

PURE LEAPFROG

England & Wales · Charity number 1112249

Details

Other names PURE THE CLEAN PLANET TRUST

Status Registered

Legal form Charitable company

Company number [05534395](#)

Registered 2005-11-23

Register [View on the Charity Commission register](#)

Contact

Address Pure Leapfrog
82 Tanner Street
London
SE1 3GN

Phone 07399195085

Email info@pureleapfrog.org

Website www.pureleapfrog.org

Activities

Objects: THE OBJECTS OF THE CHARITY ARE TO PROMOTE THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE NATURAL ENVIRONMENT, PRINCIPALLY IN THE AREAS OF AIR AND WATER ("THE OBJECTS").

Activities: We are dedicated to ensuring community energy becomes a significant part of sustainable energy in the UK through accessible expertise & affordable finance to community energy groups. Our member network provides free expert professional advice to help carbon reduction projects overcome barriers to success. Our Community Energy Fund offers low interest loans for community renewable energy projects.

Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Provides Advocacy/advice/information
- **What:** The Prevention Or Relief Of Poverty, Environment/conservation/heritage
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE WORLDWIDE.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£307,674	£428,428	-	-
2023-08-31	£261,817	£281,956	-	-
2022-08-31	£486,538	£527,229	-	-
2021-08-31	£529,636	£528,790	£319,005	6
2020-08-31	£2,298,591	£2,271,821	£318,279	7

Trustees

Name	Role	Appointed
GRAEME LUDLOW	Chair	2017-07-26
Dr MICHAEL JAMPEL		2017-07-26
Mark Henderson		2014-03-18
SHELAGH KIRKLAND		2014-12-30
SIMON CORDERY		2017-07-26
Sophie Pughe		2021-02-01

PURE LEAPFROG

England & Wales - Charity number 1112249

Accounts

PURE LEAPFROG
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2024

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PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISORS

YEAR ENDED 31 AUGUST 2024

Pure Leapfrog is a UK registered charity (number 1112249) as well as a UK company limited by guarantee (number 05534395). The Trustees of the charity act as Directors for the company for the purposes of the Companies Act 2006.

As Directors of the Company and Trustees of the Charity, the Board meetings and minutes cover both roles.

Directors and Trustees of Pure Leapfrog during the 2023/24 year

The Trustees who served the charitable company during the year and since the year end were:

Mark Henderson

Simon Cordery

Dr Michael Jampel

Shelagh Kirkland (Treasurer)

Graeme Ludlow (Chair)

Sophie Pughe

Senior management team

Paul Gilligan, CEO

Registered Office

82 Tanner Street, London, SE1 3GN

Auditors

Buzzacott LLP, 130 Wood Street, London, EC2V 3DL (retired 2025)

Independent Examiners

TC Ollis Limited, Nelson House, 2 Hamilton Terrace, Leamington Spa, Warwickshire.
CV32 4LY

Bankers

Barclays Bank PLC, 1 Churchill Place, London, E14 5HP

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2024

Purpose and activities

The legal charitable purposes of Pure Leapfrog, as stated in the Articles of Association, are:

1. To promote sustainable development for the benefit of the public by:
 - The preservation, conservation and the protection of the environment and the prudent use of resources,
 - The relief of poverty, the promotion of health and the improvement of the conditions of life in socially and economically disadvantaged communities,
 - The promotion of sustainable means of achieving economic growth and regeneration.
2. To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment, and to promote study and research in such subjects provided that the useful results to such study are disseminated to the public at large.
3. To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment.
4. To advance the education of the public in the conservation, protection and improvement of the physical and natural environment.

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2024

Chair's Statement

The year to 31 August 2024 was marked by both challenge and renewed momentum in the national effort to address climate change, rising energy costs, and community resilience.

At a national level, as we saw a shift in government so we also saw a shift in energy policy, which began to shift more decisively. The Energy Act 2023 laid foundations for the UK's clean energy future — advancing carbon capture, low-carbon heating, and hydrogen trials. The introduction of Great British Energy and the new National Wealth Fund signals a return to public investment in renewable generation. The ambition to democratise energy infrastructure was clear from the new administration's manifesto pledge to “partner with energy cooperatives, local authorities and communities to expand community-owned and led renewable energy”.

Of course, this speaks very directly to the core of Pure Leapfrog, who we are and what we promote. As an early mover in the Community Energy Sector we have been promoting this for twenty years. And, for as long as energy bills remain as stubbornly high as they have been, we will continue to promote the idea that democratisation of energy is part of the solution for tackling fuel poverty.

Despite a steady drop in inflation (from record highs the year before) and it broadly hitting the government target of 2% over summer 2024, millions of households remained in fuel poverty. Our work in domestic retrofit in the Private Rental Sector (where there is higher correlation to fuel poverty) remains a core part of our programme for this reason. As impactful as ours, and others work, is in this and other adjacent domains, concerns about climate change continue to grow. During the year the planet has experienced increasingly extreme weather, and ocean impact; had warnings from eminent scientists about “permanent breaches above 1.5°”, “tipping points” and “feedback loops”; and had clear signals from the Climate Change Committee that faster, fairer action is essential.

Against this backdrop, Pure Leapfrog's mission becomes even more urgent and relevant. We remain committed to enabling climate action that is rooted in place, led by people, and centred on equity. As national commitments strengthen, our role – supporting communities to become involved, innovating new approaches and solutions to unlock more action more quickly and by more people, and having a real impact on climate and people – becomes ever more important.

We are proud of what has been achieved this year, and we are determined to do even more in the year ahead.

Graeme Ludlow
Chair

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2024

CEO's Statement

It has been a year of change and renewal, with a number of key projects finishing and new ones starting. The team has also had some turnover, with colleagues leaving to find new challenges, and new team members joining us.

We are engaged in numerous impactful projects, from helping communities to build, own and operate their own energy assets, through to developing new business models for local energy supply from community assets. In all of this we strive for positive impacts both socially and environmentally. Some of the most potentially impactful work is around domestic retrofit, where we are focussing on properties owned by private landlords that are let to tenants. There is a significant correlation between the quality of this housing and its tenure type, and there is a greater degree of fuel poverty and other vulnerabilities for people living in poorer quality homes.

Retrofitting homes doesn't only improve energy performance and reduce carbon footprint, but also delivers lower fuel bills, can also improve the fabric of those homes, and the health and quality of life of the occupants. Where whole streets are retrofitted, it starts to change the nature of that whole street, the relationship between people and where they live, and the relationships between the residents themselves too.

Our other work remains vitally important and I am pleased that we are busy on multiple fronts. This includes supporting grassroots communities in three different parts of the country in building their own energy projects, engaging with two Church of England Dioceses to explore how we can partner to leverage faith communities to help decarbonise the church estate, and developing new business models around local supply of energy from community assets.

We also continue to undertake meaningful work in researching new finance solutions (such as CDFI for community shares, property linked finance, a national utility for retrofit finance products) and work with communities to help them raise the finance they need for their projects. We are indebted to our valuable partners, volunteering on our Green Finance Panel, who guide and advise us in this work.

At time of writing, I reflect on how my fifth year in this post coincides with the twentieth of Pure Leapfrog. I find it astonishing how much the world has changed in just five years, let alone the fifteen preceding it.

Five years ago, there were 275 Community Energy Groups across the UK. Today, over 600; five years ago, you had to be a licenced energy supply company to aggregate flexibility, now we are developing plans for communities to do this for themselves; and five years ago, the average unit cost of electricity was 19.5 pence, now it is 27 pence.

All the more reason to keep growing and empowering the sector.

Paul Gilligan
CEO

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2024

Achievements and Performance

The year ending 31st August 2024 has been a year of establishing new work. We have continued to build our capabilities in both the energy systems and buildings and retrofit sectors, with key new projects either underway during the year, or at time of writing.

The **Community Virtual Microgrids** project seeks to develop new business models for community scale asset sharing behind and in front of the meter. Assets may be generating, storage or flexibility assets.

Both **Retrofit for Lets** and **Let Zero** are projects that are developing ways to communicate the benefits of domestic retrofit to private landlords and their tenants, give advice and support for the retrofit journey and deliver services such as Retrofit Assessments and Whole House plans, as well as providing contracting platforms for work, introductions to relevant installers, and information about grants and finance available.

We have also supported a number of Community Energy Groups with their own energy projects including in Somerset, Warwickshire, Warrington and County Durham.

Efforts are underway to create a sustainable business model for the One Stop Shop service being developed within the **Let Zero** project, so that it might keep its doors open beyond the project's funded period. Other sources of grant support are also being sought in order to smooth the transition.

We will also seek additional funding to continue our work on Community Virtual Microgrids, possibly to develop some of the technologies required, or run some studies or pilots with communities. Other new projects and partnerships are being constantly developed, with opportunities in Green Hydrogen, Agricultural Decarbonisation, Maritime Biofuels and more.

Financial Review

The company ended the year in a negative position (-£120,754) on slightly increased turnover to the previous year (2024: £307,674; 2023: £261,817). The majority of the net expenditure is from restricted funds (£87,841), where income to those funds had been booked in earlier years. Much of the defrayal from those funds contributing to the negative outturn, in the year to end August 2024, was in the form of grant making to other organisations. The net unrestricted expenditure was £32,913.

Income to restricted funds during the year was significantly higher than the previous (2024: £261,541; 2023: £106,211), reflecting the increased activity in grant supported projects such as **Warrington Carbon Culture** and **Retrofit for Lets**.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2024

Much of our activity occurs within restricted fund projects, and is funded by grant makers such as Innovate UK, Net Zero Hubs, and the Department for Net Zero and Energy Security, reflecting the nature of Pure Leapfrog as an innovation driven organisation.

At time of writing, our grant supported innovation activity is higher still, with the Innovate UK supported Let Zero project being our largest. Whilst income from these projects is restricted, a contribution to our ongoing overheads by most funders provides much needed revenues to our unrestricted funds. We expect our unrestricted funds to reflect this increased activity in the current year.

Structure, Governance, and Management

Pure Leapfrog is governed by a Memorandum and Articles of Association, constituted 11 August 2005. It is a registered charity, no. 1112249 regulated by the Charities Commission. Pure Leapfrog is a limited company, no. 05534395.

The responsibilities of the Trustees and management/staff are set out in the Board charter and delegated authorities policy. Trustees and staff are recruited through an open advertisement process. There have been no new Trustees through the year. A suite of business and human resource policies guide the activities of staff.

Charity staff pay is set based on publicly available benchmarking information and research into current terms.

Chief Executive

The Chief Executive during this reporting period was Paul Gilligan, who remains in post at time of writing and filing.

The Team

At 31st August 2024 Pure Leapfrog had a staff of five people. At time of writing the team is a team of twelve, with one further person joining in the coming weeks. Overall, the team benefits from over many decades' experience in renewables, energy systems, energy efficiency, carbon, climate change, finance and legal related fields.

As projects finish, roughly half the staff will come to the end of fixed term contracts. We are actively seeking follow on funding for projects where we believe greater impact may be achieved by doing so, and also new funding for new projects. Our aim is to have impact against our charitable objectives, and, as far as possible, retain the skills and experience of a strong team.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2024

The trustees (who are also directors of Pure Leapfrog for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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, which 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 2019 (FRS 102);
- 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on operation.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

INDEPENDENT EXAMINER'S REPORT

YEAR ENDED 31 AUGUST 2024

We report on the accounts of the Charity for the period ended 31 August 2024 which are set out on pages 9 to 21.

Respective responsibilities of trustees and examiner

As the Charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 144(2) of the Charities Act 2011 (the Act) does not apply and that an independent examination is needed.

It is our responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 145(5)(b) of the Act, whether particular matters have come to our attention and to examine the accounts under Section 145 of the 2011 Act.

Basis of independent examiner's report

Our examination was carried out in accordance with the general Directions given by the Charities Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the accounts. Our report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with our examination, no matter has come to our attention:

- (1) which gives us reasonable cause to believe that in any material respect the following requirements have not been met –
 - a) to keep accounting records in accordance with section 130 of the Act; and
 - b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act; or
- (2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

TC Ollis Limited

Nelson House, 2 Hamilton Terrace, Leamington Spa, Warwickshire. CV32 4LY

TC Ollis Limited

26th June 2025

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Income							
Donations	3	16,809	(244)	16,565	74,832	25,662	100,494
Charitable activities	4	29,277	261,252	290,529	80,526	80,361	160,887
Investment income	5	47	533	580	248	188	436
Total income		46,133	261,541	307,674	155,606	106,211	261,817
Expenditure on							
Charitable activities	6	79,046	349,382	428,428	191,029	90,927	281,956
Total Expenditure		79,046	349,382	428,428	191,029	90,927	281,956
Net Income/(Expenditure)		(32,913)	(87,841)	(120,754)	(35,423)	15,284	(20,139)
Transfers between funds		3,925	(3,925)	-	15,273	(15,273)	-
Net movement in funds		(28,988)	(91,766)	(120,754)	(20,150)	11	(20,139)
Reconciliation of funds							
Fund balances brought forward		83,783	174,392	258,175	103,933	174,381	278,314
Total funds carried forward		54,795	82,626	137,421	83,783	174,392	258,175

All of the above amounts relate to continuing activities.

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A COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

YEAR ENDED 31 AUGUST 2024

		2024		2023	
	Note	£	£	£	£
Fixed assets					
Tangible assets	11		32,779		34,373
Investments	12		<u>101</u>		<u>101</u>
			32,880		34,474
Current assets					
Debtors	13	100,973		138,496	
Cash at bank and in hand		<u>123,157</u>		<u>177,252</u>	
		224,130		315,748	
Creditors: amounts falling due within one year					
	14	<u>(102,089)</u>		<u>(64,547)</u>	
Net current assets			<u>122,041</u>		<u>251,201</u>
Total assets less current liabilities					
			154,921		285,675
Creditors: amounts falling due after more than one year					
	15		<u>(17,500)</u>		<u>(27,500)</u>
Net Assets			<u><u>137,421</u></u>		<u><u>258,175</u></u>
Funds					
Restricted income funds	17		<u>82,626</u>		<u>174,392</u>
Unrestricted income funds	18		<u>54,795</u>		<u>83,783</u>
			<u><u>137,421</u></u>		<u><u>258,175</u></u>

For the financial year ended August 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors 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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees on 13th November 2024 and are signed on behalf of the board by:



Graeme Ludlow - Chair

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

1. Accounting policies

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

General information and basis of preparation

Pure Leapfrog is a private company limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

Going concern

The financial statements have been prepared on the going concern basis. The trustees have considered the business plan and forecasts for the Charity and believe that the base case should be achieved and provides a strong basis for our going concern confirmation. The Board also notes the additional value that is likely to accrue from Renewable energy assets (see note 11).

