
Paper Cup Project

INDEPENDENTLY EXAMINED ACCOUNTS
FOR THE YEAR ENDED 31/03/2023

Prepared By:

Harvey Guinan LLP
Chartered Certified Accountants
Unit 17 Mersey House
Matchworks Estate, 140 Speke Road
Liverpool
Merseyside
L19 2PH

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31/03/2023**

TRUSTEES

Patrick Smith
Adam Boaks (resigned)
Paul Polhill
Patrick Hurley
Michael Rick (appointed 23 November 2022)
Adam Settle (appointed 16 September 2022)
Jane Logan (resigned)

REGISTERED OFFICE

Paper Cup Coffee
Queen Square
Liverpool
Merseyside
L1 1RH

CHARITY NUMBER

1181449

BANKERS

Santander

INDEPENDENT EXAMINER - Julie Guinan FCCA

Harvey Guinan LLP
Chartered Certified Accountants
Unit 17 Mersey House
Matchworks Estate, 140 Speke Road
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ACCOUNTS
FOR THE YEAR ENDED 31/03/2023

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31/03/2023

The trustees present their report and accounts for the period ended 31/03/2023 .

PRINCIPAL ACTIVITIES

The principal activity of the charity in the year under review was the relief of poverty amongst those who are homeless, facing homelessness or rough sleepers.

STRUCTURE GOVERNANCE AND MANAGEMENT

Paper Cup Project is a Charitable Incorporated Organisation (CIO) which was registered as a charity (1181449) on 7 January 2019.

The financial statements have been prepared in accordance with the charity's Constitution, the Charities Act 2011, and 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 (FRS 102).

The charity was established under a Constitution which governs the charity and sets out the objects and powers of the charity.

The Trustees set and approve the policy for the charity which is then implemented by the Chief Executive. The Trustees meet regularly throughout the year with scheduled meetings and in between as required.

No remuneration is paid to any Trustee for their services as a Trustee.

Appointment of Trustees:

The board members are Adam Boaks (resigned), Paul Polhill, Patrick Hurley, Patrick Smith, Michael Rick (appointed 23.11.2022), Adam Settle (appointed 16.9.22) and Jane Logan (resigned). All trustees are eligible for reelection at the end of their initial term of appointment.

The Charity seeks to have a wide range of skills and experience on its Board, contained within a small number of individuals. The board are seeking to add more diversity to its trustees, particularly welcoming those with lived experience of homelessness.

Skills audits of trustees are conducted and any identified training needs provided. All new Trustees are given a detailed introduction to the Charity and provided with key important documents including the Constitution and latest Financial Statements.

OBJECTIVES OF THE CHARITY

The objectives of the CIO are :

For the public benefit, the relief of poverty amongst those who are homeless, facing homelessness or rough sleepers who are in need, hardship and distress on account of their social and economic circumstances, in particular, but not exclusively, by the provision of outreach services including the provision of clothing, bedding, food and drinks, information, advice, guidance and signposting to statutory and other voluntary agencies so that each person can find a route out of homelessness.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31/03/2023

ACHIEVEMENTS AND PERFORMANCE

This has been an incredible period of growth for the charity, with the opening and trading of our coffee shop Paper Cup Coffee across this year. As well as offering locally sourced and produced products, we are the only place in Liverpool where people experiencing homelessness can come and enjoy a hot drink and food, in a safe and welcome environment. Customers support this via a pay it forward scheme, which can then be redeemed by our homeless customers. Through this, we have been able to assist 20-30 people per day. We also have a basket in the shop, where our homeless customers can find items such as clean socks and underwear and sanitary products, which they can help themselves to.

Across this period we had some great support, which was invaluable for us to stay afloat in our first year of trading. We were delighted to be chosen as one of the charities of the year for Merseyrail. Not only did it raise the profile of our charity, but staff also raised funds for us. We were also the chosen charity of Formby Hall golf club's captain, Simon Chung. Simon organised several charity events for us, and raised several thousands of pounds for the charity, which was greatly appreciated.

Along with our partner, The Learning Foundry, we held three courses in hospitality in the shop. The courses are open to people who have experienced homeless, or young people who have found it difficult to find employment. As well as accredited hospitality qualifications, the participants were also given barista training, and lunch was provided each day by us.

We were joined by a new patron, Frank Cottrell Boyce, and gained support from Susan Hill, the writer of *The Woman in Black*, and Tim Burgess, singer with the band The Charlatans. Tim promoted our coffee shop via his social media and in December, he joined us in the shop for a stint as a celebrity barista, which gained a lot of publicity and increased the amount of customers who visited the shop that day. The shop was featured across both local and National media channels.

