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**EGGCUP**

**(A Charitable Incorporated Organisation)**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**EGGCUP**  
**(A Charitable Incorporated Organisation)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**Trustees**

Rachel Marshall  
Elaine Girvan  
Deborah Finn  
Gregory Myers  
Michael Webster  
Yvon Appleby  
Mark Thomas

**Company registered number**

1190121

**Charity registered number**

1190121

**Registered office**

13 - 15 Chapel Street, Lancaster, LA1 1NZ

**Accountants**

CW Accountants Limited, 45 Railway Road, Blackburn, Lancashire, BB1 1EZ

**Bankers**

Virgin Money, Jubilee House, Newcastle-Upon-Tyne, NE3 4PL

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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The Trustees present their annual report together with the financial statements of the company for the 1 April 2022 to 31 March 2023. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2019)

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

### **Objectives and Activities**

#### **a. POLICIES AND OBJECTIVES**

The purposes of Eggcup as set out in its constitution are: to relieve poverty amongst those in need by reason of food poverty in north west England through a) redistributing surplus and other foods and b) assisting in the development of community-run food organisations established to relieve the needs of those in food poverty. In addition, Eggcup has environmental and educational aims.

#### **b. ACTIVITIES FOR ACHIEVING OBJECTIVES**

- Eggcup operates a food warehouse and redistribution facility based in Lancaster, Lancashire. The food warehouse receives surplus and donated food and low-cost food purchased by Eggcup.
- Eggcup is a membership organisation and operates for the benefit of its members. Eggcup operates community food outlets for our members in two locations within the Lancaster City Council district.
- Eggcup operates a Buying Cooperative that serves Eggcup members as well as other community food organisations within the Lancaster City Council district.
- Eggcup takes a lead role in coordinating collaborative funding bids and administering resources for smaller community food organisations.
- Eggcup is a member of the local and sustainable food partnership and aims to work in an environmentally beneficial fashion, including the promotion of relevant environmental issues around food.
- Eggcup is an active and coordinating member of the Lancaster District Food Justice Partnership and is committed to highlighting and attacking systemic causes of poverty.

### **Achievements and performance**

#### **a. REVIEW OF ACTIVITIES**

##### **. Annual Report of the CIO for the period 1st April 2022 – 31st March 2023**

1. The societal context remains very challenging for organisations trying to operate a more progressive community food project, supporting people in need. Wages and benefits have not kept pace with rising prices for food, rents, fuel and everyday necessities. More people are being drawn into precarity and those who were already struggling are pushed into crisis.

2. During this period we had an active membership of 623 households at any one time. Members do not always attend every week and attendance typically runs at 66%. During this time, 815 members were referred for crisis membership, which is a financially-supported, short-term membership scheme. All members accepted onto this scheme are identified as financially struggling or just-about-managing. In total there were 868 new memberships during this period with high turnover due to the short-term membership scheme. Members are

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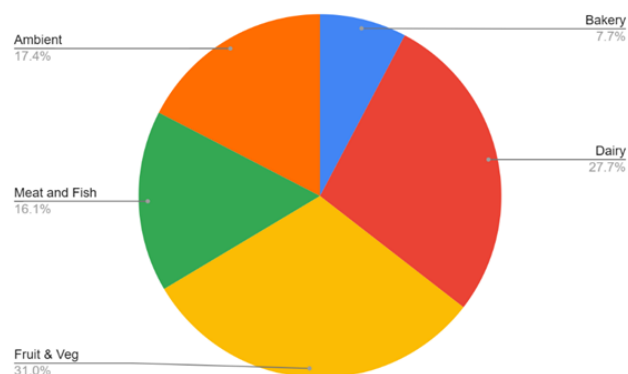
**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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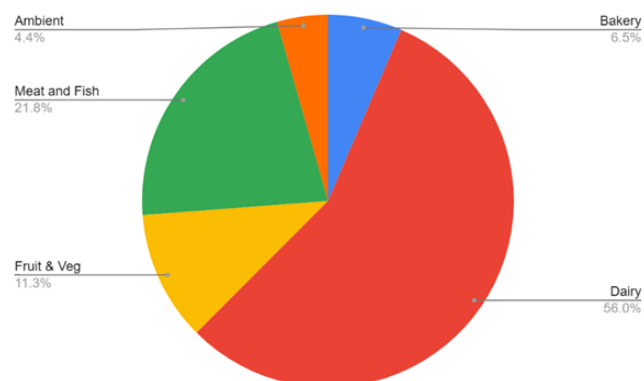
typically of working age with about one third of members being in the 26-45 age group, and over half in the 46-65 age group.