Charitable funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The purpose and use of each restricted fund is set out in the notes to the financial statements.

Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the group and the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

If there are conditions attached to donations then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Trading income includes consultancy fee income. No income is recognised when the charity acts as agent and purchases carbon credits for other companies. Any fee charged for the service is recognised as income.

The group receives both corporate and individual donations. These are recognised once the amount has been received or entitlement confirmed. The income and expenditure for these donations will be

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

classified as either restricted or unrestricted funds within the accounts dependent on the underlying conditions attached.

Expenditure recognition

Expenditure is recognised on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised when there is a legal obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes all costs associated with the provision of services. It can be categorised under the following headings:

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management.

The analysis of these costs is included in note 7.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer equipment	over 3 years
Fixtures and fittings	over 3 - 5 years
Energy generating assets	over 20 years

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Purchase of carbon credits

The purchase of carbon credits are payments made in furtherance of the charitable objectives of the charity. The purchase of carbon credits are accounted for where the trustees have approved the purchase without condition and this intention has been conveyed to the recipient. Where a purchase

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YEAR ENDED 31 AUGUST 2024

of carbon credits is required to fulfil a commitment to a donor wishing to offset carbon emissions, a liability for such a purchase is recognised in the financial statements.

Carbon credits purchased on behalf of other companies are not accounted for where the charity acts as agent for these companies.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in income and expenditure.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income and expenditure.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Classification of financial liabilities

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

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YEAR ENDED 31 AUGUST 2024

Employee and retirement benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group and the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Tax

The company is a registered charity and is recognised as such by HMRC for taxation purposes. As a result there is no liability to corporation tax on its charitable income.

2. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. Donations

	Unrestricted Funds	Restricted Funds	Total Funds 2024	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£	£	£	£
Individual donations	3,640	857	4,497	11,416	1,269	12,685
Donations under Gift Aid	5,175	-	5,175	3,000	-	3,000
Corporate donations	4,191	-	4,191	13,337	-	13,337
Carbon Offsetting Fees	3,803	(1,101)	2,702	47,079	-	47,079
Philanthropic grants	-	-	-	-	24,393	24,393
	16,809	(244)	16,565	74,832	25,662	100,494

4. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2024	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£	£	£	£
Consultancy and events	18,774	246,366	265,140	71,856	80,361	152,217
Other income	10,503	14,886	25,389	8,670	-	8,670
	29,277	261,252	290,529	80,526	80,361	160,887

Of the income from charitable activities in 2024 £261,252 (2023: £80,361) was restricted income

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

5. Income from investments

	Unrestricted Funds	Restricted Funds	Total Funds 2024	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£	£	£	£
Bank interest	47	533	580	1	182	183
Loan interest	-	-	-	247	6	253
	47	533	580	248	188	436

6. Analysis of charitable activities

	Unrestricted Funds	Restricted Funds	Total 2024	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£	£	£	£
Purchase of carbon credits	-	-	-	8,816	-	8,816
Other operating costs	400	74,292	74,692	15,400	720	16,120
Grants and related projects	-	95,000	95,000	1,808	-	1,808
Support costs (note 7)	11,818	25,298	37,116	10,037	2,615	12,652
Staff Costs (note 10)	57,925	154,792	212,717	132,151	84,973	217,124
Governance costs (note 8)	8,903	-	8,903	22,817	2,619	25,436
	79,046	349,382	428,428	191,029	90,927	281,956

7. Analysis of support costs

	Unrestricted Funds	Restricted Funds	Total 2024	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£	£	£	£
Office costs	1,268	3,220	4,488	2,405	913	3,318
IT and infrastructure	683	1,621	2,304	164	22	186
Membership and subscriptions	1,085	1,169	2,254	3,254	400	3,654
Accounting fees	860	-	860	856	-	856
Travel and subsistence	1,155	6,640	7,795	1,778	1,303	3,081
Bank charges	661	(39)	622	1,678	(23)	1,655
Loan Interest Barclays Bank	824	-	824	1,073	-	1,073
Marketing/advertising	1,079	12,687	13,766	(4,504)	-	(4,504)
Depreciation	4,203	-	4,203	3,333	-	3,333
	11,818	25,298	37,116	10,037	2,615	12,652

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

8. Analysis of governance costs

	Unrestricted Funds	Restricted Funds	Total 2024	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£	£	£	£
Inspection / Audit fees	6,664	-	6,664	20,826	2,244	23,070
Insurance costs	2,239	-	2,239	1,991	-	1,991
Professional fees	-	-	-	-	375	375
	8,903	-	8,903	22,817	2,619	25,436

9. Net (expenditure)/income for the year

This is stated after charging:

	2024	2023
	£	£
Depreciation	4,203	3,333
Inspector's / Auditor's remuneration - inspection / audit of the financial statements	6,664	23,070

10. Staff costs and emoluments

Total staff costs were as follows:

	2024	2023
	£	£
Wages and salaries – charitable activities	194,191	196,346
Social security costs	14,597	17,056
Pension costs	3,929	3,722
	212,717	217,124

Particulars of employees:

The average number of employees within the charity during the year, was 5 (2023 - 5).

The number of employees whose annual remuneration was £60,000 or more were;

	2024	2023
	Number	Number
£70,001 - £80,000	1	1

Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2023 - £nil).

The total compensation cost of key management personnel is £89,717 (2023 - £139,408) which includes employers' national insurance costs and pension contributions. The trustees considers key management personnel to comprise the Chief Executive Officer and Chief Operating Officer. No trustees are accruing pension benefits in the current or prior year.

During the year expenses reimbursed to trustees totalled £nil (2023 - £nil).

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2024

11. Tangible fixed assets

	Energy Generating Assets	Computer Equipment	Total
	£	£	£
Cost or valuation			
At 1 September 2023	49,999	4,978	54,977
Additions	-	2,609	2,609
Disposals	-	(4,978)	(4,978)
At 31 August 2024	49,999	2,609	52,608
Depreciation and impairment			
At 1 September 2023	15,626	4,978	20,604
Depreciation charge in the year	3,333	870	4,203
Disposals	-	(4,978)	(4,978)
At 31 August 2024	18,959	870	19,829
Carrying Amount			
At 31 August 2024	31,040	1,739	32,779
At 31 August 2023	34,373	-	34,373

As noted in previous years, in 2018 the charity took in lieu of settlement of an outstanding loan, energy generating assets secured against that loan. The fair value of these, based on the net present value of the future income stream, is considered to be £113,934. The assets have not been valued to this amount, as income is not virtually certain because it is dependent on a number of variables. Under FRS102, unless the income is deemed to be virtually certain, the assets cannot be restated. However, the trustees believe that the valuation of this asset net of depreciation would result in £79,000 of unrestricted funds, which has not been included in these financial statements.

12. Fixed asset investments

	2024	2023
	£	£
Shares in subsidiary company	1	1
Shares in joint ventures	100	100
	101	101

In 2018 the charity invested £100 in Leapfrog Launchpad Limited, a joint venture in which it has a 33% stake. At the year end this entity was yet to commence trading.

On 30 June 2020, Pure Leapfrog Lilypad CIC was incorporated. Pure Leapfrog is the parent entity. The investment is being carried at £1.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2024

13. Debtors

	2024	2023
	£	£
Trade debtors	73,045	94,028
Gift Aid recoverable	813	1,348
Prepayments and accrued income	27,115	43,120
	<u>100,973</u>	<u>138,496</u>

14. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Other loans (note 16)	10,000	10,000
Trade creditors	7,310	529
Taxation and social security	8,542	2,792
Other creditors	76,237	51,226
	<u>102,089</u>	<u>64,547</u>

15. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Other loans (note 16)	17,500	27,500
	<u>17,500</u>	<u>27,500</u>

16. Creditors – other loans

Creditors include loans which are due for repayment as follows:

	2024	2023
	£	£
Amounts repayable:		
In one year or less	10,000	10,000
In more than one year but not more than two years	10,000	10,000
In more than two years but not more than five years	7,500	17,500
	<u>27,500</u>	<u>37,500</u>

The loan originating in 2022 is a COVID-19 Bounce Back loan of £50,000 repayable over 5 years with an interest rate of 2.5%.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

17. Restricted income funds

	Balance at 1 September 2023	Income	Expenditure	Transfers	Balance at 31 August 2024
2023/24	£	£	£	£	£
British Airways Carbon Fund	131,303	(1,101)*	(94,918)	-	35,284
Carbon credit purchase	-	857	(43)	-	814
Warrington Community Benefit Fund	43,260	533	-	-	43,793
REWIRE	-		(7,259)**		(7,259)
Mersey Biochar	(171)	60,381	(56,285)	(3,925)	-
Warrington Digital Retrofit	-	117,753	(115,648)	-	2,105
Warrington Carbon Culture	-	40,058	(38,400)	-	1,658
Let Zero	-	43,060	(36,829)	-	6,231
	174,392	261,541	(349,382)	(3,925)	82,626

* The negative income of £1,101 against BA Carbon Fund is a write back of an accrual from a previous year

** The negative balance relates to a claim submitted in the year with income due post year end

	Balance at 1 September 2022	Income	Expenditure	Transfers	Balance at 31 August 2023
2022/23	£	£	£	£	£
British Airways Carbon Fund	131,303	-	-	-	131,303
Carbon credit purchase	-	1,274	(376)	(898)	-
Warrington Community Benefit Fund	43,078	182	-	-	43,260
REWIRE	-	-	(2,244)	2,244	-
Mersey Biochar	-	80,361	(67,470)	(13,061)	(171)
Decent Homes	-	24,394	(20,461)	(3,933)	-
Leapfrog Launchpad	-	-	(375)	375	-
	174,381	106,211	(90,926)	(15,273)	174,392

British Airways Carbon Fund

The British Airways Carbon Fund represents donations received from British Airways customers through British Airways plc, which are to be used to reduce carbon emissions through community renewable energy and energy efficiency projects in the UK and internationally.

Carbon Credit Purchases

Money received and spent on carbon credits during the year to offset the carbon footprints of individuals, businesses and travellers.

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

Warrington Community Benefit Fund

This is a fund established to deliver environmental and social impact that was established from one time donations made by Pure Leapfrog, Warrington Borough Council, and Gridserve Ltd, during the development of two ground-mount solar farms near York and Hull, owned by Warrington Borough Council. The fund will be fully granted to worthy projects over time, with no expectation of additional funds replenishing it.

Warrington Digital Retrofit (Retrofit For Lets)

A project funded by the Department for Energy Security and Net Zero, through the North West Net Zero Hub. Retrofit for Lets is demonstrating technology driven ways to engage private landlords with domestic retrofit and investigate new approaches to finance that could support private landlords in improving their properties. A research strand to this project is being led by ACE Research (part of The Association of Decentralised Energy), developing a business case to persuade landlords of the advantages to them of improving their assets.

Warrington Carbon Culture

An Innovate UK project showing how impactful a coordinated approach to delivering Carbon Literacy training across a whole borough can be. This project is engaging Local Authority staff, Parish Council Councillors and SME staff, delivering Carbon Literacy Training and creating Alumni groups as Communities of Practice.

Let Zero

An Innovate UK project that is developing a One Stop Shop for Private Landlords and their tenants to get all the support they need to investigate domestic retrofit, assess the potential of their property, receive whole house plans, finance information, and plug into the local supply chain of installers. A digital platform underpins a tailored customer journey that takes specific account of the needs and concerns of this sector.

REWIRE

An Innovate UK funded project to develop designs for Smart Local Energy Systems.

Mersey Biochar

A BEIS funded project exploring the feasibility for a Biomass Greenhouse Gas Capture and sequestration plant, that also produces zero carbon heat and flexible dispatchable power.

Decent Homes

Funding for this project was received from Dulverton Trust. This was to develop a new business model for Local Authorities to deploy to help retrofit homes of vulnerable people to be safer and more thermally efficient.

Leapfrog Launchpad

With funding from Joseph Rowntree, to develop new business models for community energy.

Transfers in fund

Transfers are made from restricted to unrestricted funds when the charity has met its obligations under these contracts and been paid for the contract. The transfers reflect the underlying overheads consumed within these contracts not just the direct labour and direct costs associated with the project.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

18. Unrestricted income funds

	Balance at 1 September 2023	Income	Expenditure	Transfers	Balance at 31 August 2024
	£	£	£	£	£
2024/23					
General Funds	83,783	46,133	(79,046)	3,925	54,795

19. Analysis of net assets between funds

	Investments	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£	£
2023/24					
Restricted funds	-	-	82,626	-	82,626
General unrestricted funds	101	32,779	31,789	(17,500)	47,169
	101	32,779	114,415	(17,500)	129,795

	Investments	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£	£
2022/23					
Restricted funds	-	-	174,393	-	174,393
General unrestricted funds	101	34,373	76,808	(27,500)	83,782
	101	31,040	251,201	(27,500)	258,175

Company limited by guarantee

The company is limited by guarantee and there is therefore no share capital. Members' liability is limited to £1 per member. At 31 August 2024, there were 5 members.

Related party transactions

There were no related party transactions relating to trustees in 2024 or 2023.

PURE LEAPFROG

England & Wales - Charity number 1112249

Accounts

Company Registration Number 05534395

Charity Number 1112249

PURE LEAPFROG
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT
FOR THE YEAR ENDED 31 AUGUST 2023



PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

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**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISORS

YEAR ENDED 31 AUGUST 2023

Pure Leapfrog is a UK registered charity (number 1112249) as well as a UK company limited by guarantee (number 05534395). The Trustees of the charity act as Directors for the company for the purposes of the Companies Act 2006.

As Directors of the Company and Trustees of the Charity, the Board meetings and minutes cover both roles.

Directors and Trustees of Pure Leapfrog during the 2022/23 year

The Trustees who served the charitable company during the year and since the year end were:

Mark Henderson

Simon Cordery

Dr Michael Jampel

Shelagh Kirkland (Treasurer)

Graeme Ludlow (Chair)

Sophie Pughe

Senior management team

Paul Gilligan, CEO

Registered Office

7-14 Great Dover Street, London, SE1 4YR

Auditors

Buzzacott LLP, 130 Wood Street, London, EC2V 3DL

Bankers

Barclays Bank PLC, 1 Churchill Place, London, E14 5HP

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Chair's statement

Our year, 2022-23, tracked a particularly turbulent time in the political and economic life of this country. We saw wins and losses for renewable energy and no small amount of policy and social change. Since Pure Leap works at the interface of different domains, it can see the interactions between these and climate change drivers up close and applies a whole systems approach to its work.