The shop has been successful in the mission of supporting people with homelessness, and we really feel that having a physical space has been beneficial to the charity to raise awareness of the work we do. However, it hadn't been without challenges. The cost of living crisis has impacted on us, and the utility bills for the shop increased threefold from January 2023. Thankfully, our landlords Promenade, support us with a peppercorn rent, so rental is not affected. The cost of our supplies has also increased across the period. Due to these unforeseen increases, it has been a difficult time financially, but we managed, thanks to customers and supporters. We also suffered three break ins across this period, which took a toll on us financially and emotionally. However, we made it through our first year, and we continue to build on the work we are doing to support people experiencing homelessness, and to challenge the stigmas around homelessness. This is only possible with the support of our staff, board, and supporters. We are absolutely needed in Liverpool, we see that every day, and we hope to continue the good work that is being done.

PUBLIC BENEFIT

How our activities deliver public benefit:

TRUSTEES' REPORT
FOR THE YEAR ENDED 31/03/2023

Our work is accessible to all in the area we serve who are in need of our assistance. We believe that the services we provide are crucial to homeless people's lives, supporting them by providing food and drink and access to support to find their way out of homelessness, thereby making a contribution to society and benefiting all.

FINANCIAL REVIEW

The results for the period and the charity's position at 31 March 2023 are shown in the attached financial statements. Total incoming resources were £126,191 (2022 £86,693) and total resources expended were £158,892 (2022 £81,757) resulting in net outgoing resources for the period of £32,701 (2022 net incoming resources £4,936) - net outgoing resources on the unrestricted funds of £23,837 (2022 net incoming resources £2,753) and net outgoing resources on the restricted funds of £8,864 (2022 net incoming resources of £2,183). At 31 March 2023 the balance on the unrestricted funds was £20,468 (2022 £44,305) and the balance on the restricted fund £nil (2022 £8,864) giving total funds of £20,468 (2022 £53,169).

RISK MANAGEMENT

The Trustees confirm that the day-to-day controls are designed to mitigate the identified risks faced by the charity.

RESERVES POLICY

The reserves policy of the charity reflects the organisation's wish to strike a balance between two financial objectives. Firstly, the need for financial stability and secondly to expand the volume and range of services offered to the homeless people that we work with.

At 31 March 2023 our reserves stood at £20,468 of which £20,468 represented free reserves not invested in fixed assets or restricted in their use. The trustees feel that this level of reserves is adequate to meet both financial objectives for the foreseeable future.

FUTURE PLANS

The Charity is committed to developing services to help homeless people or people facing homelessness.

VOLUNTEERS

Volunteers are a valuable resource for the charity. Our volunteers come from a wide range of backgrounds, and we encourage diversity.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Charity Law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Law).

TRUSTEES' REPORT
FOR THE YEAR ENDED 31/03/2023

Under Charity Law the trustees must not approve the financial statements until they are satisfied that they give a true and fair view of the state of affairs of the charity and of the net incoming or outgoing resources of the charity for that period.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The names of the Trustees who held office during the year are noted on page 1.

APPROVAL

The report was prepared in accordance with the Charities Act 2011 and Statement of Recommended Practice FRS102 Accounting and Reporting by Charities.

This report was approved by the Board of Trustees on 30/01/2024 .

Adam Settle (appointed 16 September 2022)
Trustee

INDEPENDENT EXAMINER'S STATEMENT

FOR THE YEAR ENDED 31/03/2023

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PAPER CUP PROJECT

I report on the accounts of the charity for the period ended 31/03/2023 .

RESPONSIBILITIES AND BASIS OF REPORT

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act).

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

..... Julie Guinan FCCA Independent Examiner

Date: 30/01/2024

Harvey Guinan LLP
Chartered Certified Accountants
Unit 17 Mersey House
Matchworks Estate, 140 Speke Road

INDEPENDENT EXAMINER'S STATEMENT

FOR THE YEAR ENDED 31/03/2023

Liverpool
Merseyside
L19 2PH
0151 709 7797

**Statement of Financial Activities
for the year ended 31/03/2023**

			2023	<i>2022</i>
	Unrestricted funds	Restricted funds	Total	<i>Total</i>
	£	£	£	£
Income				
Income from generated funds				
Income from charitable activities	119,891	6,300	126,191	86,693
Total Income	119,891	6,300	126,191	86,693
Expenses				
Costs of generating funds				
Expenditure on Charitable activities	143,728	15,164	158,892	81,757
Total Expenses	143,728	15,164	158,892	81,757
Net Income	(23,837)	(8,864)	(32,701)	4,936
Net movement in funds:				
Net income for the year	(23,837)	(8,864)	(32,701)	4,936
Total funds brought forward	44,305	8,864	53,169	48,233
Net funds carried forward	20,468	-	20,468	53,169

This statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

Paper Cup Project

BALANCE SHEET AT 31/03/2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	3	-	433
CURRENT ASSETS			
Debtors (amounts falling due within one year)	4	3,926	1,556
Cash at bank and in hand		<u>24,141</u>	<u>57,888</u>
		28,067	59,444
CREDITORS: Amounts falling due within one year	5	<u>7,599</u>	<u>6,708</u>
NET CURRENT ASSETS		20,468	52,736
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,468</u>	<u>53,169</u>
RESERVES			
Unrestricted funds	6		
General fund		20,468	44,305
Restricted funds	7	<u>-</u>	<u>8,864</u>
		<u>20,468</u>	<u>53,169</u>

Approved by the board of trustees on 30/01/2024 and signed on their behalf by

.....
Adam Settle (appointed 16 September 2022)
Trustee

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31/03/2023**

1. ACCOUNTING POLICIES

1a. Basis Of Accounting

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with FRS102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

1b. Incoming Resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1c. Resources Expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1d. Allocation And Apportionment Of Costs

All costs relate to the single activity of the charitable company and are recognised accordingly.

1e. Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are funds set aside by the trustees out of unrestricted general funds for the specific future purposes or projects.

1f. Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Equipment	straight line 33.33%
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1g. Pension Costs

The company operates a defined contribution pension scheme. The pension charge represents the amounts payable by the company to the fund in respect of the year.

1h. Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

1i. Income Recognition

Items of income are recognised and included in the accounts when all of the following are met: (1) The charity has entitlement to the funds; (2) Any performance conditions attached to the income have been met or are fully within the control of the charity; (3) There is sufficient certainty that receipt of the income is considered probable and (4) The amount can be measured reliably.

1j. Cash At Bank And In Hand Policy

Cash at bank and in hand includes cash and short term liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1k. Creditors And Provisions Policy

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement value amount after allowing for any discount due.

1l. Financial Instruments Policy

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1m. Basis Of Preparing Accounts

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They also confirm that the period considered in making this assessment was at least 12 months from the date of approval of these accounts. Hence the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1n. Basis Of Accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

2. PENSION CONTRIBUTIONS

	2023	2022
	£	£
Pension contributions	1,513	1,077
	<u>1,513</u>	<u>1,077</u>

3. TANGIBLE FIXED ASSETS

	Equipment	Total
	£	£
Cost		
At 01/04/2022	1,299	1,299
At 31/03/2023	<u>1,299</u>	<u>1,299</u>
Depreciation		
At 01/04/2022	866	866
For the year	<u>433</u>	<u>433</u>
At 31/03/2023	<u>1,299</u>	<u>1,299</u>
Net Book Amounts		
At 31/03/2023	<u>-</u>	<u>-</u>
At 31/03/2022	<u>433</u>	<u>433</u>

4. DEBTORS

	2023	2022
	£	£
Amounts falling due within one year:		
Other debtors	3,926	1,556
	<u>3,926</u>	<u>1,556</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Taxation and social security	462	636
Other creditors	<u>7,137</u>	<u>6,072</u>
	<u>7,599</u>	<u>6,708</u>

6. UNRESTRICTED FUNDS

	Brought forward	Incoming resources	Outgoing resources	Transfers	Carried forward
	£	£	£	£	£
General fund	<u>44,305</u>	<u>119,891</u>	<u>(143,728)</u>	<u>-</u>	<u>20,468</u>
	<u>44,305</u>	<u>119,891</u>	<u>(143,728)</u>	<u>-</u>	<u>20,468</u>

7. RESTRICTED FUNDS

	Brought forward	Incoming resources	Outgoing resources	Transfers	Carried forward
	£	£	£	£	£
Enterprise Development Programme	833	-	(833)	-	-
Crowdfunder Ltd	2,248	-	(2,248)	-	-
The SpeedoMick Foundation	2,000	1,600	(3,600)	-	-
Charities Aid Foundation America	300	-	(300)	-	-
Liverpool Charity and Voluntary Services	1,913	-	(1,913)	-	-
Liverpool City Council	1,570	-	(1,570)	-	-
Condition Improvement Fund (CIF)	-	2,000	(2,000)	-	-
Citizens Advice	-	200	(200)	-	-
Community Foundation	-	2,500	(2,500)	-	-
	<u>8,864</u>	<u>6,300</u>	<u>(15,164)</u>	<u>-</u>	<u>-</u>