3. During this period, we moved over 424 tonnes of food, including surplus and bought-in food using grant funding and government crisis funds. We needed to ensure a balance including core foods and surplus is not predictable. In particular we needed to supplement by buying in significant quantities of dairy and eggs as well as meat and fish (including tinned options and including meat alternatives). We redistributed over 160 tonnes of surplus food and 264 tonnes of purchased food.

Surplus food distributed in this period:



Purchased food distributed in this period:



4. There was some good news on funding and some funding that was welcome but philosophically challenging for our organisation. Our partners, Food Futures, made a successful bid for a large Climate Action Fund grant. Eggcup was included in this bid to undertake an element of the work in the overall project vision. The funding enabled us to employ a Gleaning Coordinator to organise gleaning work with commercial farmers, community gleaning activities locally, and commercial 'gleaning' for surplus foods from local and regional food producers/distributors/retailers. In addition, we received funding from the Tudor Trust. They offered us open funding for which we are very grateful. The funder appreciated the ways we are trying to direct our work in a challenging context. This funding will be spread over 3 years and goes directly to staff wages. We also secured funding from West End Morecambe to work on engagement. The engagement work has two stages, with the first stage involving increasing engagement of volunteers in the work of Eggcup. We employed an existing volunteer, Yannick, on a fixed term contract to devise and implement a data gathering approach with volunteers. Yannick produced a report which was fed back to staff, managers and trustees and which guided some changes in the recruitment/induction of volunteers.

5. In terms of staff, we saw a few changes. We employed Jay as our Gleaning Coordinator, leaving a vacancy to manage our Morecambe outlet. Rebecca, who was at that point an experienced volunteer, was

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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employed as Morecambe manager to replace Jay. There was some staff sickness which put too much pressure on those remaining and we temporarily took on Billie, another experienced volunteer. When we were back up to full staffing, we realised that the addition of Billie reduced the pressure and time stresses that was leading to some errors/omissions. Having Billie on board made for a more content and tighter ship overall, and so Billie became a permanent member of staff. Our charity manager, David, made a significant move from Lancaster to Italy. This would have been unthinkable before the pandemic but much of David's work had necessarily been undertaken remotely during Covid and so we knew it could be possible. We also knew that we did not want to lose David and so we were willing to make this experiment. There were some initial difficulties and in many ways it is preferable to have a local manager but overall the transition happened successfully. The move also gave Phil, our Operations Manager, the space to take on more responsibilities and he rose to that challenge.

6. The context in which we are operating only seems to deteriorate. Access to surplus food is poor and the surplus food that is available is spread more thinly over many organisations seeking to support people struggling or in crisis. It is not clear why volumes of surplus seem diminished. It is possible that increased operating costs have created a sharper focus on efficiency resulting in less waste at source. There have been Brexit-related shortages of certain types of food, reducing the possibility of surplus. And there has been some redirection of government funds away from supporting redistribution of surplus food and towards incentivising anaerobic digestion and this might play a part too.

7. At the same time as surplus food supplies diminishing, we have seen a significant increase in the community need as prices escalate and benefits/wages remain static. Many more people are struggling to afford the basics of household bills and food; this pattern is replicated throughout the length and breadth of the sixth richest nation. In the earlier stages of this crisis, last year, government introduced the Household Support Fund. The HSF is government funding released to councils to support their local residents specifically with the costs of goods/services, such as food, clothing or utility bills. Councils do not have the infrastructure or capacity to provide a food service to people, and so charities have essentially been drafted into service to procure and supply food to people in need. Eggcup has taken on the role of an HSF resource provider, so we have been funded to procure food from commercial (rather than surplus) sources and distribute food to people in difficulties. This has included our own new Eggcup members as well as the members of more informal community food clubs and projects in the district.