We observed global heating and intense wildfires across continental Europe, the warmest year on record in the UK, and supermarkets having to ration fresh vegetables and salad produce due to severe weather affecting harvests in Spain and North Africa.

Against this backdrop, in March 2023 the Government republished its net zero strategy to 2050, revised after the High Court found it to be in breach of its obligations under the Climate Change Act following a challenge by environmental groups. Barely a year on and after another challenge, the new strategy has also been ruled in breach, with the Government ordered to produce a compliant plan within the next 12 months. The Government's decision to grant 100 new licences for North Sea oil and gas drilling has sparked further debate.

In balance to this, we also saw the switching on of Hornsea 2 in the North Sea, the world's largest offshore wind farm at 1.3GW. Since then Hornsea 3 has commenced construction and Hornsea 4 has received approval, each with over double that capacity planned. As one of the cheapest sources of power for the UK, offshore wind projects such as these can help underpin the energy transition and apply downward pressure to wholesale energy costs.

Yet the macroeconomic environment remains challenging. High interest rates have persisted despite inflation having peaked and many analysts believe the era of cheap money is over. This can put financial stress on both projects such as Hornsea – with the Government now having raised the strike price for wind contracts for difference – and people – with the cost of living crisis worsening across the period. National Energy Action and Friends of the Earth, found that 6.3 million, roughly 1-in-5 households, were in fuel poverty in 2023, defined as spending 10% or more of income on home energy, with people suffering in hard-to-heat homes and with rising energy costs.

The whole system view informed us during the year to look closer at our buildings and retrofit workstreams, as interdependencies between climate, economic, energy, housing and social systems came to the fore. News of a two year old boy, Awaab Ishak, dying after exposure to black mould directly related to substandard living conditions in South Yorkshire, rightly triggered a national reaction of shock. Families living in homes with poor energy efficiency suddenly became more visible due to the high correlation between poor energy performance and poor quality housing. The urgent action we know is needed to tackle energy inefficient homes, does not grab the attention of a nation in the same way as the tragic loss of young life that stems from the same root cause.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Our work to build capacity in communities to engage more directly with their own net zero journeys remained solidly in place, but we knew that we needed to develop ways to have greater impact by addressing the poor quality homes that people live in: not simply increasing the energy efficiency of hard-to-heat homes but eliminating some of the factors that can lead to health-threatening problems, such as the presence of black mould. Combining retrofit measures with community friendly business models and empowering communities to improve their own homes, will be beneficial not only from a sustainability but a social perspective – improving neighbourhood wellbeing as well as the lives of individuals.

At Pure Leapfrog we believe we contribute most when trying to address some of the hardest to solve problems: There are many challenges in retrofitting our leaky housing stock – persuading the able-to-pay to invest in energy efficiency measures, balancing visual impact with heritage architecture, overcoming the cold start problem of insufficient supply and demand, to name a few. We have started to tackle one such problem: convincing private landlords to pay to retrofit homes they don't even live in, against a backdrop of high borrowing costs and the revoking of planned increased minimum energy efficiency standards for domestic lets.

Our project "Retrofit for Lets" kicked off in April 2024 and will test a multi-pronged approach to remove financial barriers for buy-to-let retrofit. We have formed a Green Finance Panel to support this, with two major high street mortgage lenders, an institutional fund, representatives of the impact investing community, a local authority, and the Green Finance Institute. The panel is already seeing positive results.

And as of April 2024, a larger and more ambitious project is underway in South Yorkshire, where we have partnered with South Yorkshire Combined Authority and ten others, to develop a complete solution provider for private domestic landlord retrofit advice and support.

Our existing innovation focus on energy systems, natural capital, and carbon continues. If anything, our work on buildings and retrofit is enhancing it with new areas of overlap and opportunity emerging. The deeper we delve into the interactions between these systems, the greater the impact we expect from our work.

We look forward to progressing on multiple fronts, with excellent and committed partners, and hope to report strong outcomes of this approach in future years.

Graeme Ludlow
Chair

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Objectives

At this time of galvanising action and of rapid change, it is useful to remind ourselves of the legal charitable purposes of Pure Leapfrog. As stated in our Articles of Association, they are:

1. To promote sustainable development for the benefit of the public by:
 - The preservation, conservation and the protection of the environment and the prudent use of resources,
 - The relief of poverty, the promotion of health and the improvement of the conditions of life in socially and economically disadvantaged communities,
 - The promotion of sustainable means of achieving economic growth and regeneration.
2. To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment, and to promote study and research in such subjects provided that the useful results to such study are disseminated to the public at large.
3. To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment.
4. To advance the education of the public in the conservation, protection and improvement of the physical and natural environment.

We recognise the context we operate within is becoming increasingly politicised. Measures such as Ultra Low Emission Zones, Fifteen Minute Cities have been divisive, and, some would argue, deliberately misrepresented as part of a "culture war" against the climate agenda. Policies such as expanding development of gas fired power stations, and repealing the ban against fracking, have strengthened the resolve of those interested in a progressive climate agenda. Debate and conviction have never been more entrenched. As such, it is important to remind ourselves that we are not a campaigning, political, or activist organisation, but that we seek to do our best for the climate and for people. Whilst we do not wish to put ourselves in the middle of arguments, but prefer to work towards a safer and happier world for everyone, we will still highlight inconsistencies and difficult or unstable policy environments where we feel they exist.

Our purposes are written in such a way as to guide our activities; and, as our purposes are written, our activities should be delivered through advancement, promotion, and education of positive interventions in sustainability, environment, communities and economies.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Our activities in 2022-23 are carried out in furtherance of these purposes. It is the opinion of the Trustees that, in exercising our powers, we have complied with our duty to have regard to the guidance on public benefit published by the Charity Commission when exercising powers or duties to which the guidance is relevant.

Activities

Pure Leapfrog is a sustainability and decarbonisation charity that draws on its staff's expertise in energy systems, finance, natural capital and carbon, to develop and support new projects and solutions that help communities to accelerate, and benefit from, their own decarbonisation.

We provide communities with support in writing their own low carbon futures, through support and advice on accessing finance for renewables projects, increasing capacity in this sector, facilitate the provision of legal support both through the provision of templated agreements and through pro bono arrangements. We have an active Research and Development (R&D) programme that develops new propositions, business models and applications of technologies in the low carbon sector. This programme is geared towards leveraging commercialised propositions into community ownership.

We also work with carefully selected corporate partners, supporting them in their own decarbonisation journeys, through the sourcing and delivery of high-quality carbon credits.

Our work covers Energy, Carbon, Sustainable Finance, and Natural Capital, and, now Buildings and Retrofit too.

Achievements and performance

Finance

Using finance as a tool to fight climate change remains core to Pure Leapfrog's integrated approach. We explicitly include it into our projects more frequently and are developing our skills, network and outputs more each year.

During the year the team also started to develop their skills in Community Finance by participating in Community Shares Practitioner training with Coops UK. This means that Pure Leapfrog is now able to directly help communities develop, and now raise finance for, their own projects.

Work continues attempting to develop new types of financial support for community projects, either from within our Innovation Programme or directly in partnership with other aligned partners.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Charitable Funds Management

During the year Pure Leapfrog and British Airways began to review their long standing partnership, prompted by a developing in house capability within British Airways, a strategic streamlining of their various activities, and a maturing voluntary carbon markets capability.

After more than a decade working together, British Airways and Pure Leapfrog are winding up the hugely successful and impactful BA Carbon Fund; both believing that it has served its purpose well. The world has very much moved on, with sustainability being driven ever further up the corporate agenda. We are pleased to see this and also pleased to have been part of British Airways' journey for so long. Some of the tools that BA will go on to use (that allow for greater participatory and matched giving) happen also to be tools that we are embracing as part of our work in other areas and activities – such as the use of crowdfunding platforms. These didn't exist when we began our relationship with BA, but now they are becoming part of each of our futures.

The fund will be wound up over the coming 1 to 2 years. In the year to August 2023 we continued to support the Pumlumon Project, though no direct grant was defrayed.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Pumlumon Project – Montgomery Wildlife Trust

From 2007 to 2012 Montgomery Wildlife Trust piloted a number of interventions, scientifically led and based on a combination of behaviour change and land use. The outputs of their pilots were developed into a structured approach where the aim is to deliver radical new ways in which the landscapes of upland Britain can work. With their work the Trust's ambition is to build a pioneering upland economy built around wildlife, ecology and long-term sustainability.

The project is based in the Cambrian Mountains and is named after a mountain in the area. The area is about the same size as Birmingham and it includes the sources and catchments for both the rivers Severn and Wye.

Working with landowners and farmers, and based on 8 elements, the project takes a holistic approach to helping restore nature, increase carbon sequestration potential, reduce flooding impact further downstream, and all at the same time as reviving rural economies.

Element One – Carbon Storage

By restoring peat bogs and their significant ability to sequester carbon, overall capture is increased. In the 1950s and 1960s many of these bogs were drained to reclaim land for grazing. Reversing this by blocking up drainage systems and supporting the sphagnum moss to re-establish can result in up to 500kg CO₂ per hectare per year being sequestered.

Element Two – Reconnecting habitats

Climate change is leading to more plants and animals becoming trapped in fragmented landscapes. This element is creating green corridors to reconnect disconnected populations. With biodiversity so crucial to healthy ecosystems this work is needed to ensure that ecosystem collapse is avoided.

Element Three – Storing flood water

Not only is it now widely accepted that there is a direct link between upland land management and the severity of lowland flooding, but at least three million people also depend on water which falls as rain in the Pumlumon Project area. Ditch blocking increased the water-holding capability of a 1,013 hectare catchment area, raising the water table by an average five centimetres and retaining an extra 155 million litres.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Pumlumon Project – Montgomery Wildlife Trust (...continued)

Element Four – Bringing back wildlife

The key is to understand a habitat's historical makeup, and manage the landscape to recreate it. A reserve at Llyn Bugeilyn is the home of the elusive black-finned brown trout. Ditches were cut into the bogs around this lake too. In 2011 we blocked them to create a string of new pools and wetland areas. Since then we've seen a reappearance of amphibians, and signs of water voles and otters

Element Five – Changing grazing patterns

There are many ways to achieve this. One example is to restore the kind of grazing which moulded the uplands for thousands of years. Bringing cattle back to the hills would restore the diversity of the grassland, providing more and better niches for species. New evidence also shows that if more cattle were grazed instead of sheep (which have been stocked at increasing density in recent years), at moderate intensities and at the appropriate time of year, problems of compacted soil can be alleviated.

Element Six – Recreating habitats

Even where large areas of strategically important habitat have been lost, they can be put back. It just takes time. So far the project has altered an area equal to 115 football pitches. Future plans are far more extensive and will target gullies, hedgerows, rivers and streams, woodland, bogs and wetlands. By recreating lost habitats natural processes can be allowed to re-establish themselves.

Element Seven – Developing green tourism

By developing sustainable tourism such as walking, kayaking, mountain biking and wildlife watching, increasing visitor spend and lengthening the tourism season can be achieved. Visitor surveys show that people who already visit the area for a holiday or day trip do so to experience the landscape, scenery and wildlife. By undertaking work in this project these natural assets will be secured and enhanced, strengthening this crucial sector for the local economy.

Element Eight – Involving communities

This project involves landowners, farmers, and communities, therefore it can only succeed if enough local people want it to happen. That's why a crucial element is actively involving communities within the area. A large number of local volunteers help with ditch blocking, fencing, tree planting, surveying, species conservation work and talking to visitors. This also has benefits for those volunteers, as the project delivers necessary training and volunteers get to practice their new skills. This can be valuable for some volunteers who are seeking work. Some have gone on to part time or full time employment.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

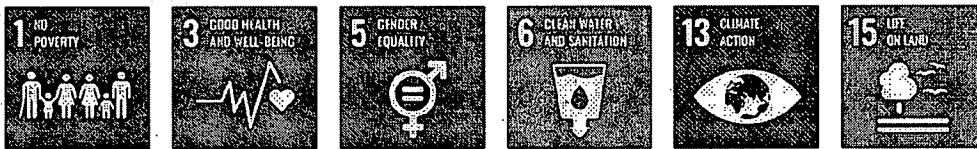
Carbon Offsetting

We work with businesses that show they are sincerely engaged in measuring and reducing their carbon emissions.

We only work with businesses that demonstrate a commitment to reducing their impact on the climate, and who are serious about working with us on a long term basis. In return, they benefit from ongoing insight and updates on developments in carbon markets, standards and regulation, and credit availability. Through working with us they also have the opportunity to upskill their own staff on carbon literacy.

We also provide businesses with online offsetting calculators and tools, so they can offer offsetting options to their end users in respect of their impact too.

For their unmitigable emissions, we source high-quality, high-integrity carbon credits. When sourcing credits we look for projects that also generate significant sustainable co-benefits for local communities, with particular interest in those also delivering at least following Sustainable Development Goals (SDGs)



We work with project developers where we can build long term relationships and who have a strong local presence in the areas in which their projects operate.

In 2022-23 we sourced credits for seven businesses and their customers. We procured credits that resulted in 6,159 tonnes of CO₂e avoided. This was across seven projects in six different countries.






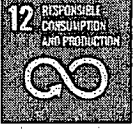













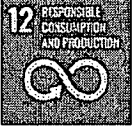








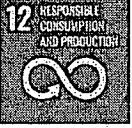



All of our supplied projects were of four different project types: Land Use and Forestry, Renewables, Cookstoves, and Blue Carbon. Collectively the thirteen different projects sourced also delivered a huge range of co-benefits, accounting for all except five of the seventeen SDGs.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Carbon and SDGs by project type


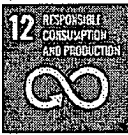








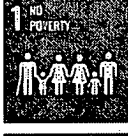











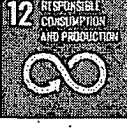
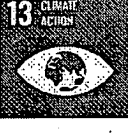


Type of project	Tonnes CO ₂ e avoided	Co-benefit SDGs covered
Land Use and Forestry	1,309	       
Renewables	3,172	     
Cookstoves	881	       
Blue carbon	797	         

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Carbon and SDGs by country

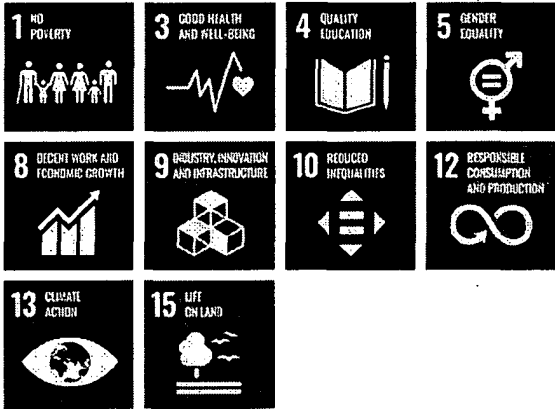

Country	Tonnes CO ₂ e avoided	SDGs covered
Cambodia	117	   
Côte d'Ivoire	3,172	     
Ethiopia	657	     
Pakistan	797	         

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Carbon and SDGs by country continued

Country	Tonnes CO ₂ e avoided	SDGs covered
Peru	535	
Sudan	881	

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Research and Development

Our Innovation Programme saw a number of projects ending during the previous year. The number of live ongoing projects in 2022-23 was three, plus one new project that began in the year but was not economically active. Our spend, which was largely grant supported, was £90,175 across these projects.