Enterprise Development Programme

Funding for salaries

Crowdfunder Ltd

Funding for setting up and running a coffee shop

The SpeedoMick Foundation

Funds for equipment

Charities Aid Foundation America

Funds for refurbishment of coffee shop

Liverpool Charity and Voluntary Services

Funds for supporting people experiencing homelessness

Liverpool City Council

Funding for alarm and electrical work of refurbishment

Condition Improvement Fund (CIF)

Funding for salaries

Citizens Advice

Funding for outdoor planters

Community Foundation

Funding for kitchen equipment

8. INCOMING RESOURCES

	2023	2022
Restricted Funds		
Restricted Project Grants	3,800	24,490
Liverpool City Council	-	1,570
Community Foundation for Merseyside	2,500	-
Enterprise Development Programme	-	32,250
Crowdfunder Ltd	-	-
	<u>6,300</u>	<u>58,310</u>
General Unrestricted Funds		
Donations	38,089	20,307
Merseyrail	5,250	2,500
Cafe Sales	74,707	5,576
Venue Hire	1,845	-
	<u>119,891</u>	<u>28,383</u>
Total Incoming Resources	<u>126,191</u>	<u>86,693</u>

9. RESOURCES EXPENDED

	2023	2022
Salaries	98,223	51,671
Accommodation and Other Beneficiary Costs	233	123
Storage	1,573	509
Independent Examination	700	700
Accountancy	770	770
Legal Fees	-	2,522
Professional Fees and Consultancy	-	2,500
Consumable Supplies and Provisions	25,950	4,245
Subscriptions	396	109
IT and Website	1,030	1,812
Health, Safety and Sanitation	4,308	480
Advertising	250	311
Depreciation	433	433
Refurbishment and Repairs	5,063	10,877
Premises and Administration Costs	19,963	4,695
	<u>158,892</u>	<u>81,757</u>

10. GENERAL INFORMATION

Paper Cup Project (Charity Number 1181449) is a Charitable Incorporated Organisation that registered as a Charity 7 January 2019. Its registered office is Paper Cup Coffee, Queen Square, Liverpool, Merseyside, L1 1RH. The accounts are stated in sterling the functional currency of the Charity.

11. TAXATION

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12. NET ASSETS BY FUND

Net Assets by Fund

	Unrestricted Funds	Restricted Funds	Total Funds
Tangible Fixed Assets	-	-	-
Net Current Assets	20,468	-	20,468
	<u>20,468</u>	<u>-</u>	<u>20,468</u>

Paper Cup Project

**Incoming Resources
for the year ended 31/03/2023**

		2023	2022
		£	£
Incoming resources			
Incoming resources from generated funds			
Charitable Activity			
Liverpool City Council	-	1,570	
Donations	38,089	20,857	
Community Foundation for Merseyside	2,500	-	
Other Income	1,845	450	
Enterprise Development Programme	-	32,250	
The SpeedoMick Foundation	1,600	2,000	
Charities Aid Foundation America	-	5,085	
Liverpool Charity and Voluntary Services	-	4,405	
The Albert Hunt Trust	-	5,000	
Rise Construction	-	500	
Skelton Charity	-	1,500	
Cargill Global Funding	-	5,000	
Merseyrail	5,250	2,500	
Cafe Sales	74,707	5,576	
Condition Improvement Fund (CIF)	2,000	-	
Citizens Advice	200	-	
		126,191	86,693
		<u>126,191</u>	<u>86,693</u>
		<u>126,191</u>	<u>86,693</u>

Paper Cup Project

**Expenses
for the year ended 31/03/2023**

	2023	2022
	£	£
Expenses		
Costs of generating funds		
Charitable Activities		
Accommodation	-	123
Rates	857	-
Service charge	6,753	1,394
Heat and light	8,055	1,098
Repairs and renewals	5,063	200
Fundraising Costs	250	311
Consumable Supplies & Provision	21,073	3,813
Refurbishment expenses	-	10,677
Consumable items and merchandise	4,877	432
Pest control	1,020	-
Salaries	94,504	50,347
NIC employer (wages and salaries)	2,206	247
Pension contributions	1,513	1,077
Staff welfare	233	-
Accountancy fees	1,470	1,470
Consultancy fees	-	2,500
Legal costs (revenue)	-	2,522
Travel and parking	630	576
Insurance	1,131	201
Health and Safety, PPE	3,288	480
Postage, printing and stationery	1,613	22
Telephone	434	51
IT & Website Costs	1,030	1,812
Subscriptions	396	109
Storage Costs	1,573	509
Bank charges	-	198
Sundry expenses	490	1,155
Depreciation of equipment	433	433
	<u>158,892</u>	<u>81,757</u>
	<u>158,892</u>	<u>81,757</u>