

Charity Registration Number 1169767

Company Registration Number 09936276

The charity is incorporated in England & Wales.

Registered Office 35 Eyre Street Hill
London
EC1R 5ET

Independent Examiner Chloe Turner ACA
Highfield
Cirencester Road
Minchinhampton
Stroud
GL6 9EQ

Rare Charity

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 January 2024.

Objectives and activities

Rare Charity provides educational opportunities for people within tea communities. The people working in tea represent some of the most marginalised communities in many of the world's poorest countries. Rare Charity's mission is to equip talented and ambitious individuals to transform their community in their own ways and on their own terms.

Rare Charity's objectives remain:

The advancement of education; and without prejudice to the generality of that, the charity may seek to fulfil its objects by being active in areas predominantly surrounding farms in Africa, Nepal, India and Sri Lanka by:

- 1) Awarding students scholarships to enter university, college or institution of higher or further education;
- 2) Supporting education initiatives to prepare for entry to any occupation, trade or profession on leaving any educational establishment;
- 3) Supporting educational facilities and/or initiatives.

Public Benefit

Rare Charity exists to serve the public benefit through investing in education, enabling individuals to transform their own lives, their households, their community, and eventually their country and beyond. Rare Charity:

- a. offers secondary educational scholarships to young women to enable them to continue their education and avoid early marriage;
- b. offers tertiary educational opportunities to individuals with talent and ambition, who would otherwise have no access whatsoever to further education;
- c. equips these individuals to return to their community (should they so choose), to implement change in their own ways and on their own terms;
- d. thereby catalyses long-term, systemic and sustainable change within some of the world's most vulnerable rural communities in many of the world's poorest countries;
- e. provides a meaningful and illuminating connection between the consumers of tea and the people who produce it.

The founding principle of Rare Charity is sustainability. The Charity believes in enabling the growth of a cohort of skilled professionals, and in creating local role models who encourage their peers to continue with education.

Rare Charity believes in empowering young women. At least half of all tertiary scholarships are set aside for female students - and we fund secondary scholarships for girls, to offer them the same opportunities for further education as their male counterparts.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Rare Charity**Trustees' Report**

Activities and Objectives

Income

Following the current high watermark in 2022, there was a significant reduction in annual income, which had been forecast on the basis of a major donor having given a double donation which marked the end of a phase of support. This allowed for designation of reserves to be spent down across 2023. With a new team in place, focus was overwhelmingly on ensuring quality programme delivery with little emphasis on fundraising. Nonetheless, there were some fundraising successes, including a campaign leading to a generous donation from the Parish of St Peter's and the Winchester Martyrs, and continuing support from Rare Tea Company, regular and international donors.

Operational Programmes

The new Managing Director began at the end of 2022, with two points of focus of the early part of the year ahead. First was the effective continuation of existing programming with tertiary and secondary scholars, ensuring their continued access to education and tailored support.

Secondly, this was to be strengthened through the recruitment of a part-time Country Manager in Malawi, filling the role which had been vacated towards the end of 2022. This was completed successfully with the new Country Manager starting in April 2023.

New scholarships were awarded to one tertiary scholar and four secondary scholars.

As well as the ongoing work in Malawi, the pilot of support for a tertiary scholar in Nepal was continued, with investigations made towards the development of a further support programme in the country.

In the latter part of the year, operations were moved to a new UK office, where the charity continues to be based.

Achievements and Performance

Income

Income dropped significantly to a total of £54,396, substantially below the previous year's income of £94,267. As mentioned, this had been to some degree anticipated considering the advance donation given in the previous year.

Monthly income dropped slightly from the 2022 average of £710 to an average of £637. This was supplemented by an important fundraising campaign and some major donor income. Although nothing amounted to match the major gifts of the preceding year, these fundraising successes allied to the funds designated for programming from last year's income, allowed for the smooth continued delivery of operations, and support to be extended to new scholars.

Rare Charity

Trustees' Report

Operational Programmes

Towards the start of the financial year, recruitment was launched for a new Country Manager, to ensure effective delivery of work and operations in Malawi. There was a very strong response to the advertisement of the position with over 200 applications received, and many of the candidates being well-qualified for the position. After shortlisting and several rounds of interviews, Andrew Bitu was selected as the successful candidate, starting work in April 2023.

A number of issues throughout the year had a profound impact on life in Malawi. Tropical Storm Freddy caused devastation in March 2023, destroying many lives, particularly in the south of the country. Fortunately, Rare Charity's scholars and team were not affected to the same degree as many others, though some scholars' houses in their home villages were badly damaged, and the area near where Support Officer Esnarth stays was also heavily affected. Though communications and power infrastructure was affected, Rare Charity stayed in contact to ensure all scholars and stakeholders remained safe.

As the year progressed, financial issues in the country had a greater impact, with inflation pushing costs higher for many basic needs. This led a number of scholars who had previously been able to cover the costs of their own accommodation or meals to experience financial difficulties, and seek an extension of support from Rare Charity. Each request was carefully assessed, but in most cases the appeal was justified and measures were taken to provide further support. In November 2023 the national currency was devalued by 44% against the dollar. Rare Charity paid close attention to the economic circumstances and adapted its approach to respond to the developing needs of its scholars.

Despite these challenges, the Malawi programme continued to grow, with one new scholar supported in tertiary education, and four more supported in the secondary programme. This took the total number of supported scholars to forty-two. This includes the pilot of support to a tertiary scholar in Nepal, which continued through the year.

New opportunities were created for tertiary scholars to provide mentorship at secondary schools, with a number of scholars and graduates accompanying the local team on school visits and presenting about their experiences to secondary scholars and students. Scholars also promoted local opportunities in technical education through their networks, leading to one local student being accepted on a supported place.

Alongside further growth in the scholars supported, we also celebrated the graduation of seven tertiary scholars - Blessings, Chisomo C., Chisomo N., Lauryn, Sylvia, Yamikani and one of our longest standing scholars, Lisnet, whose studies had been extended due to being interrupted by serious illness. In addition to this, there were the very first graduations from our secondary programme, Cathleen and Olivia.

Tertiary Scholarships

Since 2016 Rare Charity has committed to funding 23 young people through tertiary education. Every one of our scholars' academic performance is outstanding and there is a 0% drop-out rate.

Rare Charity

Trustees' Report

We know our scholarship programme is working. Seven further scholars graduated in 2023, bringing the total number of graduates up to fourteen. Each retains a strong commitment to their home communities and plans to share the benefit of their skills as qualified professionals. Having all come from exceptionally vulnerable families, their current professions are listed below:

- Enelys Black: Midwife (Diploma in Nursing and Midwifery, 2021)
- Wongani Jambo: Contact Centre Supervisor (Bachelor of Arts, Media for Development, 2019)
- Osman Karimu: Safety, Health, Environment, Risk & Quality Officer (Bachelor of Science in Food Technology, 2019)
- Madalitso Nsajamah: Secondary School Teacher (Bachelor of Education Science, 2021)
- Andrea Sylvester: Medical Assistant, Neno District Hospital (Certificate in Clinical Medicine, 2022)
- Alex Khumbanyiwa: Laboratory Technician (Diploma in Biomedical Science, 2022)
- Norah Jordan: Community Development Intern / Project Officer (Diploma in Community Development, 2022)
- Sylvia Lodzani: Pharmacy Intern, Queen Elizabeth Hospital (Bachelor of Science in Pharmacy, Kamuzu University of Health Sciences, 2023)
- Lisnet Zuze: Secondary School Teacher (Bachelor of Arts in Education and Social Studies, University of Malawi, 2023)
- Chisomo Chatepa: Internal Inspector for Outgrowers, Satemwa (Bachelor of Science in Agriculture, Malawi Adventist University, 2023)
- Blessings Maudzu: (Diploma in Nursing and Midwifery, St. Joseph's College, 2023)
- Chisomo Ndaona: HIV Diagnostic Assistant, MACRO (Diploma in Irrigation Technology, Natural Resources College, Lilongwe University of Agriculture and Natural Resources, 2023)
- Yamikani Golden: Intern, Satemwa (Bachelor of Science in Agribusiness Management, Lilongwe University of Agriculture and Natural Resources, 2023)
- Lauryn Patel: Intern, Zomba Central Hospital (Diploma in Clinical Medicine, Malawi College of Health Sciences, 2023)

All graduates had found some form of meaningful employment at the time of writing, with many of the internships being important stepping stones on their chosen career path. Considering the extremely challenging employment landscape in Malawi, where only 9% enter the formal job market, this is a significant achievement, particularly when the circumstances of the scholars at the start of their education are factored in. Though each graduate has found success in their search for employment, we still aim to increase our support for skills development among our scholars. It is notable that tertiary education institutions in Malawi do not currently offer a careers service and there is little focus on the pathway to employment and job-hunting skills. Therefore, Rare Charity will step in to fill this gap, and encourage more institutions to adopt such services over the longer term.

Rare Charity continued to provide tertiary educational scholarships for the following scholars.

- Madalitso Banda, originally studying a Bachelor of Accounting Practice, Millennium University, on an educational scholarship, later transferred to Malawi College of Accounting to study Bachelor Applied Accounting – Audit and Information Systems, on an educational scholarship with meals;
- Joyce Dzinjalama, Bachelor of Science in Biomedical Engineering, Malawi Polytechnic, awarded a full scholarship;

Rare Charity

Trustees' Report

- Faith Sawasawa, Bachelor of Arts in Indigenous Knowledge Systems and Practices, Malawi University of Science and Technology, awarded an educational scholarship;
- Fortune Jim William, Diploma in General Agriculture, Lilongwe University of Agriculture and Natural Resources, awarded a fully inclusive scholarship;
- Precious Masewo, Bachelor of Science in Agribusiness Management, Lilongwe University of Agriculture and Natural Resources, awarded an educational scholarship with accommodation;
- Morvin Namondwe, Bachelor of Science in Biomedical Sciences, Kamuzu University of Health Sciences, awarded an educational scholarship with meals.
- Gertrude Mawindo, Bachelor of Business Administration (Marketing), Malawi University of Business and Applied Sciences, awarded a full scholarship.

One further tertiary scholarship was awarded in Malawi to

- Gift Clement, Bachelor of Applied Accounting – Audit and Information Systems, Malawi College of Accountancy, awarded a full scholarship.

In addition, Rare Charity continued its support for its first tertiary scholarship in Nepal:

- Schneider Orchard, Bachelor of Hotel Management, South Asian School of Tourism and Hotel Management, awarded an educational scholarship.

Each scholarship is holistic and tailored to the scholars' individual needs and, as we have seen in particular this year, can be adapted according to the specific circumstances of the scholar, should resources allow for this. A scholarship typically includes: fees, accommodation, meals, materials including a laptop, access to quality healthcare, funded work experience placement, exam fees and a tailored mentorship programme to support scholars' mental wellbeing.

Secondary Scholarships for Girls

Rare Charity was able to continue its programme for sponsoring girls through secondary school.

With four more girls receiving scholarships during this year, Rare Charity now supports 19 exceptionally vulnerable girls, who would otherwise have had to drop out of education and would have faced a very likely prospect of early marriage. The candidates were identified according to our selection criteria and due diligence was conducted on each application to assess that levels of need were genuine.