Each project encompasses at least one of the following themes:

Energy

Carbon

Sustainable Finance

Natural Capital

Buildings

We aim at creating exploitable outputs from our innovation work, so that significant levels of our output can be leveraged into new impact-oriented products or services. We specialise in designing these in such a way to that they are suitable for ownership/operation by Community Enterprises, Charities, and other third sector, not for profit, purpose led organisations This way we can target social impact as well as environmental. *Live R&D projects during the year:*

Live R&D projects during the year

Rewire

£2,244, Funded by UKRI Industrial Strategy Challenge Fund & Pure Leapfrog

A Smart Local Energy System (SLES) design project. Focussing on Warrington in NW England. Undertaking a deep feasibility and design exercise to establish a route to creating a SLES.

Creating new business models for services deliverable under SLES either today or developable as SLES develop in years to come, looking at ways in which these new models can be financed, and looking at how significant amounts of capital can be mobilised to new projects on a regional basis.

Energy

Sustainable Finance

Mersey Biochar

£67,470, Funded by The Department for Energy Security and Net Zero

A Demonstrator facility to establish a novel Greenhouse Gas Removal plant suitable for community ownership, with an initial target of £200/tonne cost for removing CO₂e.

This project combines multiple revenue streams to meet the £200/tonne target. These streams are made up from Carbon, Biochar, Heat and Energy.

Energy

Carbon

Sustainable Finance

Natural Capital

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Live R&D projects during the year continued

Decent Homes

£20,461, Funded by Dulverton Trust

An end to end solution incorporating finance and installation of improvements to raise privately owned homes, that fall beneath it, to the Decent Home standard. Using novel financing mechanisms and route to market, it is designed to be accessible and affordable for homeowners seeking to improve the thermal comfort, safety and security of their homes.

Energy Sustainable Finance Buildings

Retrofit For Lets

£211,856 secured £0 spent in year, Funded by Northwest Net Zero Hub and Department for Energy Security and Net Zero

Market testing an integrated approach to persuading private domestic landlords to retrofit their portfolios. Incorporating an evidence based business case demonstrating landlord benefit, an interactive digital tool to demonstrate what energy efficiency measures they could undertake and what the impact would be, and novel finance mechanisms to bring down the cost of undertaking retrofit projects.

Energy Sustainable Finance Buildings

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Community Energy

During the year we have engaged and worked with several partners in different ways.

We have been working with two communities especially, supporting them to build capacity and understanding of working in the Community Energy space. These have been in the North East of England and Central England.

We have also engaged with four ecclesiastical institutions that are working to address their emissions across a variety of building types. We believe Community Energy could be a particularly good model for supporting these efforts due to churches having strong (if sometimes small) and ready made communities.

Our Local Energy Accelerator Platform (LEAP) supported three groups through the provision of high quality legal templates to help create bankable projects, and the assets we own directly on a number of rooftops in South Wales continued to generate free electricity for the occupants of those homes, community groups, and businesses.

At time of writing, the Rural Community Energy Fund, that finished in 2019, has been reimagined and reinstated by DESNZ as a more inclusive Community Energy Fund for two years from 2023-24. A Call for Evidence is also out, gathering evidence of the barriers to community energy.

In respect of the new Community Energy Fund, Pure Leapfrog, has had recent success in partnering with a community energy group and project that has been awarded funding in North West England, and has applied as a partner on a further three projects in various parts of the country.

We have also noticed that regional projects funded by DESNZ are becoming more place based, community based, and looking to include elements of community finance in their solutions. We believe that these are good signs for community energy, and look forward to see how this develops further.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Financial review

As set out in the company's statement of financial activities, the total charity's incoming resources during the year ended 31st August 2023 was £261,817 (2022: 486,538) while the charity's outgoing resources were £281,956 (2022: £527,229).

Reserves

The trustees have a target policy of maintaining 3-6 months of core operating costs, as unrestricted cash reserves in the charity. This equates to roughly £100k - £200k. This is to ensure working capital and free cash and create a necessary contingency for any unforeseen events. The trustees continue to focus on building up reserves from their current levels, and take comfort from the fact that there are tangible fixed assets that could be quickly realised if necessary in lieu of such cash reserves at this time – please see further comments relating to the financial statements' note 14 below.

Net funds of £258,175 (2022: £278,314) were held at the end of the year. £174,392 (2022: £174,381) of this balance related to restricted funds held primarily for future grants or loans to UK projects.

At 31 August 2023, the unrestricted reserves in the charity amounted to £83,783 (2022: £103,933).

As per Note 11 in the financial statements, the charity also owns revenue generating assets that based on future cash flows have a net present value of around £123,000. This net present value cannot be stated in the accounts due to accounting rules, however the trustees believe that the valuation of these assets net of depreciation and outstanding payments would result in a further circa £80,000 of unrestricted income. The trustees take comfort from the additional cash liquidating these assets could yield, and remain ready to do so with potential buyers already previously engaged if needed.

Economic and Political Context and Outlook

At time of writing a general has been called for early July 2024. It is widely expected that there will be a change of administration, though of course, not guaranteed.

Pure Leapfrog does not take a view on this, other than to prepare for the possibility of change from a Conservative to a Labour government, and to understand what that may mean.

Labour has made a number of pledges in the past couple of years, that it has revised in more recent months, citing a changing economic context and lack of affordability. The big ticket item in this respect is the £28bn pledge to invest in the 'Green Economy'.

Labour is still committed to its intention to create a Great British Energy company, that will support, drive and possibly invest in, large scale renewables projects. Not a great deal of detail is known at this stage, other than it represents a commitment to developing more renewables capacity. The Local Energy Bill may find it has a more favourable context, which could be very good for Community Energy, and we may even expect to see the Minimum Energy Efficiency Standards on private rentals being re-instated.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Whilst all of this could signal wide support for developing new projects, working with communities and a helpful environment in which to keep supporting landlords to retrofit their properties, it is likely to be against an ongoing tough economic backdrop.

Fuel poverty is expected to remain a stubborn problem, and so our work in securing a more Just Transition is valuable work. Even though we have seen drops in the OfGem price caps for domestic energy, which is welcome, it still leaves far too many households unable to properly heat their homes.

Overall this is little different to the operating context we have known for the past couple of years. Our costs, like those of many, have increased. Our ask in grant funding applications has therefore also increased. Our success rate in making these bids is unchanged.

A significant part of our work in finance is looking to reduce finance costs for projects and buildings interventions. If we can achieve some of our goals there, then we should start to be able to deliver more value to more partners, and demonstrate that despite the higher cost environment, there are still strong business cases for community owned renewables generation, retrofit, LED lighting schemes and so on.

Regardless of what is happening in Westminster, the mood and sentiment in the country is clearly tilting evermore towards people, communities and companies wishing to decarbonise more quickly, and seeking support in how to do so.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

Going concern

The Trustees have considered the business plans and forecasts for the Charity (as well as the additional value that is likely to accrue from renewable energy assets (see note 11) and believe that the base case is very likely to be achieved. We have secured grant income for a year ahead, and as per our reserves policy are planning to increase those. We have also had borrowing facilities in the past and would consider seeking them again if needed. Therefore, in the Trustees' judgement, the Charity continues to be a going concern.

Significant Events & Risk

We predict to grow our unrestricted reserves, maintain a strong and growing team of dedicated staff; a network of significant supporters across professional services (principally legal and financial), academia, other aligned third sector organisations, innovative low carbon tech companies, community energy, and local authorities.

As discussed above, an upcoming general election will be a significant event and it is widely expected to bring a new administration into government. We are well sighted on policies that may be beneficial to our sector and perceive little risk from such a change.

We are a growing organisation and expect to increase our headcount well into double digits by the end of this calendar year (2024). There will be risk around needing to increase cashflow and reserves. Both will need to be carefully managed; as will capacity, resourcing and productivity. We are already starting to create the tools, processes and reporting to support this.

There were no reportable events within, or suffered by the charity during the year.

Structure, governance and management

Pure Leapfrog is governed by a Memorandum and Articles of Association, constituted 11 August 2005. It is a registered charity, no. 1112249 regulated by the Charities Commission. Pure Leapfrog is a limited company, no. 05534395.

The responsibilities of the Trustees and management/staff are set out in the Board charter and delegated authorities policy. Trustees and staff are recruited through an open advertisement process. There have been no new Trustees through the year. A suite of business and human resource policies guide the activities of staff.

Charity staff pay is set based on publicly available benchmarking information and research into current terms.

Chief Executive and Company Secretary

The Chief Executive during this reporting period was Paul Gilligan, who remains in post at time of writing and filing.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2023

The Company Secretary during the year was Barbara Sanderson. Since year end Barbara has moved from Pure Leapfrog. There are plans to fill the Company Secretary role with an internal appointment.

The Team

At 31st August 2023 Pure Leapfrog had a staff of four people. At time of writing the team is a team of six, with two further people in active recruitment and three more roles being developed. Overall, the team benefits from over fifty years' experience in renewables, energy systems, carbon, climate change, finance and legal related fields.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2023

The trustees (who are also directors of Pure Leapfrog for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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, which 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 2019 (FRS 102);
- 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on operation.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the board 28th May 2024

DocuSigned by:

Signed _____
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Graeme Ludlow (Chair)

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of Pure Leapfrog (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2023

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG YEAR ENDED 31 AUGUST 2023

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation); and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG
YEAR ENDED 31 AUGUST 2023

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested and reviewed journal entries to identify unusual transactions;
- tested the authorisation of expenditure, ensuring expenditure was approved in line with the charitable company's financial procedures;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

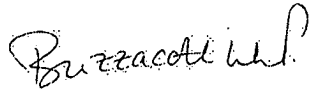
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2023

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Shachi Blakemore (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL**



Date..... 29 May 2024

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Income							
Other trading activities		-	-	-	-	-	-
Donations	3	74,832	25,662	100,494	62,231	110,501	172,732
Charitable activities	4	80,526	80,361	160,887	93,785	219,849	313,634
Investment income	5	248	188	436	2	170	172
Total income		155,606	106,211	261,817	156,018	330,520	486,538
Expenditure on							
Charitable activities	6	191,029	90,927	281,956	136,199	391,030	527,229
Total Expenditure		191,029	90,927	281,956	136,199	391,030	527,229
Net (Expenditure)/Income		(35,423)	15,284	(20,139)	19,819	(60,510)	(40,691)
Transfers between funds		15,273	(15,273)	-	46,047	(46,047)	-
Net movement in funds		(20,150)	11	(20,139)	65,866	(106,557)	(40,691)
Reconciliation of funds							
Fund balances brought forward		103,933	174,381	278,314	38,067	280,938	319,005
Total funds carried forward		83,783	174,392	258,175	103,933	174,381	278,314

All of the above amounts relate to continuing activities.

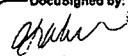
PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

YEAR ENDED 31 AUGUST 2023

	Note	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	11		34,373		37,706
Investments	12		101		101
			<u>34,474</u>		<u>37,807</u>
Current assets					
Debtors	13	138,496		154,671	
Cash at bank and in hand		<u>177,252</u>		<u>222,386</u>	
		315,748		377,057	
Creditors: amounts falling due within one year					
	14	<u>(64,547)</u>		<u>(99,050)</u>	
Net current assets			<u>251,201</u>		<u>278,007</u>
Total assets less current liabilities			285,675		315,814
Creditors: amounts falling due after more than one year					
	15		(27,500)		(37,500)
Net Assets			<u>258,175</u>		<u>278,314</u>
Funds					
Restricted income funds	17		<u>174,392</u>		174,381
Unrestricted income funds	18		<u>83,783</u>		<u>103,933</u>
			<u>258,175</u>		<u>278,314</u>

These financial statements were approved by the directors on 28th May 2024 and are signed on their behalf by:

DocuSigned by:

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Graeme Ludlow (Chair)

Company Registration Number:
0553439

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

1. Accounting policies

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

General information and basis of preparation

Pure Leapfrog is a private company limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

Going concern

The financial statements have been prepared on the going concern basis. The trustees have considered the business plan and forecasts for the Charity and believe that the base case should be achieved and provides a strong basis for our going concern confirmation. The Board also notes the additional value that is likely to accrue from Renewable energy assets (see note 11).

Based on the information available for the charity and the ongoing support from their finance providers, the trustees are satisfied that the charity remains a going concern.

Charitable funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The purpose and use of each restricted fund is set out in the notes to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

If there are conditions attached to donations then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No income is recognised when the charity acts as agent and purchases carbon credits for other companies. Any fee charged for the service is recognised as income.

The charity receives both corporate and individual donations. These are recognised once the amount has been received or entitlement confirmed. The income and expenditure for these donations will be classified as either restricted or unrestricted funds within the accounts dependent on the underlying conditions attached.

Expenditure recognition

Expenditure is recognised on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised when there is a legal obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It can be categorised under the following headings:

- Expenditure on charitable activities includes all costs associated with the provision of services.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

The analysis of these costs is included in note 7.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer equipment	over 3 years
Fixtures and fittings	over 3 - 5 years
Energy generating assets	over 20 years

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Purchase of carbon credits

Carbon credits purchased on behalf of other companies are not accounted for where the charity acts as agent for these companies.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in income and expenditure.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income and expenditure.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Classification of financial liabilities

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

Employee and retirement benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group and the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Tax

The company is a registered charity and is recognised as such by HMRC for taxation purposes. As a result there is no liability to corporation tax on its charitable income.

Statement of cashflows

The financial statements do not include a statement of cashflows because the charity is considered a small charity and it is therefore exempt from the requirement to prepare such a statement under the charity SORP FRS102.

2. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

3. Donations

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£	£	£	£
Individual donations	11,416	1,269	12,685	5,261	35,342	40,603
Donations under Gift Aid	3,000	-	3,000	-	-	-
Corporate donations	13,337	-	13,337	13,805	70,159	83,964
Carbon Offsetting Fees	47,079	-	47,079	43,165	-	43,165
Philanthropic grants	-	24,393	24,393	-	5,000	5,000
	74,832	25,662	100,494	62,231	110,501	172,732

4. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£	£	£	£
Consultancy and events	71,856	80,361	152,217	90,790	219,849	310,639
Other income	8,670	-	8,670	2,995	-	2,995
	80,526	80,361	160,887	93,785	219,849	313,634

5. Income from investments

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£	£	£	£
Bank interest	1	182	183	2	6	8
Loan interest	247	6	253	-	164	164
	248	188	436	2	170	172

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2023

6. Analysis of charitable activities

	Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£	£	£	£
Purchase of carbon credits	8,816	-	8,816	-	35,368	35,368
Other operating costs	15,400	720	16,120	7,986	23,100	31,086
Grants and related projects	1,808	-	1,808	21,380	75,000	96,380
Support costs (note 7)	10,037	2,615	12,652	15,592	20,162	35,754
Loan interest Big Society Capital	-	-	-	226	201	427
Staff Costs (note 10)	132,151	84,973	217,124	75,761	236,419	312,180
Governance costs (note 8)	22,817	2,619	25,436	15,254	780	16,034
	191,029	90,927	281,956	136,199	391,030	527,229

7. Analysis of support costs

	Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£	£	£	£
Office costs	2,405	913	3,318	2,406	3,846	6,252
IT and infrastructure	164	22	186	899	137	1,036
Membership and subscriptions	3,254	400	3,654	3,236	3,459	6,695
Accounting fees	856	-	856	714	-	714
Travel and subsistence	1,778	1,303	3,081	2,095	6,614	8,710
Bank charges	1,678	(23)	1,655	613	1,105	1,718
Loan Interest	1,073	-	1,073	310	-	310
Marketing/advertising	(4,504)	-	(4,504)	557	5,000	5,557
Depreciation	3,333	-	3,333	4,763	-	4,763
	10,037	2,615	12,652	15,592	20,162	35,754

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

8. Analysis of governance costs

	Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£	£	£	£
Current year audit fees	14,952	2,244	17,196	12,528	780	13,308
Prior year audit fees	5,874	-	5,874	-	-	-
Insurance costs	1,991	-	1,991	2,726	-	2,726
Professional fees	-	375	375	-	-	-
	<u>22,817</u>	<u>2,619</u>	<u>25,436</u>	<u>15,254</u>	<u>780</u>	<u>16,034</u>

9. Net (expenditure) / income for the year

This is stated after charging:

	2023	2022
	£	£
Depreciation	3,333	4,763
Auditor's remuneration - audit of the financial statements	17,196	13,308

10. Staff costs and emoluments

Total staff costs were as follows:

	2023	2022
	£	£
Wages and salaries – charitable activities	196,346	279,164
Social security costs	17,056	25,603
Pension costs	3,722	4,977
	<u>217,124</u>	<u>312,180</u>

Particulars of employees:

The average number of employees within the charity during the year, was 5 (2022 - 6).

The number of employees whose annual remuneration was £60,000 or more were;

	2023	2022
	Number	Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2022 - £nil).

The total compensation cost of key management personnel is £139,408 (2022 - £166,298) which includes employers' national insurance costs and pension contributions. The trustees considers key management personnel to comprise the Chief Executive Officer. No trustees are accruing pension benefits in the current or prior year.

During the year expenses reimbursed to trustees totalled £nil (2022 - £nil).

11. Tangible fixed assets

	Energy Generating Assets	Computer Equipment	Total
	£	£	£
Cost or valuation			
At 1 September 2022	49,999	4,978	54,977
Additions	-	-	-
Disposals	-	-	-
At 31 August 2023	49,999	4,978	54,977
Depreciation and impairment			
At 1 September 2022	12,293	4,978	17,271
Depreciation charge in the year	3,333		3,333
Disposals	-	-	-
At 31 August 2023	15,626	4,978	20,604
Carrying Amount			
At 31 August 2023	34,373	-	34,373
At 31 August 2022	37,706	-	37,706

As noted in the previous year, in 2018 the charity took in lieu of settlement of an outstanding loan, energy generating assets secured against that loan. The fair value of these, based on the net present value of the future income stream, is considered to be £123,934. The assets have not been valued to this amount, as income is not virtually certain because it is dependent on a number of variables. Under FRS102, unless the income is deemed to be virtually certain, the assets cannot be restated. However, the trustees believe that the valuation of this asset net of depreciation would result in £80,000 of unrestricted funds, which has not been included in these financial statements.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

12. Fixed asset investments

	2023	2022
	£	£
Shares in subsidiary company	1	1
Shares in joint ventures	100	100
	<u>101</u>	<u>101</u>

In 2018 the charity invested £100 in Leapfrog Launchpad Limited, a joint venture in which it has a 33% stake. At the year end this entity was yet to commence trading. On 30 June 2020, Pure Leapfrog Lilypad CIC was incorporated. Pure Leapfrog is the parent entity. The investment is being carried at £1 value.

13. Debtors

	2023	2022
	£	£
Trade debtors	94,028	93,675
Gift Aid recoverable	1,348	1,348
Prepayments and accrued income	43,120	59,648
	<u>138,496</u>	<u>154,671</u>

14. Creditors

	2023	2022
	£	£
Amounts falling due within one year		
Other loans (note 16)	10,000	10,000
Trade creditors	529	18,624
Taxation and social security	2,791	10,531
Other creditors	51,226	59,895
	<u>64,547</u>	<u>99,050</u>

15. Creditors

	2023	2022
	£	£
Amounts falling due after more than one year		
Other loans (note 16)	27,500	37,500
	<u>27,500</u>	<u>37,500</u>

16. Creditors – other loans

Creditors include loans which are due for repayment as follows:

	2023	2022
	£	£
Amounts repayable:		
In one year or less	10,000	10,000
In more than one year but not more than two years	10,000	10,000
In more than two years but not more than five years	17,500	27,500
	<u>37,500</u>	<u>47,500</u>

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

The Loan originating in 2022 is a COVID-19 Bounce Back loan of £50,000 repayable over 5 years with an interest rate of 2.5%.

17. Restricted income funds

	Balance at 1 September 2022	Income	Expenditure	Transfers	Balance at 31 August 2023
	£	£	£	£	£
2022/23					
British Airways Carbon Fund	131,303	-	-	-	131,303
Carbon credit purchase	-	1,274	(376)	(898)	-
Warrington Community Benefit Fund	43,078	182	-	-	43,260
REWIRE	-	-	(2,244)	2,244	-
Mersey Biochar	-	80,361	(67,470)	(13,061)	(171)
Decent Homes	-	24,394	(20,461)	(3,933)	-
Leapfrog Launchpad	-	-	(375)	375	-
	<u>174,381</u>	<u>106,21</u>	<u>(90,926)</u>	<u>(15,273)</u>	<u>174,392</u>

	Balance at 1 September 2021	Income	Expenditure	Transfers	Balance at 31 August 2022
	£	£	£	£	£
2021/22					
British Airways Carbon Fund	214,903	67,413	(75,000)	(76,013)	131,303
Carbon credit purchase	4,156	38,208	(37,195)	(5,169)	-
Warrington Community Benefit Fund	43,073	5	-	-	43,078
BASEE	-	(805)	-	805	-
5G NT	-	59,342	(58,859)	(483)	-
REWIRE	-	87,629	(162,249)	74,620	-
Mersey Biochar	9,418	73,564	(49,409)	(33,572)	-
Decent Homes	-	-	(262)	262	-
Leapfrog Lilypad CIC	-	-	(823)	823	-
Leapfrog Launchpad	2,034	5,000	(7,032)	(2)	-
Big Society Capital facility	7,355	164	(201)	(7,318)	-
	<u>280,938</u>	<u>330,520</u>	<u>(391,030)</u>	<u>(46,047)</u>	<u>174,381</u>

British Airways Carbon Fund

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

The British Airways Carbon Fund represented donations received from British Airways customers through British Airways plc, which are to be used to reduce carbon emissions through community renewable energy and energy efficiency projects in the UK and internationally.

Carbon Credit Purchases

Money received and spent on carbon credits during the year to offset the carbon footprints of individuals, businesses and travellers.

Warrington Community Benefit Fund

This is a fund established to deliver environmental and social impact that was established from one time donations made by Pure Leapfrog, Warrington Borough Council, and Gridserve Ltd, during the development of two ground-mount solar farms near York and Hull, owned by Warrington Borough Council. The fund will be fully granted to worthy projects over time, with no expectation of additional funds replenishing it.

BASEE

Was an Energy Efficiency project for SMEs, funded by BEIS. Now being commercialised as "Greenway".

5G NT

Was a rural connectivity project in Orkney, funded by DCMS.

REWIRE

Was an Innovate UK funded project to develop designs for Smart Local Energy Systems.

Mersey Biochar

Is a BEIS funded project exploring the feasibility for a Biomass Greenhouse Gas Capture and sequestration plant, that also produces zero carbon heat and flexible dispatchable power.

Decent Homes

A new business model for Local Authorities to deploy to help retrofit homes of vulnerable people to be safer and more thermally efficient.

Leapfrog Lilypad

Was a Cheshire and Warrington LEP funded project to deploy flexible assets into settings in Warrington, exploring and designing optimisable portfolios of assets.

Leapfrog Launchpad

Funding from Joseph Rowntree, to develop new business models for community energy.

Big Society Capital Facility

PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

Big Society Capital provided Pure Leapfrog with a small loan facility which it could on-lend to community energy groups and charities. The facility was closed to new applications in 2017. Where loan payments were made in advance of schedule, they were held as restricted funds. The fund facility was repaid in June 2022.

18. Unrestricted income funds

	Balance at 1 September 2022	Income	Expenditure	Transfers	Balance at 31 August 2023
2022/23	£	£	£	£	£
General Funds	103,933	155,606	(191,029)	15,273	83,783
	Balance at 1 September 2021	Income	Expenditure	Transfers	Balance at 31 August 2022
2021/22	£	£	£	£	£
General Funds	38,067	156,018	(136,199)	46,047	103,933

19. Analysis of net assets between funds

	Investments	Tangible fixed assets	Net current assets	Long term liabilities	Total
2022/23	£	£	£	£	£
Restricted funds	-	-	174,393	-	174,393
General unrestricted funds	101	34,373	76,808	(27,500)	83,782
	101	34,373	251,201	(27,500)	258,175
	101	34,373	251,201	(27,500)	258,175
	Investments	Tangible fixed assets	Net current assets	Long term liabilities	Total
2021/22	£	£	£	£	£
Restricted funds	-	-	174,381	-	174,381
General unrestricted funds	101	37,706	103,626	(37,500)	103,933
	101	37,706	278,007	(37,500)	278,314

20. Company limited by guarantee

The company is limited by guarantee and there is therefore no share capital. Members' liability is limited to £1 per member. At 31 August 2023, there were 5 members.

21. Related party transactions

There were no related party transactions relating to trustees in 2023 or 2022.

PURE LEAPFROG

England & Wales - Charity number 1112249

Accounts

PURE LEAPFROG

COMPANY LIMITED BY GUARANTEE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

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PURE LEAPFROG

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MEMBERS OF THE BOARD AND PROFESSIONAL ADVISORS

YEAR ENDED 31 AUGUST 2022

Pure Leapfrog is a UK registered charity (number 1112249) as well as a UK company limited by guarantee (number 05534395). The Trustees of the charity act as Directors for the company for the purposes of the Companies Act 2006.

As Directors of the Company and Trustees of the Charity, the Board meetings and minutes cover both roles.

Directors and Trustees of Pure Leapfrog during the 2021/22 year

The Trustees who served the charitable company during the year and since the year end were:

Mark Henderson (Chair until 7th December 2022, remains as a trustee)

Simon Cordery

Dr Michael Jampel

Shelagh Kirkland (Treasurer)

Graeme Ludlow (Chair from 7th December 2022)

Sophie Pughe

Senior management team

Paul Gilligan, CEO

Barbara Sanderson, COO

Registered Office

7-14 Great Dover Street, London, SE1 4YR

Auditors

Buzzacott LLP, 130 Wood Street, London, EC2V 3DL

Bankers

Barclays Bank PLC, 1 Churchill Place, London, E14 5HP

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2022

Chair's statement

The first half of the year to August 2022 continued to be dominated by Covid, with many restrictions remaining in place into the winter. By March 2022 most government-imposed restrictions had been lifted and by end of the year there was widespread sentiment that the 'eye of the storm' had passed.

A lot has happened in that time, and throughout the pandemic. We all made numerous adjustments to our daily lives, and at time of writing most of our lives have largely returned to 'normal'. I qualify 'normal' because some pandemic changes have remained (such as working remotely) and some of the realisations and sentiments that were expressed by ordinary people also appear to have stuck too.

Issues connected to caring for the planet that arose during lockdowns have maintained momentum and translated into a more communities starting to mobilise and wanting to get involved in their own net-zero planning and delivery. In the course of our work at Pure Leapfrog we have seen this at every level, from City and Unitary Authorities through to Parish Councils and local citizens. Regional Energy Hubs have become Net Zero Hubs, and people's interest in pursuing a net zero future has combined with the crossover issue of nature recovery and biodiversity gain.

Pure Leapfrog has become involved in more work that relates to our existing areas of activity and that now also cross over into nature recovery, land use, and biodiversity. I believe this is a trend that will continue and that we will see more cross cutting projects, more joined up local and national government strategy, and a growing appetite from communities to take a holistic approach to citizen projects that aren't just about energy or net zero or nature.

Another theme that was emerging at the time of our 2020-21 report was that of energy price inflation (fuelled by a number of global and macro-economic factors), which we have seen balloon further, accompanied by wider inflationary pressure in the economy.

Whilst this has been challenging for Pure Leapfrog (we work on grant funded projects, where costs can increase but grant does not), we work with funders and partners to mitigate the worst impacts of this; it has been far worse for more marginalised members of society.

Those who are most economically challenged have suffered more, with inflation having a disproportionate effect on their non-discretionary income and thereby eroding their discretionary income at a far more alarming rate than is the case with others. Also disproportionately affected have been homes connected to Heat Networks or that are off gas-grid.

PURE LEAPFROG

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2022

The government responded with a package of measures, which notably included massive consumer support as opposed to levies on those enjoying a significant windfall from the increased price of energy. This was unpopular with some but was a political choice that it is not for me, nor for Pure Leapfrog, to judge. I only note that as we are about to publish this report, the government has just published its Net Zero Strategy, which it was compelled to do as a result of successful legal action brought against it by ClientEarth. I also note that contained in it is provision for ongoing oil and gas exploitation in the North Sea.