8. Because government crisis funding must be directed at people in need, Eggcup worked within a type of triage system that we co-designed, involving Lancaster City Council and Citizens Advice North Lancashire. People who could benefit from food support were directed to Eggcup to receive a free membership for a couple of months. The funding that people brought essentially subsidised all of the membership, as surplus supplies remained so low. Previously, members would receive mostly surplus food with a few items bought in through our Buying Cooperative. Now members receive mostly HSF-financed foods with some surplus. We source foods as cheaply as we can and at costs lower than retailers like ASDA. We can listen to feedback from members on what is most valued but we do not have control over what will be available at the low prices we require.

9. We held an away-day strategy day involving staff and managers, trustees, a sample of volunteers and members. These different stakeholders have overlapping goals but can also have different priorities, values and needs and some of this was evident in the open discussion that was facilitated by our organisational coach. There are significant tensions between different themes in the work, including:

- a. the need for low-cost food vs the principle of supporting a sustainable food system
- b. specifically, a desire for cheap meat or processed foods vs the desire to support a sustainable food system
- c. the goal of promoting cooperation and 'activating' people in need into a volunteering community vs the wish of people already burdened by the various stresses imposed by poverty to receive a no-strings support service
- d. the wish to campaign against the root causes of poverty and inequality vs lack of interest, mistrust or antipathy to that type of messaging from some members.

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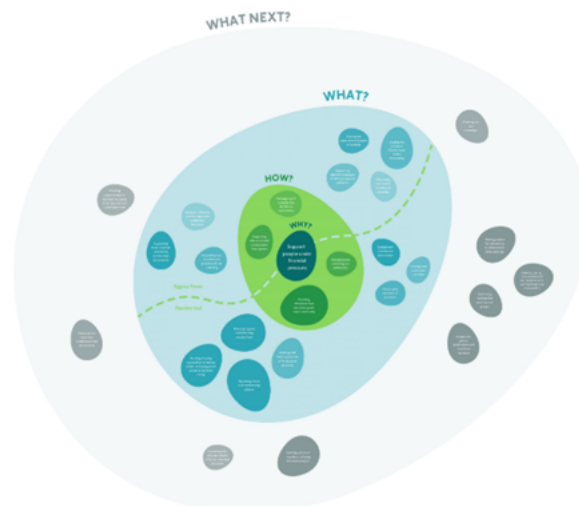
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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10. We wish to avoid preaching to members who are experts in their own lives and needs. We are acutely aware of the power imbalance between service providers/receivers and the potential to subject people to a message when they are a captive audience only by virtue of financial need. At the same time, we cannot ignore tensions between different stakeholder principles and needs, and we can recognise that not all of the messages we want to convey are directed at our members. Our manager, David, worked on developing a schematic to locate the different and interlocking areas of work. The goal is to find a way through these tensions so that as an organisation we are able to provide a service of immediate value to people who rely upon it, but at the same time, we do not settle for a role of simply operating as a 'nice food bank', fitting snugly within an unacceptably unequal society and an unsustainable food system. The schematic suggests a way that we can see beyond the day-to-day role towards tackling underlying causes of poverty alongside problems in the food system.



11. We approached Christmas keeping in mind these different tensions. Every Christmas season, supermarkets produce an enormous glut of food that is made surplus by dint of commercial retail system design. It provides a bonanza for people in need but the 'philanthropy' is paper thin. Collecting and distributing this glut involves work that is intensive in every respect, and that goes on later into the evening before Christmas. It is an unreasonable demand, year after year on our staff. At the same time, people in financial difficulties benefit from the 'bonanza'. This year we took the decision to opt out and instead we used HSF funding to procure a good spread of seasonal foods for a Christmas special. This meant that the Christmas special could operate close to the holiday but giving everyone time to get home and do other things or just unwind.