The holistic scholarships include fees, uniform, a materials allowance, a safeguarding programme and access to quality medical care. Scholars attend one of the district's best boarding schools, ensuring they have access to three meals per day, safe sleeping arrangements and an environment conducive to study.

Moving Funds Internationally

The Board acknowledges that as Trustees they have a legal duty to protect their Charity's funds and to ensure that funds are legitimately used to further the Charity's purpose. Formal banking systems were used in a responsible manner to ensure that Charity funds were safeguarded. International transfers were made via one of the following routes:

Rare Charity**Trustees' Report**

- HSBC
- Convera (formerly known as Western Union Edge)

Each transaction was recorded at every step, so that funds were fully accounted for, from initial transfer to final destination.

Towards the end of the year, the devaluation and instability of the national currency of Malawi, led to Convera putting a hold on transfers in Malawi Kwacha. Investigations were begun to identify a new, secure and sustainable transfer platform should this situation continue into the new year.

Any release of funds by Rare Charity's Managing Director is underwritten and approved by a member of the board.

Rare Charity

Trustees' Report

Reserves

As per Rare Charity's Reserves Policy, we hold the following funds in reserves:

Unrestricted Reserves

Rare Charity needs to ensure its long-term viability in order to honour our commitment to our scholars and their tea communities. Our reserves are held to build the charity's resilience against unpredictable drop-offs in regular income streams. They are also held to enable sound financial management and forward financial planning.

Our reserves should fall between 3 and 9 months' running costs and should never exceed 12 months. We aim to carry forward 6-7 months' running costs this year.

We recognise this is on the higher end of the spectrum in this sector, but our reasons are:

1. Our scholarships can last up to a 5-year period, and we need to assure our ability to deliver all programmes to completion: to be present to mentor and guide our scholars, and minimise risks of unplanned closure and insolvency at all costs.
2. At present our regular income streams are only partly assured, for instance in 2022 44% of our income came from a single major donor completing their 3-year. Until we have a more assured annual income stream which allows us to forecast longer-term, we aim for 6-7 months' running costs to be held.

Restricted Reserves

Rare Charity currently does not hold restricted reserves, although this can be revised should a donor or funder require it.

Designated Reserves

Rare Charity holds designated reserves, which are separate from our unrestricted reserves.

Every time we commit to a new scholarship, we set aside the **total cost** of the programme, so that the scholar can be assured of completion. The total cost of a scholarship may include tuition and examination fees, meal and accommodation costs, a laptop allowance, a work experience allowance, medical care and safeguarding costs – over the period of the student's course. These are set out in our designated reserves.

Our designated reserve levels are dynamic and depend on our number of scholars and their progression through their course.

Full records are kept of every scholar's forecasted costs to take them to course completion.

Rare Charity

Trustees' Report

Structure and Management

Charity Status

Rare Charity is a Charitable Company, founded by Henrietta Lovell. Rare Charity was incorporated on 5 January 2016; its name was officially changed to Rare Charity on 1 July 2016. Rare Charity is governed under its Articles of Association, which were adopted on 4 July 2016. In the event of Rare Charity being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The Directors of the Company are also known as Charity Trustees for the purposes of Charity Law. Under the requirements of the Articles of Association, the Trustees are elected to serve for a period no longer than nine years, after which they must be re-elected at the next Annual General Meeting. At every Annual General Meeting one-third of the Trustees must retire from office, but may offer themselves for re-appointment.

All trustees give their time voluntarily and received no benefits from the charity.

The Board of Trustees seeks to ensure that the needs of the Charity's work are appropriately reflected through the diversity of the trustee body. Rare Charity's work focusses on offering education opportunities in tea communities; the current country of operation is Malawi. The Board reflects strong expertise in the relevant professional areas: the tea industry (Henrietta Lovell), best practice in education (Will le Fleming), Malawi's economy, infrastructure, law and culture (Robert Anderson and Cecilia Makonyola) and best practice in the international charity sector (Cecilia Makonyola). Chartered Accountant Adam Hickie is our treasurer. Gemma Bell, Director at Gemma Bell and Company Ltd advises on the charity's messaging and public image.

Organisational Structure

Rare Charity's Board of 6 trustees are responsible for the strategic direction and policy of the Charity. The Board meets quarterly, including an Annual General Meeting once per year. Resolutions are agreed at said meetings (provided there is a quorum), or by written resolution.

A scheme of delegation is in place and responsibility for the following rests with the Managing Director:

- Day-to-day oversight of delivering scholarship programmes and management of the Malawi Country Manager and Support Officer, ensuring that the Charity delivers the services specified, in accordance with all safeguarding and due diligence procedures, and that key indicators are met;
- Ensuring the healthy growth of the Charity's income through fundraising activities in accordance with the Board's mandate;
- Day-to-day financial record-keeping;
- Administration;

Rare Charity**Trustees' Report**

- Marketing and PR to maintain and grow the Charity's good reputation.

Details of any funds held by a custodian trustee

There are no funds held by any trustee and no trustee receives any financial benefit from the Charity.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 2 September 2024 and signed on its behalf by: • •

.....
Adam Hickie

Trustee

Rare Charity

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Rare Charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 2 September 2024 and signed on its behalf by:


.....
Adam Hickie
Trustee

Rare Charity**Independent Examiner's Report to the trustees of Rare Charity ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 January 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Rare Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Chloe Turner ACA
Highfield
Cirencester Road
Minchinhampton
Stroud
GL6 9EQ

Date: 25 October 2024

Rare Charity

Statement of Financial Activities for the Year Ended 31 January 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2024 £	Total 2023 £
Income and Endowments from:					
Donations and legacies	3	39,059	15,337	54,396	89,332
Other trading activities	4	-	-	-	4,935
Total Income		39,059	15,337	54,396	94,267
Expenditure on:					
Raising funds	5	(893)	-	(893)	(2,204)
Charitable activities	6	(58,616)	(10,482)	(69,098)	(72,348)
Total Expenditure		(59,509)	(10,482)	(69,991)	(74,552)
Net (expenditure)/income		(20,450)	4,855	(15,595)	19,715
Net movement in funds		(20,450)	4,855	(15,595)	19,715
Reconciliation of funds					
Total funds brought forward		72,168	11,174	83,342	63,627
Total funds carried forward	15	51,718	16,029	67,747	83,342

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 15.

Rare Charity

(Registration number: 09936276)
Balance Sheet as at 31 January 2024

	Note	2024 £	2023 £
Current assets			
Debtors	12	1,123	3,403
Cash at bank and in hand	13	67,362	79,947
		68,485	83,350
Creditors: Amounts falling due within one year	14	(738)	(8)
Net assets		67,747	83,342
Funds of the charity:			
Restricted		16,029	11,174
Unrestricted income funds			
General unrestricted funds		24,048	30,394
Designated funds		27,670	41,774
Total unrestricted funds		51,718	72,168
Total funds	15	67,747	83,342

For the financial year ending 31 January 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 13 to 26 were approved by the trustees, and authorised for issue on 2 September 2024 and signed on their behalf by:


.....
Mr Adam James Saddler Hickie
Trustee

The notes on pages 12 to 22 form an integral part of these financial statements.

Rare Charity**Statement of Cash Flows for the Year Ended 31 January 2024**

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash (expenditure)/income		(15,595)	19,715
Working capital adjustments			
Decrease in debtors	12	2,280	944
Increase/(decrease) in creditors	14	730	(24)
Net cash flows from operating activities		(12,585)	20,635
Net (decrease)/increase in cash and cash equivalents		(12,585)	20,635
Cash and cash equivalents at 1 February		79,947	59,312
Cash and cash equivalents at 31 January		67,362	79,947

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 12 to 22 form an integral part of these financial statements.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2024**

1 Charity status

The charity is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
35 Eyre Street Hill
London
EC1R 5ET

These financial statements were authorised for issue by the trustees on 2 September 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Rare Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

These financial statements are presented in Sterling, which is also the company's functional currency. The financial statements are rounded to the nearest £1.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2024

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those 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.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2024

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2024

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2024**

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2024

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Donations and legacies;			
Donations from companies, trusts and similar proceeds	25,152	1,201	26,353
Donations from individuals	9,594	14,136	23,730
Grants, including capital grants;			
Government grants	3,713	-	3,713
Donated services and facilities	600	-	600
Total for 2024	39,059	15,337	54,396
Total for 2023	81,241	8,091	89,332

4 Income from other trading activities

	Unrestricted funds	
	General £	Total funds £
Total for 2024	-	-
Total for 2023	4,935	4,935

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Unrestricted funds	Total funds
Note	General £	£
Donations	893	893
Total for 2024	893	893
Total for 2023	2,204	2,204

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2024**

	Total costs £
--	---------------------

6 Expenditure on charitable activities

		Unrestricted funds	Restricted	Total
	Note	General £	funds £	funds £
Grant funding of activities		14,090	7,501	21,591
Staff costs		43,913	2,981	46,894
Governance costs	7	613	-	613
Total for 2024		58,616	10,482	69,098
Total for 2023		62,540	9,808	72,348

Total
expenditure
£

In addition to the expenditure analysed above, there are also governance costs of £613 (2023 - £8,897) which relate directly to charitable activities. See note 7 for further details.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2024**

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total
	General £	funds £
Independent examiner fees		
Examination of the financial statements	600	600
Other governance costs	13	13
Total for 2024	613	613
Total for 2023	8,897	8,897

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	42,364	42,801
Social security costs	3,713	3,561
Pension costs	817	708
Other staff costs	-	10
	46,894	47,080

No employee received emoluments of more than £60,000 during the year.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2024**

10 Independent examiner's remuneration

	2024 £	2023 £
Examination of the financial statements	600	600

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Debtors

	2024 £	2023 £
Prepayments	1,123	3,403
	1,123	3,403

13 Cash and cash equivalents

	2024 £	2023 £
Cash at bank	67,362	79,947

14 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	738	8
	738	8

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2024**

15 Funds

	Balance at 1 February 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2024 £
Unrestricted					
General	30,394	39,059	(59,509)	14,104	24,048
Designated	41,774	-	-	(14,104)	27,670
Total unrestricted	72,168	39,059	(59,509)	-	(51,718)
Restricted	11,174	15,337	(10,482)	-	16,029
Total funds	83,342	54,396	(69,991)	-	67,747

	Balance at 1 February 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2023 £
Unrestricted					
General	23,553	86,176	(64,744)	(14,591)	30,394
Designated	27,183	-	-	14,591	41,774
Total unrestricted	50,736	86,176	(64,744)	-	(72,168)
Restricted	12,891	8,091	(9,808)	-	11,174
Total funds	63,627	94,267	(74,552)	-	83,342

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2024

16 Analysis of net assets between funds

2024	Unrestricted			Total funds £
	General £	Designated £	Restricted £	
Current assets	24,786	27,670	16,029	68,485
Current liabilities	(738)	-	-	(738)
Total net assets	24,048	27,670	16,029	67,747

2023	Unrestricted			Total funds £
	General £	Designated £	Restricted £	
Current assets	30,402	41,774	11,174	83,350
Current liabilities	(8)	-	-	(8)
Total net assets	30,394	41,774	11,174	83,342

17 Analysis of net funds

	At 1 February 2023 £	Financing cash flows £	At 31 January 2024 £
Cash at bank and in hand	79,947	(12,585)	67,362
Net debt	79,947	(12,585)	67,362
	At 1 February 2022 £	Financing cash flows £	At 31 January 2023 £
Cash at bank and in hand	59,312	20,635	79,947
Net debt	59,312	20,635	79,947

RARE CHARITY

England & Wales - Charity number 1169767

Accounts

Company registration number: 09936276

Charity registration number: 1169767

Rare Charity

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2023

Rare Charity**Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 11
Statement of Trustees' Responsibilities	12
Independent Examiner's Report	13
Statement of Financial Activities	14
Balance Sheet	15
Statement of Cash Flows	16
Notes to the Financial Statements	17 to 26

Rare Charity**Reference and Administrative Details**

Trustees

Miss Henrietta Lovell

Miss Cecillia Makonyola

Mr Will Le Fleming

Mr Robert Scott Anderson

Mr. Adam Hickie

Ms Gemma Bell

Registered Office

35 Eyre Street Hill

London

EC1R 5ET

The charity is incorporated in England & Wales.