We have known for years that the lobbying power of the fossil fuel industry has been overwhelmingly dominant and funded by from the profits of a carbon economy. There is a political choice that has been made by governments of all colours over the years and appears to be ongoing even in the face of alarming and scientifically backed warnings from the IPPC.

In its AR6 report, published in March 2023, the IPCC states that warming levels are already 1.1 degrees above pre-industrial temperatures, and that “widespread and rapid changes in the atmosphere, ocean, cryosphere and biosphere have occurred”, also that this has already led to high levels of loss and damage to nature and to people.

The report also makes it very clear that based on the nationally determined contributions declared by nations up to October 2021, it now makes warming above 1.5 degrees during the 21st century “likely” and work to avoid heating above 2 degrees “harder”. Not only does this fundamentally imperil the Paris agreement, but it demonstrates that despite rhetoric, pledges, initiatives from governments around the world since “Paris”, we have still not got ahead of increasing emissions and that the first step must now be to immediately halt any new oil and gas exploitation and any new fossil fuel powered energy infrastructure.

Whilst no one would ever wish for a pandemic, it at least seems to have engendered a reflection and concern in many people and led more of us to understand that we need to start healing our struggling planet. If any pressure may ever have the power to overcome the might of the fossil fuel lobby, maybe it is pressure from a popular movement demanding change.

Secondly, that our work at Pure Leapfrog must continue in the same direction that we have been heading recently. Our work on Mersey Biochar will lead to a new generation of combined Renewable Heat & Power Projects and Carbon Removal Projects. Harnessing the interest from communities to take action locally and supporting their efforts doesn't only result in practical impact (however small), but it will also galvanise those participating and help to grow the pressure for governments to come forward with more ambitious plans and faster paced change.

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2022

Objectives

At this time of galvanising action and of rapid change, it is useful to remind ourselves of the legal charitable purposes of Pure Leapfrog. As stated in our Articles of Association, they are:

1. To promote sustainable development for the benefit of the public by
 - The preservation, conservation and the protection of the environment and the prudent use of resources,
 - The relief of poverty, the promotion of health and the improvement of the conditions of life in socially and economically disadvantaged communities,
 - The promotion of sustainable means of achieving economic growth and regeneration.
2. To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment, and to promote study and research in such subjects provided that the useful results to such study are disseminated to the public at large.
3. To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment.
4. To advance the education of the public in the conservation, protection and improvement of the physical and natural environment.

We recognise the context we operate within is increasingly politically led as opposed to being grassroots led, as has been the case for so much of our history. As such, it is important to remind ourselves that we are not a campaigning, political, or activist organisation.

Our purposes are written in such a way as to guide our activities; and, as our purposes are written, our activities should be delivered through advancement, promotion, and education of positive interventions in sustainability, environment, communities and economies.

Our activities in 2021-22 continued to be guided by this, and the trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims, objectives and activities and in the planning of future activities.

PURE LEAPFROG

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2022

Pure Leapfrog Group

In the year 2020-21 the Pure Leapfrog Group comprised Pure Leapfrog (the charity) (05534395), its wholly owned subsidiary Leapfrog Finance Limited (07038343), and in turn its wholly owned subsidiary Leapfrog Bridge Finance Ltd (09726408). In September 2020, Leapfrog Bridge Finance was sold. Leapfrog Finance stopped trading at the end of October 2020 and was wound up in October 2021. The financial statements for 2021-22 are consolidated to ensure appropriate comparison with the previous year.

Pure Leapfrog Lilypad is a Community Interest Company owned by Pure Leapfrog Ltd, whose figures are not consolidated into these statements as they fall beneath the necessary threshold.

Activities

Pure Leapfrog is a sustainability and decarbonisation charity that draws on its staff's expertise in energy systems, finance, natural capital and carbon, to develop and support new projects and solutions that help communities to accelerate, and benefit from, their own decarbonisation.

We provide communities with support in writing their own low carbon futures, through support and advice on accessing finance for renewables projects, increasing capacity in this sector, provide legal support directly and through pro bono arrangements. We have an active Research and Development (R&D) programme that develops new propositions, business models and applications of technologies in the low carbon sector. This programme is geared towards leveraging commercialised propositions into community ownership.

We also work with carefully selected corporate partners, supporting them in their own decarbonisation journeys, through the sourcing and delivery of high-quality carbon credits.

Our work covers Energy, Carbon, Sustainable Finance, and Natural Capital.

Achievements and performance

Finance

During the year we continued to use our skills in finance, within funded research projects and also within the delivery of our other activities.

Understanding and contributing to the wider debate about financing the green revolution has remained a core component of our work with Innovate UK, and we have continued to engage with them as well as the Green Finance Institute, Energy Systems Catapult and others.

During the year we contributed to a project of the Foreign, Commonwealth and Development Office, investigating investor appetite for investing in sustainable projects in India. Our work helped to set out how UK Institutional Investors are organised. Also to highlight which are interested in investing in emerging markets and India specifically and to identify industry associations that FCDO could engage with.

PURE LEAPFROG

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2022

During the year we also took final payments from the three borrowers from our Small Loan Book, meaning that it is now fully wound down. Our partnership with Big Society Capital that enabled this lending started in 2012. Over its 10+ years in operation we enabled numerous community renewables projects and secured significant Community Benefit Funds to be channelled towards positive social impact.

We also continued to develop relationships with other institutions during the year, to explore the possibility of another facility that might provide smaller projects with financial support; and we also continue to provide information, support, and introductions to community projects looking for finance.

Charitable Funds Management

During the year Pure Leapfrog continued its partnership with British Airways, amongst other operating the BA Carbon Fund. BA passengers are invited to make voluntary contributions to this fund, that supports projects across the UK. Projects are sustainability, carbon and energy related; and support communities to determine pathways to realising their own sustainable futures.

In 2021-22, and after detailed discussions with BA about the fund, the history of the fund, its purpose and impact, we decided to make a single significant grant to just one potentially very impactful project. £75,000 was granted to the Montgomery Wildlife Trust to directly support their 'Payment for Ecological Services' type project "Pumlumen".

Please see project details over the next two pages.

Pumlumen Project – Montgomery Wildlife Trust

From 2007 to 2012 Montgomery Wildlife Trust piloted a number of interventions, scientifically led and based on a combination of behaviour change and land use. The outputs of their pilots were developed into a structured approach where the aim is to deliver radical new ways in which the landscapes of upland Britain can work. With their work the Trust's ambition is to build a pioneering an upland economy built around wildlife, ecology and long-term sustainability.

The project is based in the Cambrian Mountains and is named after a mountain in the area. The area is about the same size as Birmingham and it includes the sources and catchments for both the rivers Severn and Wye.

Working with landowners and farmers, and based on 8 elements, the project takes a holistic approach to helping restore nature, increase carbon sequestration potential, reduce flooding impact further downstream, and all at the same time as reviving rural economies.

Element One – Carbon Storage

By restoring peat bogs and their significant ability to sequester carbon, overall capture is increased. In the 1950s and 1960s many of these bogs were drained to reclaim land for grazing. Reversing this by blocking up drainage systems and supporting the sphagnum moss to re-establish can result in up to 500kg CO₂ per hectare per year being sequestered.

Element Two – Reconnecting habitats

Climate change is leading to more plants and animals becoming trapped in fragmented landscapes. This element is creating green corridors to reconnect disconnected populations. With biodiversity so crucial to healthy ecosystems this work is needed to ensure that ecosystem collapse is avoided.

Element Three – Storing flood water

Not only is it now widely accepted that there is a direct link between upland land management and the severity of lowland flooding, but at least three million people also depend on water which falls as rain in the Pumlumon Project area. Ditch blocking increased the water-holding capability of a 1,013 hectare catchment area, raising the water table by an average five centimetres and retaining an extra 155 million litres.

Pumlumen Project – Montgomery Wildlife Trust (...continued)

Element Four – Bringing back wildlife

The key is to understand a habitat's historical makeup, and manage the landscape to recreate it. A reserve at Llyn Bugeilyn is the home of the elusive black-finned brown trout. Ditches were cut into the bogs around this lake too. In 2011 we blocked them to create a string of new pools and wetland areas. Since then we've seen a reappearance of amphibians, and signs of water voles and otters

Element Five – Changing grazing patterns

There are many ways to achieve this. One example is to restore the kind of grazing which moulded the uplands for thousands of years. Bringing cattle back to the hills would restore the diversity of the grassland, providing more and better niches for species. New evidence also shows that if more cattle were grazed instead of sheep (which have been stocked at increasing density in recent years), at moderate intensities and at the appropriate time of year, problems of compacted soil can be alleviated.

Element Six – Recreating habitats

Even where large areas of strategically important habitat have been lost, they can be put back. It just takes time. So far the project has altered an area equal to 115 football pitches. Future plans are far more extensive and will target gullies, hedgerows, rivers and streams, woodland, bogs and wetlands. By recreating lost habitats natural processes can be allowed to re-establish themselves.

Element Seven – Developing green tourism

By developing sustainable tourism such as walking, kayaking, mountain biking and wildlife watching, increasing visitor spend and lengthening the tourism season can be achieved. Visitor surveys show that people who already visit the area for a holiday or day trip do so to experience the landscape, scenery and wildlife. By undertaking work in this project these natural assets will be secured and enhanced, strengthening this crucial sector for the local economy.

Element Eight – Involving communities

This project involves landowners, farmers, and communities, therefore it can only succeed if enough local people want it to happen. That's why a crucial element is actively involving communities within the area. A large number of local volunteers help with ditch blocking, fencing, tree planting, surveying, species conservation work and talking to visitors. This also has benefits for those volunteers, as the project delivers necessary training and volunteers get to practice their new skills. This can be valuable for some volunteers who are seeking work. Some have gone on to part time or full time employment.

PURE LEAPFROG

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2022

Carbon Offsetting

We work with businesses that show they are sincerely engaged in measuring and reducing their carbon emissions.

We only work with businesses that demonstrate a commitment to reducing their impact on the climate, and who are serious about working with us on a long term basis. In return, they benefit from ongoing insight and updates on developments in carbon markets, standards and regulation, and credit availability. Through working with us they also have the opportunity to upskill their own staff on carbon literacy.

We also provide businesses with online offsetting calculators and tools, so they can offer offsetting options to their end users in respect of their impact too.

For their unmitigable emissions, we source high-quality, high-integrity carbon credits. When sourcing credits we look for projects that also generate significant sustainable co-benefits for local communities, with particular interest in those also delivering the following Sustainable Development Goals (SDGs)



We work with project developers where we can build long term relationships and who have a strong local presence in the areas in which their projects operate.

In 2021-22 we sourced credits for ten businesses and their customers. We procured credits that resulted in 342,345 tonnes of CO₂e avoided. This was across thirteen projects in nine different countries.

All of our supplied projects were of three different project types: Land Use and Forestry, Renewables, and Cookstoves. Collectively the thirteen different projects sourced also delivered a huge range of co-benefits, accounting for all except four of the seventeen SDGs.

PURE LEAPFROG
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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2022

Carbon and Co-benefits by project type



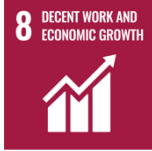

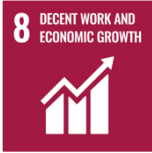














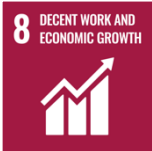




Type of project	Tonnes CO ² e avoided	Co-benefit SDGs covered
Land Use and Forestry	140,849	            
Renewables	3,370	    
Cookstoves	198,126	       
Total CO²e avoided	342,345 tonnes	

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2022

Carbon and SDGs by country



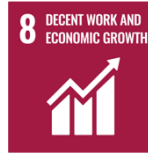


















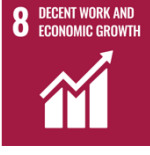


Country	Tonnes CO2e avoided	SDGs covered
Brazil	20,949	    
Cambodia	4,800	   
Darfur	4,520	       
DR Congo	106,000	        

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2022

Carbon and SDGs by country continued

Country	Tonnes CO2e avoided	SDGs covered
India	3,370	    
Malawi	134,454	  
Nicaragua	800	   
Nigeria	59,152	      
Peru	8,300	      
Total CO²e avoided	342,345 tonnes	

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2022

Research and Development

Our Innovation Programme continued throughout 2021-22. Our spend, which was largely grant supported, rose to £277,811 across five projects.

Each project encompasses at least one of the following themes:

Future Energy

Carbon Services

Sustainable Finance

Natural Capital

We aim at creating exploitable outputs from our innovation work, so that significant levels of our output can be commercialised into new products or services that when delivered will have a positive social impact and are suitable for ownership/operation by Community Enterprises, Charities, and other third sector, not for profit, purpose led organisations. Live R&D projects during the year:

5G New Thinking (5GNT)

£58,859, Funded by DCMS

A research project exploiting the extended capabilities of 5G communication to create new business models that will drive financial viability for community ownership of private 5G networks in remote rural areas.

Remote rural areas disproportionately suffer from digital exclusion, inhibiting access to everyday services and holding back economic development. As part of this project we also examine the need for strong robust communications in delivering future energy services, and the role 5G can play in fulfilling this need.

Future Energy

Sustainable Finance

Rewire

£162,249, Funded by UKRI Industrial Strategy Challenge Fund (£65, 212) & Pure Leapfrog (£97,037)

A Smart Local Energy System (SLES) design project. A SLES is a localised energy system that is both Smart and Integrated across different energy types. SLES will help drive higher levels of local renewables assets. We have been undertaking a deep feasibility and design exercise to establish a route to creating a SLES in Warrington, NE England.

Creating new business models for services deliverable under SLES either today or developable as SLES develop in years to come, looking at ways in which these new models can be financed, and looking at how significant amounts of capital can be mobilised to new projects on a regional basis.

Future Energy

Sustainable Finance

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Live R&D projects during the year continued

Mersey Biochar

£49,409, Funded by BEIS (now DESNZ)

A feasibility study looking at establishing a novel Greenhouse Gas Removal plant suitable for community ownership, with an initial target of £200/tonne cost for removing CO₂e.

This project combines multiple revenue streams to meet the £200/tonne target. These streams are made up from Carbon, Biochar, Heat and Energy Storage.

Future Energy

Carbon Services

Sustainable Finance

Natural Capital

Decent Homes

£262 plus In-kind Funded by Pure Leapfrog

An end to end solution incorporating finance and installation of improvements to raise privately owned homes, that fall beneath it, to the Decent Homes Standard. Using novel financing mechanisms and route to market, it is designed to be accessible and affordable for homeowners seeking to improve the thermal comfort, safety and security of their homes.