12. We moved towards the coming year considering different ways that we could diversify in order to 1) generate income to subsidise the food poverty work and/or 2) to engage in work that is closer to some of our other principles/interests. Again, there is tension here. We have considered the option of opening on a Friday to non-members who do not qualify for free memberships but who are 'just about managing' financially. We could offer a low-cost commercial food service. This could generate some revenue without incurring significant extra costs – because the infrastructure is all in place anyway. It is low risk as if the customers did not materialise, we could redesignate these purchases as HSF and divert them to our membership. But it would mean broadening our commercial involvement with a food system that we regard as problematic. At the other end of the spectrum, we have considered offering a Friday 'ethical' shop to a different market segment, where we would offer local/sustainable foods and perhaps some zero waste options. This has more risk as we do not know whether there is enough of a market locally and we do not know if we could successfully market ourselves to this segment, especially given the dilapidated shop environment which does not offer an 'ethical feelgood'

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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experience. These goods are relatively expensive so it is problematic if they do not sell. All of this is considered within a context where we know our services should not be necessary with charities providing food support to citizens in need. We wrestle with these dilemmas and we are always considering new options and will undoubtedly generate new ideas in the year ahead as we wrestle with the inherent tensions in this work.

**Financial review**

**a. GOING CONCERN**

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**Structure, governance and management**

**a. CONSTITUTION**

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed on 25/06/2020 .

The company is constituted under a Trust deed dated 25/06/2020 and is a registered charity number 1190121.

**b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**TRUSTEES' RESPONSIBILITIES STATEMENT**

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

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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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.

This report was approved by the Trustees, on 23/01/2024 and signed on their behalf by:



Trustee                  Deborah Finn - Chair

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**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

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**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EGGCUP (the 'company')**

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 March 2023.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

**RESPONSIBILITIES AND BASIS OF REPORT**

As the Trustees of the company (and 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 the company's accounts 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**

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of (enter body here), which is one of the listed bodies.

I have completed my examination. I can 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 the company 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.

Signed: 

Dated: 23/01/2024

Courtney Wright BA FCCA

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**EGGCUP**  
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**INDEPENDENT EXAMINER'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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45 Railway Road, Blackburn, Lancashire, BB1 1EZ

**EGGCUP**  
(A Charitable Incorporated Organisation)

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>INCOME FROM:</b>					
Grants	2	378,791	392,994	771,785	488,768
Other trading activities		49,738	-	49,738	35,411
<b>TOTAL INCOME</b>		<b>428,529</b>	<b>392,994</b>	<b>821,523</b>	<b>524,179</b>
<b>EXPENDITURE ON:</b>					
Cost of Sales		256,994	104,323	361,317	181,981
Charitable activities		107,710	136,917	244,627	182,918
<b>TOTAL EXPENDITURE</b>		<b>364,704</b>	<b>241,240</b>	<b>605,944</b>	<b>364,899</b>
<b>NET INCOME BEFORE TRANSFERS</b>		<b>63,825</b>	<b>151,754</b>	<b>215,579</b>	<b>159,280</b>
Transfers between Funds	9	46,689	(46,689)	-	32,598
<b>NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>110,514</b>	<b>105,065</b>	<b>215,579</b>	<b>191,878</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>110,514</b>	<b>105,065</b>	<b>215,579</b>	<b>191,878</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		137,800	73,898	211,698	19,820
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>248,314</b>	<b>178,963</b>	<b>427,277</b>	<b>211,698</b>

The notes on pages 13 to 22 form part of these financial statements.

**SUMMARY INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Total funds 2023 £	Total funds 2022 £
<b>GROSS INCOME IN THE REPORTING PERIOD</b>		<b>821,523</b>	<b>524,179</b>
Less: Total expenditure		<b>605,944</b>	<b>364,899</b>
<b>NET INCOME FOR THE FINANCIAL YEAR</b>	9	<b>262,268</b>	<b>191,878</b>

The notes on pages 13 to 22 form part of these financial statements.

**EGGCUP**  
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REGISTERED NUMBER: 1190121

**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	£	2023 £	£	2022 £
<b>FIXED ASSETS</b>					
Tangible assets	6		<b>20,863</b>		26,079
<b>CURRENT ASSETS</b>					
Debtors	7	<b>2,214</b>		55,891	
Cash at bank and in hand		<b>411,653</b>		154,793	
			<b>413,867</b>		210,684
<b>CREDITORS:</b> amounts falling due within one year	8	<b>(7,453)</b>		(25,065)	
<b>NET CURRENT ASSETS</b>			<b>406,414</b>		185,619
<b>NET ASSETS</b>			<b>427,277</b>		211,698
<b>CHARITY FUNDS</b>					
Restricted funds	9		<b>178,963</b>		73,898
Unrestricted funds	9		<b>248,314</b>		137,800
<b>TOTAL FUNDS</b>			<b>427,277</b>		211,698

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 23/01/2024 and signed on their behalf, by:

The notes on pages 13 to 22 form part of these financial statements.