Company Registration Number 09936276**Charity Registration Number** 1169767**Independent Examiner** Chloe Turner ACA

Rare Charity**Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31st January 2023.

Aims and Objectives

Mission

Rare Charity provides educational opportunities for people within tea communities. The people working in tea represent some of the most marginalised communities in many of the world's poorest countries. Rare Charity's mission is to equip talented and ambitious individuals to transform their community in their own ways and on their own terms.

Rare Charity's objectives remain as cited by the Charity Commission

The advancement of education; and without prejudice to the generality of that, the charity may seek to fulfil its objects by being active in areas predominantly surrounding farms in Africa, Nepal, India and Sri Lanka by:

1. Awarding students scholarships to enter university, college or institution of higher or further education;
2. Supporting education initiatives to prepare for entry to any occupation, trade or profession on leaving any educational establishment;
3. Supporting educational facilities and/or initiatives.

Public Benefit

Rare Charity exists to serve the public benefit through investing in education, enabling individuals to transform their own lives, their households, their community, and eventually their country and beyond. Rare Charity:

- a. offers secondary educational scholarships to young women to enable them to continue their education and avoid early marriage;
- b. offers tertiary educational opportunities to individuals with talent and ambition, who would otherwise have no access whatsoever to further education;
- c. equips these individuals to return to their community (should they so choose), to implement change in their own ways and on their own terms;
- d. thereby catalyses long-term, systemic and sustainable change within some of the world's most vulnerable rural communities in many of the world's poorest countries;
- e. provides a meaningful and illuminating connection between the consumers of tea and

Rare Charity**Trustees' Report**

the people who produce it.

The founding principle of Rare Charity is sustainability. The Charity believes in enabling the growth of a cohort of skilled professionals, and in creating local role models who encourage their peers to continue with education.

Rare Charity believes in empowering young women. At least half of all tertiary scholarships are set aside for female students - and we fund secondary scholarships for girls, to offer them the same opportunities for further education as their male counterparts.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Rare Charity**Trustees' Report**

Activities and Objectives

Income

After successive years where work has experienced disruption, either due to the pandemic or maternity leave, 2022 offered the first opportunity since 2019 for work to be delivered in a sustained and uninterrupted manner. With the recruitment of a Country Manager, the Managing Director had increased opportunity to focus more effectively on fundraising. This led to a significant growth in regular donations, a double donation from a major donor, and overall securing of year-on-year funding to support new scholar intake.

Operational Programmes

The focus of 2022 was on expanding programmes, with the addition of a part-time Country Manager role facilitating oversight and streamlining of operations within Malawi. We opened further scholarships at both tertiary and secondary level, to respond to community need.

Rare Charity also sustained its commitment to its existing tertiary scholars and secondary scholars, offering the tailored support that defines our approach.

Finally, Rare Charity began a pilot of its programmes in a second tea-producing country - to expand our outreach to further marginalised tea communities beyond Malawi.

In the final months of 2022, Daisy Belfield Santos announced her intention to step down from the role, and a recruitment process began for a new Managing Director. In December 2022 Tom Schrieber began work as Rare Charity's new MD, initially with a handover period working side-by-side with the outgoing post-holder. Tom has extensive experience in the charity sector, and particularly strong knowledge and connections within Malawi, from significant time spent living and working there.

Achievements and Performance

Income

This year proved to be our most successful thus far for income generation, with turnover totalling £94,267, compared to £74,793 in the previous year.

Monthly income significantly increased: while 2021 monthly income averaged £477, 2022 average monthly income increased to almost £710. This was further supplemented by major donor income, with our recent major donor expanding her generosity with two major gifts.

Rare Charity

Trustees' Report

Meanwhile other smaller but nonetheless significant annual pledges were made, some of which were planned annual donations.

Income was also bolstered by smaller initiatives including an auction of a series of tea-inspired artwork by Malawian artist Charles Levison. While the final amount raised was a small percentage of the actual income, it was very positive in terms of promotion of Malawian talent to a wider audience, and fostering a different angle of connection with Malawi through Rare Charity.

There were also positive steps for future income generation and public profile, through the launch of the new Rare Charity website, developed in-house, alongside being featured as Charity of the Week in The Week Magazine.

In summary, existing income streams were consolidated and developed, and new income streams were identified. Though this year's generosity from our most significant donor is not currently expected to be replicated, the foundations have been laid for work to be sustained and built upon next year.

Operational Programmes

Perhaps the most significant development in operational programmes was the presence of the new Country Manager, recruited at the end of the last financial year. This allowed greater direct programme management and in country engagement, alongside local management of the Support Officer. The recruitment also reflects a longer-term approach to focus operational management within the countries where the charity's work is focused. Unfortunately, MacDonald Nyoni, who also played a major role in the development of the website alongside other initiatives, was recruited to a new opportunity at the UN towards the end of the year, and the registration of the charity within Malawi was not concluded during his tenure. A new Country Manager will be recruited in 2023, and the process of registration will be reinitiated.

Another highly significant development was the piloting of support to a scholar in a second country, Nepal. A young woman from a tea community was selected and is being supported through tertiary education. Further work is required to replicate the programme being delivered in Malawi, but this entails an important first step.

Within Malawi, nine more scholars were added to our support programme. These included four tertiary scholarships (equally divided between two women and two men) and five girls given secondary scholarships (with support for the final girl starting right at the end of the financial year). This meant that the total number of scholarships provided under Rare Charity so far (in Malawi and Nepal) rose from 27 to 37. At the same time three of our existing tertiary scholars (Andrea, Alex and Norah) were proud to successfully graduate, swelling our number of graduates to seven.

Rare Charity

Trustees' Report

New initiatives were also introduced to enhance the experience and personal development of the scholars. Key among these were partnerships with international universities, with selected scholars continuing to engage with the Global Academy of Agriculture and Food Systems (GAAFS) interdisciplinary hub hosted under the University of Edinburgh, and further scholars participating in online sessions hosted by Michigan Tech University. Additional efforts will be made to enrich the experience of scholars in 2023, including the introduction of mentorship opportunities, so that scholars can inspire younger students in their own communities.

Tertiary Scholarships

Since 2016 Rare Charity has committed to funding 22 young people through higher education. Every one of our scholars' academic performance is outstanding and there is a 0% drop-out rate.

We know our scholarship programme is working. Three further scholars graduated in 2021, bringing the total number of graduates up to seven. Each retains a strong commitment to their home communities and plans to share the benefit of their skills as qualified professionals. Having all come from exceptionally vulnerable families of tea-pluckers, their current professions are listed below:

- Enelys Black: Midwife (Diploma in Nursing and Midwifery, 2021)
- Wongani Jambo: Customer Service Agent (Bachelor of Arts, Media Development, 2019)
- Osman Karimu: Safety, Health, Environment, Risk & Quality Officer) (Bachelor of Science in Food Technology, 2019)
- Madalitso Nsajamah: Secondary Teacher (Bachelor of Education Science, 2021)
- Andrea Sylvester: Intern, Neno District Hospital (Certificate in Clinical Medicine, 2022)
- Alex Khumbanyiwa: Laboratory Technician (Diploma in Biomedical Science, 2022)
- Norah Jordan: Unemployed (Diploma in Community Development, 2022)

As you can see, only the most recent of the graduates had not found employment at the time of writing. Considering the extremely challenging employment landscape in Malawi, where only 9% enter the formal job market, this is a significant achievement, particularly considering the circumstances of the scholars at the start of their education. We will continue to support Norah in her search for employment, and are increasing our support for skills development among our scholars. It is notable that tertiary education institutions in Malawi do not currently offer a careers service and there is little focus on the pathway to employment and job-hunting skills. Therefore, Rare Charity will step in to fill this gap, and encourage more institutions to adopt such services over the longer term.

Rare Charity continued to provide tertiary educational scholarships for the following scholars.

- Madalitso Banda, Bachelor's in Accounting Practice, Millennium University, awarded an educational scholarship;

Rare Charity

Trustees' Report

- Chisomo Chatepa, Bachelor of Science in Agriculture, Malawi Adventist University, awarded a fully inclusive scholarship;
- Joyce Dzinjalama, Bachelor's in Biomedical Engineering, Malawi Polytechnic, awarded an educational scholarship;
- Yamikani Golden, Bachelor's in Agriculture Enterprises Development & Microfinance, Lilongwe University of Agriculture and Natural Resources, awarded a fully inclusive scholarship;
- Sylvia Lodzani, Bachelor's in Pharmacy, College of Medicine, awarded a fully inclusive scholarship;
- Blessings Maudzu, Diploma in Nursing and Midwifery, St. Joseph's College;
- Lauryn Patel, Diploma in Clinical Medicine, Malawi College of Health Sciences, awarded a fully inclusive scholarship;
- Faith Sawasawa, Bachelor in Indigenous Knowledge Systems and Practices, Malawi University of Science and Technology, awarded an educational scholarship;
- Fortune Jim William, Diploma in General Agriculture, Lilongwe University of Agriculture and Natural Resources, awarded a fully inclusive scholarship;
- Lisnet Zuze, Bachelor of Arts Degree in Education and Social Studies, University of Malawi, Chancellor College.

Tertiary scholarships were also awarded to the following scholars in Malawi:

- Chisomo Ndaona, Diploma in Irrigation Technology, Natural Resources College, Lilongwe University of Agriculture and Natural Resources, awarded an educational scholarship;
- Precious Masewo, Bachelor of Science in Agribusiness Management, Lilongwe University of Agriculture and Natural Resources, awarded an educational scholarship with accommodation;
- Morvin Namondwe, Bachelor of Science in Biomedical Sciences, Kamuzu University of Health Sciences, awarded an educational scholarship with accommodation;
- Gertrude Mawindo, Bachelor of Business Administration (Marketing), Malawi University of Business and Applied Sciences, awarded a fully inclusive scholarship.

