

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.

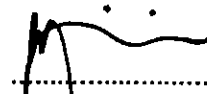
Details of any funds held by a custodian trustee

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;

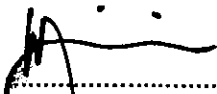
make judgements and estimates that are reasonable and prudent;

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**

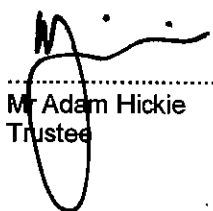
	Note	2022 £	2021 £
Current assets			
Debtors	12	4,347	3,749
Cash at bank and in hand	13	59,312	44,785
		63,659	48,534
Creditors: Amounts falling due within one year	14	(32)	(165)
Net assets		63,627	48,369
Funds of the charity:			
Restricted		12,891	15,094
Unrestricted income funds			
General unrestricted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

	<u>Direct costs</u> £	<u>Total costs</u> £
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

		<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Total funds</u>
	Note	£	£	£
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

	<u>Grant funding of activity</u> £	<u>Activity support costs</u> £	<u>Total expenditure</u> £
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