Future Energy

Sustainable Finance

Leapfrog Launchpad

£7,032, Funded by Joseph Rowntree Charitable Trust

Creating new business models specifically for Community Energy Groups to help them transition from models supported by the Feed in Tariff which has now been discontinued.

Focussing on models that generate near 100% PPA sales opportunities for the asset owners. This includes new models for sites with constant demand, synthetic models with multiple PPAs, and partnerships with supply partners to facilitate energy sales through different routes.

Future Energy

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Community Energy

Our work with the community energy sector remains an important part of our activities.

We undertook a successful project with Matlock Town Council who were working in partnership with a community initiative to establish a community energy business in the town, to identify suitable sites in the town for community owned renewables, and who also had ambitions to look further afield and seek to replicate their approach across other parts of their region.

We undertook capacity building work, facilitated local information sessions and meetings, and helped with a feasibility study of different potential sites.

We also engaged with another Lincolnshire based community, looking to create a small district heating and microgrid system within a project being developed by partners including the Town Council and a Community Land Trust. This work demonstrates how some of our R&D work is starting to find commercial applications, with a novel asset sharing model at the heart of this proposition. Work is ongoing at time of writing.

Our LEAP documents (a suite of professional legal templates including Lease Agreements, Power Purchase Agreements, etc) have been in demand throughout the year, with requests from three different groups. We have carried out a review of the documents and feel that they need an update to remove outdated references and include new documents for new project types.

We have also been working with a community organiser in Leamington Spa who is seeking to establish a community energy business in the town, but with wider reach across the Warwick District. We described the standard community energy model to him, offered an overview of how we can help, met with others whom he invited to a meeting, and established a Community Benefit Society for them. There is now a board and members, who we are working with on their first project – some rooftop solar on a local school.

The assets we own on a number of rooftops in South Wales continued to generate free electricity for the occupants of those homes, community groups, and businesses. This has been particularly impactful for the occupants of these buildings during a time of increasing energy costs.

PURE LEAPFROG

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2022

Financial review

As set out in the company's statement of financial activities, the total charity's incoming resources during the year ended 31st August 2022 was £501,782 (2021: £529,636) while the charity's outgoing resources were £542,474 (2021: £528,790).

Reserves

The trustees have a target policy of maintaining 3-6 months of core operating costs, as unrestricted cash reserves in the charity. This equates to roughly £80k - £160k. This is to ensure working capital and free cash and create a necessary contingency for any unforeseen events.

Net funds of £278,313 (2021: £319,005) were held at the end of the year. £173,559 (2021: £280,938) of this balance related to restricted funds held primarily for future grants or loans to UK projects.

At 31 August 2022 the unrestricted reserves in the group amounted to £104,755 (2021: £38,067). In addition, as shown in note 13 in the financial statements trustees believe that a further circa £80k of unrestricted income is available from our revenue generating assets. The trustees take comfort from the additional cash liquidating these assets could yield, and remain ready to do so with potential buyers already previously engaged if needed.

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YEAR ENDED 31 AUGUST 2022

Going concern

The Trustees have considered the business plans and forecasts for the Charity (as well as the additional value that is likely to accrue from renewable energy assets (see note 13) and believe that the base case is very likely to be achieved. We have secured grant income for a year ahead, and as per our reserves policy are planning to increase those. We have also had borrowing facilities in the past and would consider seeking them again if needed. Therefore, in the Trustees' judgement, the Charity continues to be a going concern.

Significant Events & Risk

We have grown unrestricted reserves, and a strong team of dedicated staff; a network of significant supporters across professional services (principally legal and financial), academia, other aligned third sector organisations, innovative low carbon tech companies, community energy, and local authorities.

During the year the UK economy started to show signs of a slowdown and higher inflation. Most commentators agree that structural problems such as supply side weakness and increasing unemployment are increasing the overall downward pressure on the economy. The other significant factor is the elevated cost of energy that has arisen for a number of reasons, not least of all Russia's illegal invasion of Ukraine.

At time of writing a number of policies have been explored, and to a degree implemented across the globe, to tackle high gas prices and (in the UK) moves to break the link between wholesale gas prices and retail electricity prices. Whilst it may seem as though we should welcome high gas prices (these leading to lower consumption of a fossil fuel) it is a simplistic view. Gas is still classed as a "transition fuel", has a role to play in an orderly and just energy transition, and sudden price shock such as that we have seen recently contributes significantly to inflationary pressure that ripples through the economy.

We are concerned with social impact as well as environmental, and there has been a catastrophic impact on fuel poverty, pulling an estimated further 2.7m households into its definition between October 2021 and April 2022¹. Also the same inflationary pressure has an impact on our own costs as a charity. With a large part of our income still coming from grants that were agreed with funders before inflation took hold, we too are having to watch our own costs (restricted and unrestricted) very carefully.

We predicted in last year's financial report that increasing gas prices could create more opportunities for communities to start writing their own net zero futures. We have definitely seen this within the projects and funding we have been bidding for. There has been a noticeable shift toward "place-based" decarbonisation and looking at systemic barriers, as well as whole system solutions that are locality specific. At time of writing, we have also experienced an increase in enquiries from communities looking for support to undertake their own energy and decarbonisation projects.

¹ National Energy Action estimates - <https://www.nea.org.uk/energy-crisis/fuel-poverty-statistics-explainer/>

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

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Developing our own services to support communities in their own projects has started to produce results. At time of writing we are working with four communities on energy projects and still building our pipeline. Our recent investment in developing these new services and solutions will help to make us less reliant on competitive bidding for funding, which can be lumpy and unpredictable.

There were no reportable events within, or suffered by the charity during the year.

Structure, governance and management

Pure Leapfrog is governed by a Memorandum and Articles of Association, constituted 11 August 2005. It is a registered charity, no. 1112249 regulated by the Charities Commission. Pure Leapfrog is a limited company, no. 05534395.

The responsibilities of the Trustees and management/staff are set out in the Board Charter and delegated authorities policy. Trustees and staff are recruited through an open advertisement process. There have been no new Trustees through the year. A suite of business and human resource policies guide the activities of staff.

Charity staff pay is set based on publicly available benchmarking information and research into current terms.

Chief Executive and Company Secretary

The Chief Executive during this reporting period was Paul Gilligan, who remains in post at time of writing and filing.

The Company Secretary during the year was Barbara Sanderson. At time of filing Barbara had recently left Pure Leapfrog.

The Team

At 31st August 2022 Pure Leapfrog had a staff of six people, plus Chris Matthews, our Senior Advisor and Leapfrogger Emeritus. Overall the team benefits from over fifty years' experience in renewables, energy systems, carbon, climate change, finance and legal related fields.

Approved on behalf of the board on 19 April 2023 by



Graeme Ludlow

PURE LEAPFROG

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2022

The trustees (who are also directors of Pure Leapfrog for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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, which give a true and fair view of the state of affairs of the group and charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and 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 2019 (FRS 102);
- 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group or charitable company will continue on operation.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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AUDITORS REPORT

YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of Pure Leapfrog (the 'charity') and its subsidiaries (the 'group') for the year ended 31 August 2022 which the comprise the charity and the group statement of financial activities, the group and charitable parent company balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2022 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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AUDITORS REPORT

YEAR ENDED 31 AUGUST 2022

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the charitable parent company; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

AUDITORS REPORT

YEAR ENDED 31 AUGUST 2022

- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

AUDITORS REPORT

YEAR ENDED 31 AUGUST 2022

Auditor's responsibilities for the audit of the financial statements (continued)

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

We assessed the susceptibility of the group and charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

AUDITORS REPORT

YEAR ENDED 31 AUGUST 2022

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date...30 May 2023.....

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Income							
Other trading activities	3	-	-	-	10,508	-	10,508
Donations	4	62,231	110,501	172,732	67,421	223,601	291,022
Charitable activities	5	93,785	219,849	313,634	38,463	188,232	226,695
Investment income	6	2	170	172	253	1,158	1,411
Total income		156,018	330,520	486,538	116,645	412,991	529,636
Expenditure on							
Charitable activities	7	136,199	391,030	527,229	52,540	476,250	528,790
Total Expenditure		136,199	391,030	527,229	52,540	476,250	528,790
Net Income/(Expenditure)	11	19,819	(60,511)	(40,691)	64,105	(63,259)	846
Corporation Tax Charge	12				(120)		(120)
Transfers between funds		46,047	(46,047)	-	(47,495)	47,495	-
Net movement in funds		65,866	(106,557)	(40,691)	16,490	(15,764)	726
Reconciliation of funds							
Fund balances brought forward		38,067	280,938	319,005	21,577	296,702	318,279
Total funds carried forward		103,933	174,381	278,314	38,067	280,938	319,005

All of the above amounts relate to continuing activities.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 AUGUST 2022

		2022		2021	
	Note	£	£	£	£
Fixed assets					
Tangible assets	13		37,706		42,470
Investments	14		101		101
			<u>37,807</u>		<u>42,571</u>
Current assets					
Debtors	15	154,671		255,933	
Cash at bank and in hand		<u>222,386</u>		<u>139,575</u>	
		377,057		395,508	
Creditors: amounts falling due within one year					
	16	<u>(99,050)</u>		<u>(69,073)</u>	
Net current assets			<u>278,007</u>		<u>326,434</u>
Total assets less current liabilities			315,814		369,005
Creditors: amounts falling due after more than one year					
	17		(37,500)		(50,000)
Net Assets			<u>278,314</u>		<u>319,005</u>
Funds					
Restricted income funds	19		<u>174,381</u>		280,938
Unrestricted income funds	20		<u>103,933</u>		<u>38,067</u>
			<u>278,314</u>		<u>319,005</u>

These financial statements were approved by the directors on 19 April 2023 and are signed on their behalf by Graeme Ludlow



Company Registration Number: 05534395

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

General information and basis of preparation

Pure Leapfrog is a private company limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

During the prior year the sale of Leapfrog Bridge Finance Limited took place but has been consolidated up to the date of sale. The directors of Leapfrog Finance Limited and Pure Leapfrog made a strategic decision that Leapfrog Finance Limited would not deliver value and have therefore commenced the winding up Leapfrog Finance Limited as part of the wider Group restructuring. The results are consolidated in these accounts up to when it ceased trading.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

Going concern

The financial statements have been prepared on the going concern basis. The trustees have considered the business plan and forecasts for the Charity and believe that the base case should be achieved and provides a strong basis for our going concern confirmation. The Board also notes the additional value that is likely to accrue from Renewable energy assets (see note 13).

The trustees have considered the ongoing impact of Covid-19. Notwithstanding the economic risks and challenges the country is now facing, based on the information available for the charity and the ongoing support from their finance providers, they are satisfied that the charity remains a going concern.

Charitable funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The purpose and use of each restricted fund is set out in the notes to the financial statements.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the group and the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

If there are conditions attached to donations then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Trading income includes consultancy fee income. No income is recognised when the charity acts as agent and purchases carbon credits for other companies. Any fee charged for the service is recognised as income.

The group receives both corporate and individual donations. These are recognised once the amount has been received or entitlement confirmed. The income and expenditure for these donations will be classified as either restricted or unrestricted funds within the accounts dependent on the underlying conditions attached.

Expenditure recognition

Expenditure is recognised on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised when there is a legal obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It can be categorised under the following headings:

- Expenditure on charitable activities includes all costs associated with the provision of services.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

The analysis of these costs is included in note 9.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer equipment	over 3 years
Fixtures and fittings	over 3 - 5 years
Energy generating assets	over 20 years

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Purchase of carbon credits

The purchase of carbon credits are payments made in furtherance of the charitable objectives of the charity. The purchase of carbon credits are accounted for where the trustees have approved the purchase without condition and this intention has been conveyed to the recipient. Where a purchase of carbon credits is required to fulfil a commitment to a donor wishing to offset carbon emissions, a liability for such a purchase is recognised in the financial statements.

Carbon credits purchased on behalf of other companies are not accounted for where the charity acts as agent for these companies.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in income and expenditure.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income and expenditure.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Classification of financial liabilities

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

Employee and retirement benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group and the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Tax

The company is a registered charity and is recognised as such by HMRC for taxation purposes. As a result there is no liability to corporation tax on its charitable income.

2. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

3. Income from other trading activities

Group and Charity

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
Trading activities	-	-	-	5,520	-	5,520
Disposal of Leapfrog Bridge Finance Limited	-	-	-	4,988	-	4,988
	-	-	-	10,508	-	10,508

4. Donations

Group and Charity

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£	£	£	£
Individual donations	5,261	35,342	40,603	4,785	817	5,603
Gift aid	-	-	-	(871)	-	(871)
Corporate donations	13,805	70,159	83,964	62,899	83,168	146,067
Carbon Offsetting Fees	43,165	-	43,165	-	-	-
Government grants	-	-	-	-	90,224	90,224
Philanthropic grants	-	5,000	5,000	608	49,392	50,000
	62,231	110,501	172,732	67,421	223,601	291,022

5. Income from charitable activities

Group and Charity

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£	£	£	£
Consultancy and events	90,790	219,849	310,639	10,737	188,210	198,947
Other income	2,995	-	2,995	27,726	22	27,748
	93,785	219,849	313,634	38,463	188,232	226,696

Of the income from charitable activities in 2022 £286,293 (2021: £188,232) was restricted income

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

6. Income from investments
Group and Charity

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£	£	£	£
Bank interest	2	6	8	3	24	26
Loan interest	-	164	164	251	1,134	1,385
	<u>2</u>	<u>170</u>	<u>172</u>	<u>253</u>	<u>1,158</u>	<u>1,411</u>

7. Analysis of charitable activities
Group and Charity

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
Purchase of carbon credits	-	35,368	35,368	-	984	984
Other operating costs	66	-	66	57	6	63
Grants and related projects	21,380	75,000	96,380	3,181	107,655	110,836
Support costs (note 8)	15,592	20,162	35,754	19,643	9,732	29,375
Loan interest Big Society Capital	226	201	427	640	1,148	1,788
Staff and consultants (note 11)	83,681	259,519	343,200	(561)	356,725	356,164
Governance costs (note 9)	15,254	780	16,034	29,580	-	29,580
	<u>136,199</u>	<u>391,030</u>	<u>527,229</u>	<u>52,540</u>	<u>476,250</u>	<u>528,790</u>

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

**8. Analysis of support costs
Group and Charity**

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
Office costs	2,406	3,846	6,252	2,360	1,573	3,933
IT and infrastructure	899	137	1,036	2,258	1,331	3,589
Membership and subscriptions	3,236	3,459	6,695	3,787	2,768	6,555
Accounting fees	713	-	713	2,076	-	2,076
Travel and subsistence	2,095	6,615	8,710	48	3,024	3,072
Bank charges	613	1,105	1,718	1,067	107	1,174
Loan Interest	310	-	310	-	-	-
Marketing/advertising	557	5,000	5,557	1,168	929	2,097
Depreciation	4,763	-	4,763	4,763	-	4,763
Loss on Disposal of Fixed Assets	-	-	-	2,116	-	2,116
	15,592	20,162	35,754	19,643	9,732	29,375

**9. Analysis of governance costs
Group and Charity**

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
Audit fees	12,528	780	13,308	12,000	-	12,000
Insurance costs	2,726	-	2,726	7,090	-	7,090
Trustee expenses	-	-	-	-	-	-
Professional fees	-	-	-	(190)	-	(190)
	15,254	780	16,034	18,900	-	18,900

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

10. Net income / (expenditure) for the year

This is stated after charging:

	2022	2021
	£	£
Depreciation	4,763	4,763
Auditor's remuneration		
- audit of the financial statements	13,308	19,480
- corporate tax compliance	-	3,200
	<u> </u>	<u> </u>

11. Staff costs and emoluments

Total staff costs were as follows:

	2022	2021
	£	£
Wages and salaries – charitable activities	279,164	325,583
Social security costs	27,289	25,603
Pension costs	5,727	4,977
Consultants Costs	31,020	-
	<u>343,200</u>	<u>356,164</u>

Included within wages and salaries in the year 2022 is £31,020 (2021: £57,375) relating to consultant costs paid to companies which have a common director.