In addition, Rare Charity awarded its first tertiary scholarship in Nepal:

- Schneider Orchard, Bachelor of Hotel Management, South Asian School of Tourism and Hotel Management, awarded an educational scholarship.

Each scholarship is holistic and tailored to the scholars' individual needs. A scholarship typically includes: fees, accommodation, meals, materials including a laptop, access to quality healthcare, funded work experience placement, exam fees and a tailored mentorship programme to support scholars' mental wellbeing.

Secondary Scholarships for Girls

Rare Charity was able to continue its programme for sponsoring girls through secondary school.

Rare Charity**Trustees' Report**

With five more girls receiving scholarships during this year, Rare Charity now supports 15 exceptionally vulnerable girls, who would otherwise have had to drop out of education and would have faced a very likely prospect of early marriage. The candidates were identified according to our selection criteria and due diligence was conducted on each application to assess that levels of need were genuine.

The holistic scholarships include fees, uniform, a materials allowance, a safeguarding programme and access to quality medical care. Scholars attend one of the region's best boarding schools, ensuring they have access to three nutritious meals per day, safe sleeping arrangement and an environment conducive to study.

Moving Funds Internationally

The Board acknowledges that as Trustees they have a legal duty to protect their Charity's funds and to ensure that funds are legitimately used to further the Charity's purpose. Formal banking systems were used in a responsible manner to ensure that Charity funds were safeguarded. International transfers were made via one of the following routes:

- HSBC
- Convera

Each transaction was recorded at every step, so that funds were fully accounted for, from initial transfer to final destination.

Any release of funds by Rare Charity's Managing Director is underwritten and approved by a member of the board.

Rare Charity

Trustees' Report

Reserves

As per Rare Charity's Reserves Policy, we hold the following funds in reserves:

Unrestricted Reserves

Rare Charity needs to ensure its long-term viability in order to honour our commitment to our scholars and their tea communities. Our reserves are held to build the charity's resilience against unpredictable drop-offs in regular income streams. They are also held to enable sound financial management and forward financial planning.

Our reserves should fall between 3 and 9 months' running costs and should never exceed 12 months. We aim to carry forward 6-7 months' running costs this year.

We recognise this is on the higher end of the spectrum in this sector, but our reasons are:

1. Our scholarships can last up to a 5-year period, and we need to assure our ability to deliver all programmes to completion: to be present to mentor and guide our scholars, and minimise risks of unplanned closure and insolvency at all costs.
2. At present our regular income streams are only partly assured, for instance in 2021 50% of our income came from regular donations (Rare Tea Company and monthly donations); 35% from a major donor (whose 3-year pledge expires in 2022); and the remaining 15% from one-off donations. Until we have a more assured annual income stream which allows us to forecast longer-term, we aim for 6-7 months' running costs to be held.

Restricted Reserves

Rare Charity currently does not hold restricted reserves, although this can be revised should a donor or funder require it.

Designated Reserves

Rare Charity holds designated reserves, which are separate from our unrestricted reserves.

Every time we commit to a new scholarship, we set aside the **total cost** of programme, so that the scholar can be assured of completion. The total cost of a scholarship may include tuition and examination fees, meal and accommodation costs, a laptop allowance, a work experience allowance, medical care and safeguarding costs – over the period of the student's course. These are set out in our designated reserves.

Our designated reserve levels are dynamic and depend on our number of scholars and their progression through their course.

Rare Charity

Trustees' Report

Full records are kept of every scholar's forecasted costs to take them to course completion.

Structure and Management

Charity Status

Rare Charity is a Charitable Company, founded by Henrietta Lovell. Rare Charitea was incorporated on 5 January 2016; its name was officially changed to Rare Charity on 1 July 2016. Rare Charity is governed under its Articles of Association, which were adopted on 4 July 2016. In the event of Rare Charity being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The Directors of the Company are also known as Charity Trustees for the purposes of Charity Law. Under the requirements of the Articles of Association, the Trustees are elected to serve for a period no longer than nine years, after which they must be re-elected at the next Annual General Meeting. At every Annual General Meeting one-third of the Trustees must retire from office, but may offer themselves for re-appointment.

All trustees give their time voluntarily and received no benefits from the charity.

The Board of Trustees seeks to ensure that the needs of the Charity's work are appropriately reflected through the diversity of the trustee body. Rare Charity's work focusses on offering education opportunities in tea communities; the current country of operation is Malawi. The Board reflects strong expertise in the relevant professional areas: the tea industry (Henrietta Lovell), best practice in education (Will le Fleming), Malawi's economy, infrastructure, law and culture (Robert Anderson and Cecilia Makonyola) and best practice in the international charity sector (Cecilia Makonyola). Chartered Accountant Adam Hickie is our treasurer. Gemma Bell, Director at Gemma Bell and Company Ltd advises on the charity's messaging and public image.

Organisational Structure

Rare Charity's Board of 6 trustees are responsible for the strategic direction and policy of the Charity. The Board meets quarterly, including an Annual General Meeting once per year. Resolutions are agreed at said meetings (provided there is a quorum), or by written resolution.

A scheme of delegation is in place and responsibility for the following rests with the Managing Director:

- Day-to-day oversight of delivering scholarship programmes and management of the Malawi Support Officer, ensuring that the Charity delivers the services specified, in

Rare Charity**Trustees' Report**

accordance with all safeguarding and due diligence procedures, and that key indicators are met;

- Ensuring the healthy growth of the Charity's income through fundraising activities in accordance with the Board's mandate;
- Day-to-day financial record-keeping;
- Administration;
- Marketing and PR to maintain and grow the Charity's good reputation.

Details of any funds held by a custodian trustee

There are no funds held by any trustee and no trustee receives any financial benefit from the Charity.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 10 October 2023 and signed on its behalf by:


.....
Adam Hickie
Trustee

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Rare Charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 10 October 2023 and signed on its behalf by:


.....
Adam Hickie
Trustee

Rare Charity**Independent Examiner's Report to the trustees of Rare Charity ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 January 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Rare Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Chloe Turner ACA

Highfield
Cirencester Road
Minchinhampton
Stroud
GL6 9EQ

18 October 2023

Rare Charity**Statement of Financial Activities for the Year Ended 31 January 2023**
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies	3	81,241	8,091	89,332	70,452
Other trading activities	4	4,935	-	4,935	4,341
Total Income		86,176	8,091	94,267	74,793
Expenditure on:					
Raising funds	5	(2,204)	-	(2,204)	(870)
Charitable activities	6	(62,540)	(9,808)	(72,348)	(58,665)
Total Expenditure		(64,744)	(9,808)	(74,552)	(59,535)
Net income/(expenditure)		21,432	(1,717)	19,715	15,258
Net movement in funds		21,432	(1,717)	19,715	15,258
Reconciliation of funds					
Total funds brought forward		50,736	12,891	63,627	48,369
Total funds carried forward	16	72,168	11,174	83,342	63,627

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 16.

The notes on pages 15 to 24 form an integral part of these financial statements.

Rare Charity**(Registration number: 09936276)****Balance Sheet as at 31 January 2023**

	Note	2023 £	2022 £
Current assets			
Debtors	12	3,403	4,347
Cash at bank and in hand	13	79,947	59,312
		83,350	63,659
Creditors: Amounts falling due within one year	14	(8)	(32)
Net assets		83,342	63,627
Funds of the charity:			
Restricted		11,174	12,891
Unrestricted income funds			
General unrestricted funds		30,394	23,553
Designated funds		41,774	27,183
Total unrestricted funds		72,168	50,736
Total funds	16	83,342	63,627

For the financial year ending 31 January 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 14 to 26 were approved by the trustees, and authorised for issue on 10 October 2023 and signed on their behalf by:


.....
Adam Hickie
Trustee

The notes on pages 17 to 26 form an integral part of these financial statements.

Rare Charity**Statement of Cash Flows for the Year Ended 31 January 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income		19,715	15,258
Working capital adjustments			
Decrease/(increase) in debtors	12	944	(598)
Decrease in creditors	14	(24)	(133)
Net cash flows from operating activities		20,635	14,527
Net increase in cash and cash equivalents		20,635	14,527
Cash and cash equivalents at 1 February		59,312	44,785
Cash and cash equivalents at 31 January		79,947	59,312

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 17 to 26 form an integral part of these financial statements.

1 Charity status

The charity is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
35 Eyre Street Hill
London
EC1R 5ET

These financial statements were authorised for issue by the trustees on 10 October 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Rare Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

These financial statements are presented in Sterling, which is also the company's functional currency. The financial statements are rounded to the nearest £1.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2023

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those 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.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2023

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2023**

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2023

3 Income from donations and legacies

	Unrestricted funds	Restricted	Total
	General £	funds £	funds £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	22,662	-	22,662
Donations from individuals	54,417	8,091	62,508
Grants, including capital grants;			
Government grants	3,562	-	3,562
Donated services and facilities	600	-	600
Total for 2023	81,241	8,091	89,332
Total for 2022	69,229	1,223	70,452

4 Income from other trading activities

	Unrestricted funds	Total
	General £	funds £
Events income;		
Other events income	4,935	4,935
Total for 2023	4,935	4,935
Total for 2022	4,341	4,341

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Unrestricted funds	Total
Note	General £	funds £
Donations	2,204	2,204
Total for 2023	2,204	2,204
Total for 2022	870	870

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2023

	<u>Direct costs £</u>	<u>Total costs £</u>
Total for 2022	870	870

6 Expenditure on charitable activities

		<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total funds</u>
	Note	General £	£	£
Grant funding of activities		16,756	6,692	23,448
Staff costs		36,887	3,116	40,003
Governance costs	7	8,897	-	8,897
Total for 2023		62,540	9,808	72,348
Total for 2022		55,239	3,426	58,665

	Grant funding of activity £	Activity support costs £	Total expenditure £
Total for 2022	17,878	34,016	51,894

In addition to the expenditure analysed above, there are also governance costs of £8,897 (2022 - £6,771) which relate directly to charitable activities. See note 7 for further details.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2023**

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total
	General £	funds £
Staff costs		
Wages and salaries	5,164	5,164
Social security costs	1,643	1,643
Pension costs	270	270
Independent examiner fees		
Examination of the financial statements	600	600
Marketing and publicity	575	575
Other governance costs	645	645
Total for 2023	8,897	8,897
Total for 2022	6,771	6,771

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	42,801	35,989
Social security costs	3,561	2,773
Pension costs	708	687
Other staff costs	10	-
	47,080	39,449

No employee received emoluments of more than £60,000 during the year.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2023**

10 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	600	600

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Debtors

	2023 £	2022 £
Prepayments	3,403	4,347
	3,403	4,347

13 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	79,947	59,312

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	8	(118)
Other creditors	-	150
	8	32

15 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £708 (2022 - £687).