Deborah Finn - Chair

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	11	<b>256,860</b>	<b>167,341</b>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		-	(32,598)
<b>Net cash used in investing activities</b>		-	(32,598)
<b>Change in cash and cash equivalents in the year</b>		<b>256,860</b>	<b>134,743</b>
Cash and cash equivalents brought forward		<b>154,793</b>	<b>20,050</b>
<b>Cash and cash equivalents carried forward</b>	12	<b>411,653</b>	<b>154,793</b>

The notes on pages 13 to 22 form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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) and the Companies Act 2006.

Eggcup 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.

**1.2 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £- per member of the company.

**1.3 Income**

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

**1.5 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £xxx are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	20% Reducing Balance
Motor vehicles	-	20% Reducing Balance

**1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Cash at Bank and in hand**

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

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**2. INCOME FROM DONATIONS AND LEGACIES**

	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<i>Total funds 2022 £</i>
Donations	4,127	-	4,127	13,257
Grants	273,451	392,994	666,445	376,122
Similar incoming resources	101,213	-	101,213	99,389
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	378,791	392,994	771,785	488,768
	<hr/>	<hr/>	<hr/>	
<i>Total 2022</i>	488,768	-	488,768	
	<hr/>	<hr/>	<hr/>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**3. EXPENDITURE COSTS**

	2023 £	2022 £
Cost of sales	361,317	181,981
Advertising and promotion	38	323
Cleaning products	375	2,051
Computer/ IT costs	5,718	2,647
Insurance	2,462	2,897
Salary costs	176,079	116,685
Interest payable	-	19
Legal and professional	100	135
Utilities	16,908	15,197
Repairs and maintenance	7,241	2,378
Equipment	2,425	6,556
Motor costs	5,980	5,734
General office costs	3,088	2,916
Rent	8,725	10,200
Bank charges	868	303
Training	3,544	1,197
Partner costs	-	5,500
Volunteer	1,136	1,361
Depreciation	5,216	6,519
Accountancy costs	1,430	300
Sundry costs	3,294	-
	<u>605,944</u>	<u>364,899</u>

**4. AUDITORS' REMUNERATION**

The Independent Examiner's remuneration amounts to an Independent Examination fee of £ 450 (2022 - £ 300).                      -       -

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**5. STAFF COSTS**

Staff costs were as follows:

	<b>2023</b>	<i>2022</i>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>165,024</b>	<i>106,929</i>
Social security costs	<b>8,791</b>	<i>6,727</i>
Other pension costs	<b>2,264</b>	<i>3,029</i>
	<b>176,079</b>	<i>116,685</i>

The average number of persons employed by the company during the year was as follows:

<b>2023</b>	<i>2022</i>
<b>No.</b>	<i>No.</i>
<b>8</b>	<i>5</i>

No employee received remuneration amounting to more than £60,000 in either year.

**6. TANGIBLE FIXED ASSETS**

	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2022 and 31 March 2023	<b>31,497</b>	<b>18,069</b>	<b>49,566</b>
<b>Depreciation</b>			
At 1 April 2022	<b>15,472</b>	<b>8,015</b>	<b>23,487</b>
Charge for the year	<b>3,205</b>	<b>2,011</b>	<b>5,216</b>
At 31 March 2023	<b>18,677</b>	<b>10,026</b>	<b>28,703</b>
<b>Net book value</b>			
At 31 March 2023	<b>12,820</b>	<b>8,043</b>	<b>20,863</b>
<i>At 31 March 2022</i>	<i>16,025</i>	<i>10,054</i>	<i>26,079</i>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**7. DEBTORS**

	2023 £	2022 £
Trade debtors	2,214	3,670
Other debtors	-	7,731
Prepayments and accrued income	-	44,490
	<u>2,214</u>	<u>55,891</u>