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2023

16 Funds

	Balance at 1 February 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2023 £
Unrestricted					
General	23,553	86,176	(64,744)	(14,591)	30,394
Designated	27,183	-	-	14,591	41,774
Total unrestricted	50,736	86,176	(64,744)	-	(72,168)
Restricted	12,891	8,091	(9,808)	-	11,174
Total funds	63,627	94,267	(74,552)	-	83,342

	Balance at 1 February 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2022 £
Unrestricted					
General	10,199	73,570	(56,109)	(4,107)	23,553
Designated	23,076	-	-	4,107	27,183
Total unrestricted	33,275	73,570	(56,109)	-	50,736
Restricted	15,094	1,223	(3,426)	-	12,891
Total funds	48,369	74,793	(59,535)	-	63,627

17 Analysis of net assets between funds

	Unrestricted			
	General £	Designated £	Restricted £	Total funds £
Current assets	30,402	41,774	11,174	83,350
Current liabilities	(8)	-	-	(8)
Total net assets	30,394	41,774	11,174	83,342

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2023

	Unrestricted funds		<u>Restricted</u>	Total funds at 31 January
	General £	Designated £	funds £	2022 £
Current assets	23,585	27,183	12,891	63,659
Current liabilities	(32)	-	-	(32)
Total net assets	23,553	27,183	12,891	63,627

18 Analysis of net funds

	At 1 February 2022 £	Financing cash flows £	At 31 January 2023 £
Cash at bank and in hand	59,312	20,635	79,947
Net debt	59,312	20,635	79,947

	At 1 February 2021 £	Financing cash flows £	At 31 January 2022 £
Cash at bank and in hand	44,785	14,527	59,312
Net debt	44,785	14,527	59,312

RARE CHARITY

England & Wales - Charity number 1169767

Accounts

Company registration number: 09936276

Charity registration number: 1169767

Rare Charity

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2022

Rare Charity**Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 7
Independent Examiner's Report	12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 to 25

Rare Charity**Reference and Administrative Details**

Trustees	Miss Henrietta Lovell Miss Cecillia Makonyola Mr Will Le Fleming Mr Robert Scott Anderson Mr. Adam Hickie Ms Gemma Bell
-----------------	---

Principal Office	62 Blandford Street London W1U 7JD
-------------------------	--

The charity is incorporated in England & Wales.

Company Registration Number	09936276
------------------------------------	----------

Charity Registration Number	1169767
------------------------------------	---------

Independent Examiner	Chloe Turner
-----------------------------	--------------

Rare Charity**Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31st January 2022.

Aims and Objectives

Mission

Rare Charity provides educational opportunities for people within tea communities. The people working in tea represent some of the most marginalised communities in many of the world's poorest countries. Rare Charity's mission is to equip talented and ambitious individuals to transform their community in their own ways and on their own terms.

Rare Charity's objectives remain as cited by the Charity Commission

The advancement of education; and without prejudice to the generality of that, the charity may seek to fulfil its objects by being active in areas predominantly surrounding farms in Africa, Nepal, India and Sri Lanka by:

1. Awarding students scholarships to enter university, college or institution of higher or further education;
2. Supporting education initiatives to prepare for entry to any occupation, trade or profession on leaving any educational establishment;
3. Supporting educational facilities and/or initiatives.

Public Benefit

Rare Charity exists to serve the public benefit through investing in education, enabling individuals to transform their own lives, their households, their community, and eventually their country and beyond. Rare Charity:

- a. offers secondary educational scholarships to young women to enable them to continue their education and avoid early marriage;
- b. offers tertiary educational opportunities to individuals with talent and ambition, who would otherwise have no access whatsoever to further education;
- c. equips these individuals to return to their community (should they so choose), to implement change in their own ways and on their own terms;
- d. thereby catalyses long-term, systemic and sustainable change within some of the world's most vulnerable rural communities in many of the world's poorest countries;
- e. provides a meaningful and illuminating connection between the consumers of tea and the people who produce it.

Rare Charlty**Trustees' Report**

The founding principle of Rare Charity is sustainability. The Charity believes in enabling the growth of a cohort of skilled professionals, and in creating local role models who encourage their peers to continue with education.

Rare Charity believes in empowering young women. At least half of all tertiary scholarships are set aside for female students - and we fund secondary scholarships for girls, to offer them the same opportunities for further education as their male counterparts.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Rare Charity

Trustees' Report

Activities and Objectives

Income

Rare Charity's income was £74,793 for this financial period. The majority came from major donors and Rare Tea Company's support, with additional funds from an event, corporate engagement and regular donations.

Our income was not as high as projected due to the maternity cover appointment's focus on delivering operations over proactive fundraising.

The charity's income came from the following sources:

1. **Major Donors.** We acknowledge with gratitude the continued support of several loyal major donors, whose commitment ensures that we can successfully and securely sustain our current operations.
2. **Rare Tea Company.**
 - a. Rare Tea Company continues to donate 1% of annual revenue to Rare Charity.
 - b. Rare Tea Company's 'tip' option at online checkout offers its customers an opportunity to support Rare Charity further.This support allows us to sustain our current operations and support programmes.
3. **Monthly donors and general donations.** We were pleased to see our base of monthly donors consolidated, and our supporters' steady generosity in the form of general donations.
4. **Corporate Partnership.** The Luxury Hotel Group Pan Pacific generously donated to Rare Charity in association with their bespoke tea blend.
5. **Fundraising Activities.** Further fundraising activities included:
 - a. Gelinaz!: A collaborative dinner hosted by London restaurant Silo with international chefs with funds raised for Rare Charity.
 - b. Smaller collaborations and initiatives included a summer Tea Prize Draw.

Operational Programmes

The focus of 2021 was on sustaining rather than expanding programmes, due to management being overseen by a temporary maternity cover appointment.

Rare Charity aimed to sustain its commitment to its existing tertiary scholars to support their return to formal education post pandemic. Rare Charity would also roll out its secondary

Rare Charity

Trustees' Report

scholarship programme for girls, in response to a particularly urgent need post-pandemic.

Operational structure in Malawi would be shored up with the introduction of a Country Manager – to anticipate the expansion of scholarship programmes in 2022 and ensure that programmes were overseen efficiently.

Achievements and Performance

Income

Rare Charity's income grew satisfactorily this financial period and we look forward to further growth in 2022.

Operational Programmes

In 2021 we saw the number of scholarships rise from 17 to 27 with the introduction of secondary scholarships for girls.

Tertiary Scholarships

Since 2016 Rare Charity has committed to funding 17 young people through higher education. Every one of our scholars' academic performance is outstanding and there is a 0% drop-out rate.

We know our scholarship programme is working. Two further scholars graduated in 2021, bringing the total number of graduates up to four. All have chosen to return to their home communities to invest skills as qualified professionals. Having all come from exceptionally vulnerable families of tea-pluckers, their current professions are listed below:

- Enelys Black: Midwife (Diploma in Nursing and Midwifery, 2021)
- Wongani Jambo: Customer Service Agent (Bachelor of Arts, Media Development, 2019)
- Osman Karimu: Senior Manager (Bachelor of Science in Food Technology, 2019)
- Madalitso Nsajamah: Secondary Teacher (Bachelor of Education Science, 2021)

Rare Charity**Trustees' Report**

Rare Charity continued to provide tertiary educational scholarships for the following scholars.

- Madalitso Banda, Bachelor's in Accounting Practice, Millennium University; awarded an educational scholarship;
- Chisomo Chatepa, Bachelor of Science in Agriculture, Malawi Adventist University, awarded a fully inclusive scholarship;
- Joyce Dzinjalama, Bachelor's in Biomedical Engineering, Malawi Polytechnic, awarded an educational scholarship;
- Yamikani Golden, Bachelor's in Agriculture Enterprises Development & Microfinance, Lilongwe University of Agriculture and Natural Resources, awarded a fully inclusive scholarship;
- Norah Jordan, Diploma in Community Development, Soche Technical College, awarded a educational scholarship;
- Alexander Khumbanyiwa, Diploma in Biomedical Science, Malamulo Health Science College, fully inclusive scholarship;
- Sylvia Lodzani, Bachelor's in Pharmacy, College of Medicine, awarded a fully inclusive scholarship;
- Blessings Maudzu, Diploma in Nursing and Midwifery, St. Joseph's College;
- Lauryn Patel, Diploma in Clinical Medicine, Malawi College of Health Sciences, awarded a fully inclusive scholarship;
- Faith Sawasawa, Bachelor in Indigenous Knowledge Systems and Practices, Malawi University of Science and Technology, awarded an educational scholarship;
- Andrea Sylvester, Certificate in Clinical Medicine. Malamulo Health Science College, awarded a fully inclusive scholarship;
- Fortune Jim William, Diploma in General Agriculture, Lilongwe University of Agriculture and Natural Resources, awarded a fully inclusive scholarship;
- Lisnet Zuze, Bachelor of Arts Degree in Education and Social Studies, University of Malawi, Chancellor College.

Each scholarship is holistic and tailored to the scholars' individual needs. A scholarship typically includes: fees, accommodation, meals, materials including a laptop, access to quality healthcare, funded work experience placement, exam fees and a tailored mentorship programme to support scholars' mental wellbeing.

We continued the partnership with the Global Academy of Agriculture and Food Security at the University of Edinburgh, which had been established during the pandemic to assist scholars' online learning. In 2021 the partnership developed to provide webinars and tailored support programmes to our scholars in the field of Agriculture. While all of our current graduates have chosen to return to their home communities, some many have ambitions for study abroad in future. We want to open as many doors as possible.

Rare Charity**Trustees' Report**

Operational Programmes: Secondary Scholarships for Girls

Following its successful application from The Fore for a grant of £15,000, Rare Charity was able to roll out its programme for sponsoring girls through secondary school.

Rare Charity now supports 10 exceptionally vulnerable girls, who would otherwise have had to drop out of education and would have faced a very likely prospect of early marriage. The candidates were identified according to our selection criteria and due diligence was conducted on each application to assess that levels of need were genuine.

The holistic scholarships include fees, uniform, a materials allowance, a safeguarding programme and access to quality medical care. Scholars attend one of the region's best boarding schools, ensuring they have access to three nutritious meals per day, safe sleeping arrangement and an environment conducive to study.

Operational Programmes: Country Manager

In December 2021 Rare Charity recruited for a Country Manager, to anticipate the expansion of scholarship programmes in 2022 and ensure that programmes were overseen efficiently. The role was filled by a superb candidate, who began delivering programmes in January 2022.

Moving Funds Internationally

The Board acknowledges that as Trustees they have a legal duty to protect their Charity's funds and to ensure that funds are legitimately used to further the Charity's purpose. Formal banking systems were used in a responsible manner to ensure that Charity funds were safeguarded. International transfers were made via one of the following routes:

- HSBC
- Western Union Edge.

Each transaction was recorded at every step, so that funds were fully accounted for, from initial transfer to final destination.

Any release of funds by Rare Charity's Managing Director is underwritten and approved by a member of the board.

Reserves

As per Rare Charity's Reserves Policy, we hold the following funds in reserves:

Unrestricted Reserves

Rare Charity needs to ensure its long-term viability in order to honour our commitment to our scholars and their tea communities. Our reserves are held to build the charity's resilience against unpredictable drop-offs in regular income streams. They are also held to enable sound financial management and forward financial planning.

Our reserves should fall between 3 and 9 months' running costs and should never exceed 12 months. We aim to carry forward 6-7 months' running costs this year.

We recognise this is on the higher end of the spectrum in this sector, but our reasons are:

1. Our scholarships can last up to a 5-year period, and we need to assure our ability to deliver all programmes to completion: to be present to mentor and guide our scholars, and minimise risks of unplanned closure and insolvency at all costs.
2. At present our regular income streams are only partly assured, for instance in 2021 50% of our income came from regular donations (Rare Tea Company and monthly donations); 35% from a major donor (whose 3-year pledge expires in 2022) and the remaining 15% from one-off donations. Until we have a more assured annual income stream which allows us to forecast longer-term, we aim for 6-7 months' running costs to be held.

Restricted Reserves

Rare Charity currently does not hold restricted reserves, although this can be revised should a donor or funder require it.

Designated Reserves

Rare Charity holds designated reserves, which are separate from our unrestricted reserves.

Every time we commit to a new scholarship, we set aside the **total cost** of programme, so that the scholar can be assured of completion. The total cost of a scholarship can include tuition and examination fees, meal and accommodation costs, a laptop allowance, a work experience allowance, medical care and safeguarding costs – over the period of the student's course. These are set out in our designated reserves.

Our designated reserve levels are dynamic and depend on our number of scholars and their progression through their course.

Full records are kept of every scholar's forecasted costs to take them to course completion.

Structure and Management

Charity Status

Rare Charity is a Charitable Company, founded by Henrietta Lovell. Rare Charitea was incorporated on 05th January 2016; its name was officially changed to Rare Charity on 1st July 2016. Rare Charity is governed under its Articles of Association, which were adopted on 04th July 2016. In the event of Rare Charity being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The Directors of the Company are also known as Charity Trustees for the purposes of Charity Law and under the Company's Articles of Association are known as members. Under the requirements of the Articles of Association, the members are elected to serve for a period no longer than nine years, after which they must be re-elected at the next Annual General Meeting. At every Annual General Meeting one-third of the Members must retire from office, but may offer themselves for re-appointment.

All trustees give their time voluntarily and received no benefits from the charity.

The Board of Trustees seeks to ensure that the needs of the Charity's work are appropriately reflected through the diversity of the trustee body. Rare Charity's work focusses on offering education opportunities in tea communities; the current country of operation is Malawi. The Board reflects strong expertise in professional the relevant professional areas: the tea industry (Henrietta Lovell), best practice in education (Will le Fleming), Malawi's economy, infrastructure, law and culture (Robert Anderson and Cecilia Makonyola) and best practice in the international charity sector (Cecillia Makonyola). Chartered Accountant Adam Hickie is our treasurer. Gemma Bell, Director at Gemma Bell and Company Ltd advises on the charity's messaging and public image.

Organisational Structure

Rare Charity's Board of 6 members are responsible for the strategic direction and policy of the Charity. The Board meets quarterly, including an Annual General Meeting once per year. Resolutions are agreed at said meetings (provided there is a quorum), or by written resolution.

A scheme of delegation is in place and responsibility for the following rests with the Managing Director:

- Day to day oversight of delivering scholarship programmes and management of the Malawi Support Officer, ensuring that the Charity delivers the services specified, in

Rare Charity**Trustees' Report**

- accordance with all safeguarding and due diligence procedures, and that key indicators are met;
- Ensuring the healthy growth of the Charity's income through fundraising activities in accordance with the Board's mandate;
 - Day to day financial record-keeping;
 - Administration;
 - Marketing and PR to maintain and grow the Charity's good reputation.

Details of any funds held by a custodian trustee

There are no funds held by any trustee and no trustee receives any financial benefit from the Charity.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 25 October 2022 and signed on its behalf by:


.....
Adam Hickie
Trustee

Rare Charity

Statement of Trustees' Responsibilities

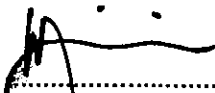
The trustees (who are also the directors of Rare Charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 25 October 2022 and signed on its behalf by:


.....
Adam Hickie
Trustee

Rare Charity**Independent Examiner's Report to the trustees of Rare Charity ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 January 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Rare Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Chloe Turner ACA
Highfield
Cirencester Road
Minchinhampton
Stroud
GL6 9EQ

Date: 25 October 2022

Rare Charity**Statement of Financial Activities for the Year Ended 31 January 2022
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Income and Endowments from:					
Donations and legacies	3	69,229	1,223	70,452	46,316
Other trading activities	4	4,341	-	4,341	9,994
Total Income		73,570	1,223	74,793	56,310
Expenditure on:					
Raising funds	5	(870)	-	(870)	(1,483)
Charitable activities	6	(55,239)	(3,426)	(58,665)	(58,848)
Total Expenditure		(56,109)	(3,426)	(59,535)	(60,331)
Net income/(expenditure)		17,461	(2,203)	15,258	(4,021)
Net movement in funds		17,461	(2,203)	15,258	(4,021)
Reconciliation of funds					
Total funds brought forward		33,275	15,094	48,369	52,390
Total funds carried forward	16	50,736	12,891	63,627	48,369

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2021 is shown in note 16.

Rare Charity**(Registration number: 09936276)****Balance Sheet as at 31 January 2022**

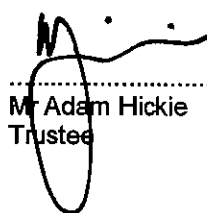
	Note	2022 £	2021 £
Current assets			
Debtors	12	4,347	3,749
Cash at bank and in hand	13	59,312	44,785
		63,659	48,534
Creditors: Amounts falling due within one year	14	(32)	(165)
Net assets		63,627	48,369
Funds of the charity:			
Restricted		12,891	15,094
Unrestricted income funds			
General unrestricted funds		23,553	10,199
Designated funds		27,183	23,076
Total unrestricted funds		50,736	33,275
Total funds	16	63,627	48,369

For the financial year ending 31 January 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 13 to 25 were approved by the trustees, and authorised for issue on 25 October 2022 and signed on their behalf by:


.....
Mr Adam Hickie
Trustee

The notes on pages 16 to 25 form an integral part of these financial statements.

Rare Charity**Statement of Cash Flows for the Year Ended 31 January 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income/(expenditure)		15,258	(4,021)
Working capital adjustments			
Increase in debtors	12	(598)	(3,749)
Decrease in creditors	14	(133)	(642)
Net cash flows from operating activities		14,527	(8,412)
Net increase/(decrease) in cash and cash equivalents		14,527	(8,412)
Cash and cash equivalents at 1 February		44,785	53,197
Cash and cash equivalents at 31 January		59,312	44,785

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 16 to 25 form an integral part of these financial statements.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2022

1 Charity status

The charity is limited by guarantee, incorporated in England & Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
62 Blandford Street
London
W1U 7JD

These financial statements were authorised for issue by the trustees on 25 October 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Rare Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

These financial statements are presented in Sterling, which is also the company's functional currency. The financial statements are rounded to the nearest £1.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2022

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those 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.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2022

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2022

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2022

3 Income from donations and legacies

	Unrestricted funds	Restricted	Total
	General £	funds £	funds £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	35,516	-	35,516
Donations from individuals	26,438	1,223	27,661
Grants, including capital grants;			
Government grants	6,675	-	6,675
Donated services and facilities	600	-	600
Total for 2022	69,229	1,223	70,452
Total for 2021	31,222	15,094	46,316

4 Income from other trading activities

	Unrestricted funds	Total
	General £	funds £
Events income;		
Other events income	4,341	4,341
Total for 2022	4,341	4,341
Total for 2021	9,994	9,994

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Unrestricted funds	Total
Note	General £	funds £
Donations	870	870
Total for 2022	870	870
Total for 2021	1,483	1,483

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2022

	Direct costs £	Total costs £
Costs of generating donations and legacies	870	870
Total for 2022	870	870
Total for 2021	1,483	1,483

6 Expenditure on charitable activities

		Unrestricted funds	Restricted	Total
	Note	General £	funds £	funds £
Grant funding of activities		14,452	3,426	17,878
Staff costs		34,016	-	34,016
Governance costs	7	6,771	-	6,771
Total for 2022		55,239	3,426	58,665
Total for 2021		58,848	-	58,848

	Grant funding of activity £	Activity support costs £	Total expenditure £
Educational grants	17,878	34,016	51,894
Total for 2021	14,603	36,770	51,373

In addition to the expenditure analysed above, there are also governance costs of £6,771 (2021 - £7,475) which relate directly to charitable activities. See note 7 for further details.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2022**

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total
	General £	funds £
Staff costs		
Wages and salaries	4,914	4,914
Social security costs	416	416
Pension costs	103	103
Independent examiner fees		
Examination of the financial statements	600	600
Other governance costs	738	738
Total for 2022	6,771	6,771
Total for 2021	7,475	7,475

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	35,989	37,930
Social security costs	2,773	3,718
Pension costs	687	909
	39,449	42,557

No employee received emoluments of more than £60,000 during the year.

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2022**

10 Independent examiner's remuneration

	2022 £	2021 £
Examination of the financial statements	600	600

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Debtors

	2022 £	2021 £
Prepayments	4,347	-
Other debtors	-	3,749
	4,347	3,749

13 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	69,312	44,785

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	(118)	-
Other creditors	150	165
	32	165

15 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £687 (2021 - £910).

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2022

16 Funds

	Balance at 1 February 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2022 £
Unrestricted					
General	10,199	73,570	(56,109)	(4,107)	23,553
Designated	23,076	-	-	4,107	27,183
Total unrestricted	(33,275)	(73,570)	56,109	-	(50,736)
Restricted	(15,094)	(1,223)	3,426	-	(12,891)
Total funds	48,369	74,793	(59,535)	-	63,627

	Balance at 1 February 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2021 £
Unrestricted					
General	15,971	41,216	(60,331)	13,343	10,199
Designated	36,419	-	-	(13,343)	23,076
Total unrestricted	(52,390)	(41,216)	60,331	-	(33,275)
Restricted	-	(15,094)	-	-	(15,094)
Total funds	52,390	56,310	(60,331)	-	48,369

17 Analysis of net assets between funds

	Unrestricted			
	General £	Designated £	Restricted £	Total funds £
Current assets	37,579	46,629	27,985	112,193
Current liabilities	(197)	-	-	(197)
Total net assets	37,382	46,629	27,985	111,996

Rare Charity**Notes to the Financial Statements for the Year Ended 31 January 2022**

	Unrestricted funds		Restricted	Total funds at 31 January
	General £	Designated £	funds £	2021 £
Current assets	10,364	23,076	15,094	48,534
Current liabilities	(165)	-	-	(165)
Total net assets	10,199	23,076	15,094	48,369

18 Analysis of net funds

	At 1 February 2021 £	At 31 January 2022 £
Cash at bank and in hand	44,785	44,785
Net debt	44,785	44,785

	At 1 February 2020 £	At 31 January 2021 £
Cash at bank and in hand	53,197	53,197
Net debt	53,197	53,197

RARE CHARITY

England & Wales - Charity number 1169767

Accounts

Company registration number: 09936276

Charity registration number: 1169767

Rare Charity

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2021

Rare Charity

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 8
Statement of Trustees' Responsibilities	9
Independent Examiner's Report	10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 to 23

Rare Charity

Reference and Administrative Details

Trustees	Ms Henrietta Lovell Ms Cecillia Makonyola Mr Will Le Fleming Mr Robert Scott Anderson Mr Adam Hickie Ms Gemma Bell
-----------------	---

Principal Office	62 Blandford Street London W1U 7JD
-------------------------	--

	The charity is incorporated in England & Wales.
Company Registration Number	09936276

Charity Registration Number	1169767
------------------------------------	---------

Independent Examiner	Chloe Turner ACA
-----------------------------	------------------

Rare Charity

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 January 2021.