**8. CREDITORS: Amounts falling due within one year**

	2023 £	2022 £
Other taxation and social security (see below)	6,845	2,785
Other creditors	-	50
Accruals and deferred income	608	22,230
	<u>7,453</u>	<u>25,065</u>

**Other taxation and social security**

	2023 £	2022 £
PAYE/NI control	<u>6,845</u>	<u>2,785</u>

**9. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>					
General Funds - all funds	<u>137,800</u>	<u>428,529</u>	<u>(364,704)</u>	<u>46,689</u>	<u>248,314</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**9. STATEMENT OF FUNDS (continued)**

**Restricted funds**

Restricted funds B/F	46,689	-	-	(46,689)	-
Arnold Clark	19	-	(19)	-	-
Awards for All	6,241	-	-	-	6,241
Community Foundation for Lancashire	1,283	-	(1,052)	-	231
Duchy of Lancaster	-	5,000	-	-	5,000
FC Scott	-	3,990	(3,132)	-	858
Lancaster District Community	2,447	-	(2,447)	-	-
Lancaster District Community - LCF	1,000	-	(1,000)	-	-
North Lancashire Surplus Food Outlets	5,898	7,987	(13,885)	-	-
Lancashire County Council - Community Food Grant	901	-	(901)	-	-
Groundwork	-	1,000	(300)	-	700
Household Support Fund	-	272,717	(121,524)	-	151,193
Closing Loops Project	-	35,300	(30,175)	-	5,125
Members Area - Lancaster	-	5,000	(4,000)	-	1,000
Morecambe Hub	544	-	(544)	-	-
Tudor Trust	-	48,000	(46,180)	-	1,820
Big Local - West End Morecambe	-	14,000	(7,205)	-	6,795
National Lottery	8,876	-	(8,876)	-	-
	<b>73,898</b>	<b>392,994</b>	<b>(241,240)</b>	<b>(46,689)</b>	<b>178,963</b>
Total of funds	<b>211,698</b>	<b>821,523</b>	<b>(605,944)</b>	<b>-</b>	<b>427,277</b>

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
General Funds - all funds	(180)	174,674	(69,292)	32,598	137,800
<b>Restricted funds</b>					
All restricted funds	20,000	349,505	(295,607)	-	73,898
Total of funds	19,820	524,179	(364,899)	32,598	211,698

**EGGCUP**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**SUMMARY OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
General funds	137,800	428,529	(364,704)	46,689	248,314
Restricted funds	73,898	392,994	(241,240)	(46,689)	178,963
	<u>211,698</u>	<u>821,523</u>	<u>(605,944)</u>	<u>-</u>	<u>427,277</u>

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
General funds	(180)	174,674	(69,292)	32,598	137,800
Restricted funds	20,000	349,505	(295,607)	-	73,898
	<u>19,820</u>	<u>524,179</u>	<u>(364,899)</u>	<u>32,598</u>	<u>211,698</u>

**10. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	20,863	-	20,863
Current assets	234,904	178,963	413,867
Creditors due within one year	(7,453)	-	(7,453)
	<u>248,314</u>	<u>178,963</u>	<u>427,277</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**10. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	26,079	-	26,079
Current assets	136,786	73,898	210,684
Creditors due within one year	(25,065)	-	(25,065)
	<u>137,800</u>	<u>73,898</u>	<u>211,698</u>

**11. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2023 £</b>	<b>2022 £</b>
Net income for the year (as per Statement of Financial Activities)	<b>215,579</b>	191,878
<b>Adjustment for:</b>		
Depreciation charges	<b>5,216</b>	6,519
Decrease/(increase) in debtors	<b>53,677</b>	(55,891)
(Decrease)/increase in creditors	<b>(17,612)</b>	24,835
<b>Net cash provided by operating activities</b>	<b><u>256,860</u></b>	<b><u>167,341</u></b>

**12. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2023 £</b>	<b>2022 £</b>
Cash in hand	<b>411,653</b>	154,793
<b>Total</b>	<b><u>411,653</u></b>	<b><u>154,793</u></b>

**13. RELATED PARTY TRANSACTIONS**

There have been no related party transactions throughout the financial year.

**14. POST BALANCE SHEET EVENTS**

There have been no significant events affecting the company since the year-end.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**15. CONTROLLING PARTY**

Those directors listed on the directors report control the company.