Objectives and activities

Rare Charity provides educational opportunities for young people within tea producing communities. Our mission is to fund education where opportunities are rare but talent is not. In 2020/21 we continued to operate in the Satemwa Tea Estate community of southern Malawi, sustaining four tertiary educational scholarships.

Rare Charity's objectives remain:

The advancement of education; and without prejudice to the generality of that, the charity may seek to fulfil its objects by being active in areas predominantly surrounding farms in Africa, Nepal, India and Sri Lanka by:

- 1) Awarding students scholarships to enter university, college or institution of higher or further education;
- 2) Supporting education initiatives to prepare for entry to any occupation, trade or profession on leaving any educational establishment;
- 3) Supporting educational facilities and/or initiatives.

Public Benefit

Rare Charity exists to serve the public benefit, not only through offering scholarships to transform individual lives, but also by facilitating social mobility to enable transformation within entire tea-producing communities. Rare Charity:

- a. offers tertiary educational opportunities to young people with talent and ambition, who would otherwise have no access whatsoever to further education.
- b. equips these young people to return to their community (should they so choose), to implement change in their own ways and on their own terms.
- c. thereby catalyses long-term, systemic and sustainable improvement within one of the most vulnerable rural communities in a country that is consistently ranked in the top 5 poorest globally.
- d. provides a meaningful and illuminating connection between the consumers of tea and the people who produce it.

The founding principle of Rare Charity is sustainability. We believe in creating local role models who represent the aspirations of young people and encourage their peers to develop skills and change their own and their community's future.

Inherent to Rare Charity's values is advocating gender equality by promoting the opportunity to female students. At least half of our scholarships are set aside for female students.

Rare Charity

Trustees' Report

Activities and Objectives

Income

The Covid pandemic limited our scope for events-based fundraising, but Rare Charity succeeded in diversifying income streams, celebrating its first successful bid for a grant.

The charity's income came from the following sources:

1. **Major Donors.** We acknowledge with gratitude the continued support of several loyal major donors, whose commitment ensures that we can successfully and securely sustain our current operations.
2. **Rare Tea Company.**
 - a. Rare Tea Company honoured its commitment to donate 1% of its annual income to Rare Charity – despite facing serious challenges borne from Covid's battering of the hospitality sector.
 - b. Rare Tea Company furthered its support by introducing a 'tip' option at its online checkout.
3. **Grants.** Rare Charity undertook a grant application strategy in response to the COVID-19 pandemic, and was successful in receiving a grant from the Fore's RAFT fund, which came through in December 2020. With the £15,000 grant, Rare Charity successfully oversaw the enrolment of 9 female secondary school students at one of two Thyolo-based schools (Luchenza Secondary and Thyolo School), both located in the Satemwa area of Malawi. Tuition support using the grant will take each student through to the end of secondary school.
4. **Fundraising Activities.** Further fundraising activities included:
 - a. The Hackney Half Marathon. Although this was officially cancelled due to Covid-19, 3 of the original 9 runners undertook an informal sponsored run and raised just over £2000.
 - b. Smaller collaborations and initiatives included a Symmetry Breakfast Rare Tea blend with all purchases to Rare Charity (£285), participation in the national 2.6 challenge (£183), a donation from Comberton Village School (£129), a donation from the digital agency, Mr.Highline (£389) and a % donation from Openspace Publication book sales (£138).
5. **Monthly donors and general donations.** We were pleased to see significant growth in our base of monthly donors, and the steady generosity of our supporters throughout the year in the form of general donations.

Operational Programmes

In 2020, Rare Charity aimed to sustain its commitment to its existing tertiary scholars, and to focus on rolling out a secondary scholarship programme for girls in the Satemwa area. The need for this programme became particularly urgent in the light of the pandemic, since girls' education was hit particularly badly worldwide. Our scholarships would enable girls to complete secondary education safely and successfully, and to offer them the same chance of higher education as their male counterparts. There is a significant gender disparity between students who complete secondary

education in Malawi: girls face much wider and more fundamental challenges to attend and complete secondary school. By funding individual girls' secondary education, Rare Charity aimed to help to redress this balance, and equip more young women with the agency to improve their futures.

In the longer term, Rare Charity has ambitions beyond one nation – we want to expand our outreach to other marginalised tea communities in other countries. However we aim to create a watertight infrastructure in one location first, with a clear positive impact both for individuals and within the tea community before we expand elsewhere.

Income

Rare Charity's total income reduced from £80,504 in 2020 to £56,310 in 2021. The Trustees are however very satisfied with the performance of the charity in the extremely challenging environment of Covid-19. In the year to January 2020 the charity generated income from fundraising and events of £52,014 but the restrictions over in the year to January 2021 meant such events were not possible.

Rare Charity increased its monthly donor base, ensuring a small but reliable income every month, which it is hoped will be expanded in 2021/22.

Rare Charity successfully secured a three-year funding commitment from a major donor which, together with the continued support of Rare Tea Ltd, secures the charity's operations until the end of the 2022/23 financial year.

The Trustees were also thrilled to secure a grant from The Fore of £15,000 to support girls through their secondary school education.

Operational Programmes: Tertiary Scholarships

Since 2016 Rare Charity has committed to funding 17 young people through higher education. Every one of our scholars' academic performance is outstanding. During this period of school closure over half have opted to enrol on online learning courses; others volunteer in local clinics, administering vital medical care.

We know our scholarship programme is working. Our first two graduates Wongani and Osman have returned to Satemwa as qualified professionals. Osman started working in senior management at Satewma, overseeing quality control. Wongani recently accepted a role as a Research Assistant for the Association of Persons with Albinism.

The government's closure of educational institutions in Malawi in March 2020 (at both secondary and tertiary levels) meant that we had to adapt quickly and efficiently to safeguard our scholars. In response to the closures, Rare Charity:

- Issued each scholar with an emergency support package to cover transport home, toiletries and groceries – on top of maintaining our existence to them;
- Provided each scholar with medical insurance;
- Established a shared laptop scheme, with nominated scholars as laptop 'custodians', and issued scholars with a data allowance – to enable all our scholars to study safely and remotely;
- Supported scholars by pointing them towards online courses to supplement their studies;
- Partnered with the Global Academy of Agriculture and Food Security at the University of Edinburgh, to share resources and approaches to learning.

Rare Charity continued to provide tertiary educational scholarships for the following scholars. The

- Madalitso Banda, Bachelor's in Accounting Practice, Millennium University; awarded an educational scholarship;
- Enelys Black, Diploma in Nursing and Midwifery Technician, Mulanje Mission College, awarded a fully inclusive scholarship;
- Chisomo Chatepa, Bachelor of Science in Agriculture, Malawi Adventist University, awarded a fully inclusive scholarship;
- Joyce Dzinjalama, Bachelor's in Biomedical Engineering, Malawi Polytechnic, awarded an educational scholarship;
- Yamikani Golden, Bachelor's in Agriculture Enterprises Development & Microfinance, Lilongwe University of Agriculture and Natural Resources, awarded a fully inclusive scholarship;
- Norah Jordan, Diploma in Community Development, Soche Technical College, awarded a educational scholarship;
- Alexander Khumbanyiwa, Diploma in Biomedical Science, Malamulo Health Science College, fully inclusive scholarship;
- Sylvia Lodzani, Bachelor's in Pharmacy, College of Medicine, awarded a fully inclusive scholarship;
- Blessings Maudzu, Diploma in Nursing and Midwifery, St. Joseph's College;
- Madalitso Nsajamah, Bachelor of Education Science, Chancellor College, awarded a partial scholarship;
- Lauryn Patel, Diploma in Clinical Medicine, Malawi College of Health Sciences, awarded a fully inclusive scholarship;
- Faith Sawasawa, Bachelor in Indigenous Knowledge Systems and Practices, Malawi University of Science and Technology, awarded an educational scholarship;
- Andrea Sylvester, Certificate in Clinical Medicine. Malamulo Health Science College, awarded a fully inclusive scholarship;
- Fortune Jim William, Diploma in General Agriculture, Lilongwe University of Agriculture and Natural Resources, awarded a fully inclusive scholarship;
- Lisnet Zuze, Bachelor of Arts Degree in Education and Social Studies, University of Malawi, Chancellor College.

Operational Programmes: Pilot Scheme for Secondary Scholarships for Girls

Following its successful application from The Fore for a grant of £15,000, Rare Charity was able to roll out our programme for sponsoring girls through secondary school.

Our scholarships are holistic and to cover fees, uniform, a materials allowance, a safeguarding programme and private medical insurance.

Rare Charity successfully organised the enrolment of nine students using strategic advice solicited from Osman Karimu, one of the first Rare Charity scholars to successfully complete his studies. By the end of February 2020 Rare Charity management was in consultation with Osman, local school headteachers and Satemwa management to identify prospective candidates based on the students with unpaid fees. These students would soon be unable to continue attending the school due to the lack of fee payments. Ms. Maulidi conducted interviews and assessed the need for each of these candidates on sight at the schools and eight students were selected. The ninth scholar in the programme, Mebo Chipwita had been enrolled in January.

Moving Funds Internationally

The Board acknowledges that as Trustees they have a legal duty to protect their Charity's funds and to ensure that funds are legitimately used to further the Charity's purpose. Formal banking systems were used in a responsible manner to ensure that Charity funds were safeguarded. International transfers were made via one of the following routes:

- HSBC
- Western Union Edge.

Each transaction was rigorously recorded at every step, so that funds were fully accounted for, from initial transfer to final destination.

Operational payments were completed in one of the following ways:

- Rare Charity's partnership with Satemwa administration. Satemwa has been a known and trusted partner since Rare Charity was founded. From the Charity's pilot phase, Satemwa has demonstrated that it has the capacity and integrity to receive and transfer funds and to provide documentation therefore; the practical working relationship has been efficient and amicable. The Board is satisfied that the Charity's partnership with Satemwa represents minimal reputational and financial risk.
- A distribution from Rare Charity's Support Officer, Esnarth Maulidi
- Payment directly to the educational institution, as per the invoice.

The partnership worked thus: Once the Managing Director received relevant invoices from the institution and cross-checked them, Rare Charity released funds to Satemwa; Satemwa then issued cheques to the Support Officer, who paid the institutions directly in accordance with the invoice. Rare Charity follows a strict policy of not allowing students to handle cash (except in unavoidable circumstances).

Any release of funds by Rare Charity's MD is underwritten and approved by a member of the board.

Financial Review

Rare Charity generated income of £56,310 during the year. Of this £15,094 was in respect of a new secondary school fund which launches in 2021/22.

Total expenditure stood at £60,331 and this meant that the charity generated an overall deficit of £4,021. The deficit of £19,115 arising on unrestricted funds was not unexpected. In 2019/20 the charity designated funds from extremely successful fundraising events to support tertiary scholars through their studies over a three/four period. These costs are being expended over this period and the remaining designated funds are in place (together with an extra provision) to ensure these tertiary programmes are fully funded until their completion.

The charity still maintains unrestricted undesignated funds of £10,199 which the trustees consider to be adequate given the funding commitments received for the coming two years from its major donors.

Reserves

The scholarship programme necessarily requires designated reserves to be held for each scholar to complete their course. These are calculated to include projected tuition, accommodation and meal costs, an allowance for work placement and a small cushion to allow for exchange rate fluctuations and fee hikes. Designated reserves held are £18,676.

A further £4,400 is held in emergency reserves, to cover medical emergencies, drastic exchange rate fluctuations and fee hikes and *vis major*.

This left the Charity with a total of £10,199 in undesignated reserves at year-end. These reserves are enough to meet the working capital requirements of the charity when considering the committed funding already secured in 2021/22.

Structure and Management

Charity Status

Rare Charity is a Charitable Company, founded by Henrietta Lovell. Rare Charitea was incorporated on 5th January 2016; its name was officially changed to Rare Charity on 1st July 2016. Rare Charity is governed under its Articles of Association, which were adopted on 4th July 2016. In the event of Rare Charity being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The Directors of the Company are also known as Charity Trustees for the purposes of Charity Law and under the Company's Articles of Association are known as members. Under the requirements of the Articles of Association, the members are elected to serve for a period no longer than nine years, after which they must be re-elected at the next Annual General Meeting. At every Annual General Meeting one-third of the Members must retire from office but may offer themselves for re-appointment.

All trustees give their time voluntarily and received no benefits from the charity.

Robert Anderson and Cecillia Makonyola retired by rotation at the Annual General Meeting on 28th January 2020, and offered themselves for reappointment, which was passed unanimously.

The Board of Trustees seeks to ensure that the needs of the Charity's work are appropriately reflected through the diversity of the trustee body. Rare Charity's work focusses on offering education opportunities in tea communities; the current country of operation is Malawi. The Board reflects strong expertise in professional the relevant professional areas: the tea industry (Henrietta Lovell), best practice in education (Will le Fleming), Malawi's economy, infrastructure, law and culture (Robert Anderson and Cecilia Makonyola) and best practice in the international charity sector (Cecillia Makonyola). Adam Hickie, Chartered Accountant is our fantastic treasurer. Gemma Bell, Director at Gemma Bell and Company Ltd advises on the charity's messaging and public image.

Organisational Structure

Rare Charity's Board of 6 members are responsible for the strategic direction and policy of the Charity. The Board meets quarterly, including an Annual General Meeting once per year. Resolutions are agreed at said meetings (provided there is a quorum), or by written resolution.

A scheme of delegation is in place and responsibility for the following rests with the Managing Director:

- Day to day oversight of delivering scholarship programmes and management of the Malawi Support Officer, ensuring that the Charity delivers the services specified, in accordance with all safeguarding and due diligence procedures, and that key indicators are met;
- Ensuring the healthy growth of the Charity's income through fundraising activities in accordance with the Board's mandate;
- Day to day financial record-keeping;
- Administration;
- Marketing and PR to maintain and grow the Charity's good reputation.

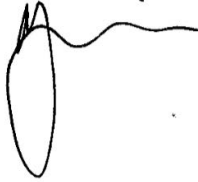
Details of any funds held by a custodian trustee

There are no funds held by any trustee and no trustee receives any financial benefit from the Charity.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 19 October 2021 and signed on its behalf by:

A handwritten signature in black ink, consisting of a large, stylized capital 'A' followed by a series of loops and a horizontal line extending to the right.

Mr Adam James Saddler Hickie
Trustee

Rare Charity

Statement of Trustees' Responsibilities

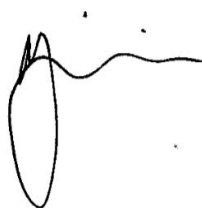
The trustees (who are also the directors of Rare Charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 19 October 2021 and signed on its behalf by:

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a series of loops and a horizontal line extending to the right.

Mr Adam James Saddler Hickie
Trustee

Rare Charity

Independent Examiner's Report to the trustees of Rare Charity

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 January 2021 which are set out on pages 9 to 21.

Respective responsibilities of trustees and examiner

As the charity's trustees of Rare Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Rare Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Rare Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Chloe Turner ACA
Highfield
Cirencester Road
Minchinhampton
Stroud, GL6 9EQ

Date: 26 October 2021

Rare Charity

Statement of Financial Activities for the Year Ended 31 January 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies	3	31,222	15,094	46,316	28,490
Other trading activities	4	9,994	-	9,994	52,014
Total Income		41,216	15,094	56,310	80,504
Expenditure on:					
Raising funds	5	(1,483)	-	(1,483)	(10,892)
Charitable activities	6	(58,848)	-	(58,848)	(49,780)
Total Expenditure		(60,331)	-	(60,331)	(60,672)
Net (expenditure)/income		(19,115)	15,094	(4,021)	19,832
Net movement in funds		(19,115)	15,094	(4,021)	19,832
Reconciliation of funds					
Total funds brought forward		52,390	-	52,390	32,558
Total funds carried forward	16	33,275	15,094	48,369	52,390

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 16.

The notes on pages 13 to 23 form an integral part of these financial statements.

Rare Charity

(Registration number: 09936276)

Balance Sheet as at 31 January 2021

	Note	2021 £	2020 £
Current assets			
Debtors	12	3,749	-
Cash at bank and in hand	13	44,785	53,197
		48,534	53,197
Creditors: Amounts falling due within one year	14	(165)	(807)
Net assets		48,369	52,390
Funds of the charity:			
Restricted		15,094	-
Unrestricted income funds			
General unrestricted funds		10,199	15,971
Designated funds		23,076	36,419
Total unrestricted funds		33,275	52,390
Total funds	16	48,369	52,390

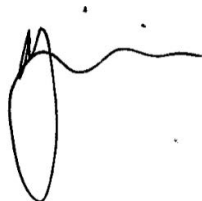
For the financial year ending 31 January 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 9 to 21 were approved by the trustees, and authorised for issue on 19 October 2021 and signed on their behalf by:



Mr Adam James Saddler Hickie
Trustee

The notes on pages 11 to 21 form an integral part of these financial statements.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2021

1 Charity status

The charity is limited by share capital, incorporated in England & Wales.

The address of its registered office is:

62 Blandford Street
London
W1U 7JD

These financial statements were authorised for issue by the trustees on 19 October 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Rare Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

These financial statements are presented in Sterling, which is also the company's functional currency. The financial statements are rounded to the nearest £1.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2021

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Where services or facilities are provided to the charity as a donation that would normally be purchased from our suppliers, this benefit is included in the financial statements at its fair value unless its fair value cannot be reliably measured, then at the cost to the donor or the resale value of goods that are to be sold.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those 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.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2021

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2021

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2021

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2021

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Donations and legacies;			
Donations from companies, trusts and similar proceeds	7,242	-	7,242
Donations from individuals	19,662	-	19,662
Grants, including capital grants;			
Government grants	3,718	-	3,718
Grants from other charities	-	15,094	15,094
Donated services and facilities	600	-	600
Total for 2021	31,222	15,094	46,316
Total for 2020	28,490	-	28,490

4 Income from other trading activities

	Unrestricted funds	Total funds
	General £	£
Events income;		
Other events income	9,994	9,994
Total for 2021	9,994	9,994
Total for 2020	52,014	52,014

5 Expenditure on raising funds

a) Costs of generating donations and legacies

	Unrestricted funds	Total funds
Note	General £	£
Donations	1,483	1,483
Total for 2021	1,483	1,483
Total for 2020	10,892	10,892

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2021

	Direct costs £	Total costs £
Costs of generating donations and legacies	1,483	1,483
Total for 2021	1,483	1,483

6 Expenditure on charitable activities

		Unrestricted funds	Total
	Note	General £	funds £
Grant funding of activities		14,603	14,603
Staff costs		36,770	36,770
Governance costs	7	7,475	7,475
Total for 2021		58,848	58,848
Total for 2020		49,780	49,780

	Grant funding of activity £	Activity support costs £	Total expenditure £
Educational grants	14,603	36,770	51,373
Total for 2020	14,086	27,468	41,554

In addition to the expenditure analysed above, there are also governance costs of £7,475 (2020 - £8,226) which relate directly to charitable activities. See note 7 for further details.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2021

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total
	General £	funds £
Staff costs		
Wages and salaries	5,093	5,093
Social security costs	558	558
Pension costs	136	136
Independent examiner fees		
Examination of the financial statements	600	600
Other governance costs	1,088	1,088
Total for 2021	7,475	7,475
Total for 2020	8,226	8,226

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	37,930	18,666
Social security costs	3,718	-
Pension costs	909	453
Other staff costs	-	65
	42,557	19,184

No employee received emoluments of more than £60,000 during the year.

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2021

10 Independent examiner's remuneration

	2021 £	2020 £
Examination of the financial statements	600	600

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Debtors

	2021 £
Other debtors	3,749
	3,749

13 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	44,785	53,197

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	-	656
Other creditors	165	151
	165	807

15 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £910 (2020 - £452).

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2021

16 Funds

	Balance at 1 February 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2021 £
Unrestricted					
General	15,971	41,216	(60,331)	13,343	10,199
Designated	36,419	-	-	(13,343)	23,076
Total unrestricted	52,390	41,216	(60,331)	-	(33,275)
Restricted	-	15,094	-	-	15,094
Total funds	52,390	56,310	(60,331)	-	48,369
	Balance at 1 February 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2020 £
Unrestricted					
General	25,858	80,504	(60,672)	(29,719)	15,971
Designated	6,700	-	-	29,719	36,419
Total funds	32,558	80,504	(60,672)	-	52,390

17 Analysis of net assets between funds

Unrestricted				
	General £	Designated £	Restricted £	Total funds £
Current assets	10,364	23,076	15,094	48,534
Current liabilities	(165)	-	-	(165)
Total net assets 2021	10,199	23,076	15,094	48,369
Unrestricted				
	General £	Designated £	Total funds £	
Current assets	16,778	36,419	53,197	
Current liabilities	(807)	-	(807)	
Total net assets 2020	15,971	36,419	52,390	

Rare Charity

Notes to the Financial Statements for the Year Ended 31 January 2021

18 Analysis of net funds

	At 1 February 2020 £	Financing cash flows £	At 31 January 2021 £
Cash at bank and in hand	53,197	(8,412)	44,785
Net debt	53,197	(8,412)	44,785

	At 1 February 2019 £	Financing cash flows £	At 31 January 2020 £
Cash at bank and in hand	30,927	22,270	53,197
Net debt	30,927	22,270	53,197