Particulars of employees:

The average number of employees within the group during the year, was 6 (2020 - 6).

The number of employees whose annual remuneration was £60,000 or more were;

	2022	2021
	Number	Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-

Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2021 - £nil). No trustees are accruing pension benefits in the current or prior year. During the year expenses reimbursed to trustees totalled £nil (2021 - £nil).

The total compensation cost of key management personnel is £166,298 (2021 - £148,692) which includes employers' national insurance costs and pension contributions. The trustees considers key management personnel to comprise the Chief Executive Officer and Chief Operating Officer.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

12. Taxation

Group and Charity	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	-	120
Deferred tax		
Origination and reversal of timing differences	-	-
	-	120

13. Tangible fixed assets

	Energy Generating Assets	Computer Equipment	Total
Cost or valuation	£	£	£
At 1 September 2021	49,999	4,978	54,977
Additions	-	-	-
Disposals	-	-	-
At 31 August 2022	49,999	4,978	54,977
Depreciation and impairment			
At 1 September 2021	8,960	3,548	12,508
Depreciation charge in the year	3,333	1,430	4,763
Disposals	-	-	-
At 31 August 2022	12,293	4,978	17,271
Carrying Amount			
At 31 August 2022	37,706	-	37,706
At 31 August 2021	41,039	1,431	42,470

As noted in the previous year, in 2018 the charity took in lieu of settlement of an outstanding loan, energy generating assets secured against that loan. The fair value of these, based on the net present value of the future income stream, is considered to be £123,934. The assets have not been valued to this amount, as income is not virtually certain because it is dependent on a number of variables. Under FRS102, unless the income is deemed to be virtually certain, the assets cannot be restated. However, the trustees believe that the valuation of this asset net of depreciation would result in £80,000 of unrestricted funds, which has not been included in these financial statements.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

14. Fixed asset investments

	2022	2021
	£	£
Shares in subsidiary company	1	1
Shares in joint ventures	100	100
	<u>101</u>	<u>101</u>

In 2018 the charity invested £100 in Leapfrog Launchpad Limited, a joint venture in which it has a 33% stake. At the year end this entity was yet to commence trading. On 30 June 2020, Pure Leapfrog Lilypad CIC was incorporated. Pure Leapfrog is the parent entity. The investment is being carried at £nil value.

15. Debtors

	2022	2021
	£	£
Trade debtors	93,675	137,336
Gift Aid recoverable	1,348	1,348
Prepayments and accrued income	59,648	117,249
	<u>154,671</u>	<u>255,933</u>

16. Creditors

	2022	2021
	£	£
Amounts falling due within one year		
Other loans (note 18)	10,000	22,480
Trade creditors	18,624	18,881
Taxation and social security	10,531	9,201
Other creditors	59,895	18,511
	<u>99,050</u>	<u>69,073</u>

17. Creditors

	2022	2021
	£	£
Amounts falling due after more than one year		
Other loans	37,500	50,000

18. Creditors – other loans

Creditors include loans which are due for repayment as follows:

	2022	2021
	-!£	£
Amounts repayable:		
In one year or less	10,000	22,480
In more than one year but not more than two years	10,000	10,000
In more than two years but not more than five years	27,500	40,000
	<u>47,500</u>	<u>72,480</u>

The Loan in 2022 is a COVID-19 Bounce Back loan of £50,000 repayable over 5 years with an interest rate of 2.5%. The loan in 2021 of £22,480 was from Big Society Capital and was used to fund small loan book payments and all were repaid in the financial year.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

19. Restricted income funds

	Balance at 1 September 2021	Income	Expenditure	Transfers	Balance at 31 August 2022
2021/22	£	£	£	£	£
British Airways Carbon Fund	214,903	67,413	(75,000)	(76,013)	131,303
Carbon credit purchase	4,156	38,208	(37,195)	(5,169)	-
Warrington Community Benefit Fund	43,073	5	-	-	43,078
BASEE	-	(805)	-	805	-
5G NT	-	59,342	(58,859)	(483)	-
REWIRE	-	87,629	(162,249)	74,620	-
SPEN	-	-	-	-	-
Mersey Biochar	9,418	73,564	(49,409)	(33,572)	-
Decent Homes	-	-	(262)	262	-
Leapfrog Lilypad	-	-	(823)	823	-
Leapfrog Launchpad	2,034	5,000	(7,032)	(2)	-
Big Society Capital facility	7,355	164	(201)	(7,318)	-
	280,938	330,520	(391,030)	(46,047)	174,381

	Balance at 1 September 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
2020/21	£	£	£	£	£
British Airways Carbon Fund	190,221	81,688	(57,006)	-	214,903
Carbon credit purchase	2,933	2,320	(1,097)	-	4,156
Warrington Community Benefit Fund	93,049	24	(50,000)	-	43,073
BASEE	-	47,189	(40,084)	(7,105)	-
5G NT	-	116,443	(117,537)	1,094	-
REWIRE	5,183	74,360	(122,564)	43,021	-
SPEN	-	11,114	(10,517)	(597)	-
Mersey Biochar	-	12,885	(3,467)	-	9,418
Decent Homes	-	24,392	(24,461)	69	-
Leapfrog Lilypad	-	16,442	(22,457)	6,014	-
Leapfrog Launchpad	2,946	25,000	(25,912)	-	2,034
Big Society Capital facility	7,370	1,134	(1,148)	(1)	7,355
	412,991	412,991	(476,250)	42,495	280,938

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

British Airways Carbon Fund

The British Airways Carbon Fund represents donations received from British Airways customers through British Airways plc, which are to be used to reduce carbon emissions through community renewable energy and energy efficiency projects in the UK and internationally.

During our compliance work on the fund we noted some historical movements in the funds bank account incorrectly reflected within prior years splits between restricted and unrestricted funds. We have therefore adjusted the fund statement accordingly to reflect the underlying bank balance and debtors to the fund.

Carbon Credits

Money received and spent on carbon credits during the year to offset the carbon footprints of individuals, businesses and travellers

Warrington Community Benefit Fund

This is a fund established to deliver environmental and social impact that was established from one time donations made by Pure Leapfrog, Warrington Borough Council, and Gridserve Ltd, during the development of two ground-mount solar farms near York and Hull, owned by Warrington Borough Council. The fund will be fully granted to worthy projects over time, with no expectation of additional funds replenishing it.

BASEE

An Energy Efficiency project for SMEs, funded by BEIS. Now being commercialised as “Greenway”.

5G NT

A rural connectivity project in Orkney, funded by DCMS.

REWIRE

An Innovate UK funded project to develop designs for Smart Local Energy Systems.

SPEN

Funding to develop an Internet of Things heat meter for smartening district heating systems so that they may become investible for community ownership and be refinanced out of Local Authority ownership. This could avoid significant and sudden costs being levied on leaseholders as LAs are not permitted to accrue monies for end of life replacement Energy Centres.

Mersey Biochar

A BEIS funded project exploring the feasibility for a Biomass Greenhouse Gas Capture and sequestration plant, that also produces zero carbon heat and flexible despatchable power.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

Decent Homes

A new business model for Local Authorities to deploy to help retrofit homes of vulnerable people to be safer and more thermally efficient.

Leapfrog Lilypad

Cheshire and Warrington LEP funded project to deploy flexible assets into settings in Warrington, exploring and designing optimisable portfolios of assets.

Leapfrog Launchpad

With funding from Joseph Rowntree, to develop new business models for community energy.

Big Society Capital Facility

Big Society Capital provided Pure Leapfrog with a small loan facility which it could on-lend to community energy groups and charities. The facility was closed to new applications in 2017. Where loan payments were made in advance of schedule, they were held as restricted funds. The fund facility was repaid in June 2022.

Transfers in funds

Transfers are made from restricted to unrestricted funds when the charity has met its obligations under these contracts and been paid for the contract. The transfers reflect the underlying overheads consumed within these contracts not just the direct labour and direct costs associated with the project.

20. Unrestricted income funds

Group and Charity	Balance at 1 September 2021	Income	Expenditure	Transfers	Balance at 31 August 2022
2022/21	£	£	£	£	£
General Funds	38,067	156,018	(136,199)	46,047	103,933
	Balance at 1 September 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
2020/21	£	£	£	£	£
General Funds	8,117	103,210	(30,765)	(42,495)	38,067

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

21. Analysis of net assets between funds

	Investments	Tangible fixed assets	Net current assets	Long term liabilities	Total
2021/22	£	£	£	£	£
Restricted funds	-	-	174,381	-	174,381
General unrestricted funds	101	37,706	103,626	(37,500)	103,933
	101	37,706	278,007	(37,500)	278,314

	Investments	Tangible fixed assets	Net current assets	Long term liabilities	Total
2020/21	£	£	£	£	£
Restricted funds	-	-	280,938	-	280,938
General unrestricted funds	101	42,470	45,497	(50,000)	38,067
	101	42,470	326,434	(50,000)	319,005

22. Company limited by guarantee

The company is limited by guarantee and there is therefore no share capital. Members' liability is limited to £1 per member. At 31 August 2022, there were 5 members.

23. Related party transactions

There were no related party transactions relating to trustees in 2022 or 2021.

PURE LEAPFROG

England & Wales - Charity number 1112249

Accounts

PURE LEAPFROG

COMPANY LIMITED BY GUARANTEE

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

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PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISORS

YEAR ENDED 31 AUGUST 2021

Pure Leapfrog is a UK registered charity (number 1112249) as well as a UK company limited by guarantee (number 05534395). The Trustees of the charity act as Directors for the company for the purposes of the Companies Act 2006.

As Directors of the Company and Trustees of the Charity, the Board meetings and minutes cover both roles.

Directors and Trustees of Pure Leapfrog during the 2019/20 year

The Trustees who served the charitable company during the year and since the year end were:

Mark Henderson (Chair)

Simon Cordery

Dr Michael Jampel

Shelagh Kirkland (Treasurer)

Graeme Ludlow

Sophie Pughe

Senior management team

Paul Gilligan, CEO

Barbara Sanderson, COO

Registered Office

7-14 Great Dover Street, London, SE1 4YR

Auditors

Buzzacott LLP, 130 Wood Street, London, EC2V 3DL

Bankers

Barclays Bank PLC, 1 Churchill Place, London, E14 5HP.

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

Chairman's statement

Last year's report was written as the UK was preparing to host COP26, against a backdrop of increasing awareness of climate change, and acceptance of the need to act. It was also whilst we were still in the eye of the global Covid 19 pandemic storm which had given many a moment to pause and reflect.

So, what happened to the widespread expressions of understanding and preparations to act, and the appetite to convert intentions into interventions? And where are we now, with a new set of challenges that are creating additional pressures in many ways?

While many thorny issues central to the debate about scale and speed of response still feel not entirely settled, a chunk of mainstream debate has moved on to climate justice.

This means that we are no longer considering what we do to act, but how we do it and for which communities. This is a global issue, and these meta concerns are very reasonable to consider, but ultimately do not present themselves in our direct work. In some ways I am thankful for that. Not to dodge an important issue, but to stay focussed on our work of engaging communities with the tools and support to act on the ground.

At Pure Leapfrog we have undertaken more work in capacity building in recent years, which has proven worthwhile as enquiries from local groups, and people wishing to form local groups, have been increasing over the year reported here.

We know that the Glasgow Financial Alliance for Net Zero (GFANZ)¹ has been a success with more than 450 members signed up by November '21, representing over \$130tn of capital.

This, along with a cultural shift that was well underway pre COP26, is ensuring that more and more capital is available for low carbon projects. The issue now is developing those projects quickly enough, and finding more efficient ways to capitalise them than currently exist.

As we know, and at time of writing, new challenges have also emerged. After months of posturing and disquiet, Russia invaded Ukraine to mount a full fronted invasion on its neighbour. This is of course desperately sad for all those directly involved in the conflict, but it has also triggered a series of consequences affecting inflation, food prices and, very significantly, energy prices – an area Pure Leapfrog have long focussed on alleviating. In addition the UK government is in a state of change, with a new Prime Minister being selected, so it will be important to see what steps they will take to protect communities this area.

¹ GFANZ is a framework that requires its members (financial institutions and asset owners) to analyse their investments, identify the more polluting parts of their portfolios, publish strategy and targets to divest themselves of these, and then report annually on progress.

PURE LEAPFROG

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We have seen economies across the world opening back up after two years of low levels of activity. Manufacturing, shipping, distribution, were all hit hard during the pandemic. These aren't instant systems that can be switched off and then back on again months later. They take time to get back to the capacity that existed pre-pandemic.

The latter issue is causing significant inflationary pressure in all established economies. Commodities and services such as energy and shipping are priced more globally than regionally in what remains a highly globalised world economy. A supply side problem like this is usually dealt with by trying to dampen demand through higher interest rates, and so many are feeling poorer. At time of writing UK inflation is running at a 40 year high of 10%

The former issue heaps yet more pressure on what was already a difficult situation. Much of Europe is highly dependent on Russian gas exports, which in a conflict where nearly all of Europe is trying to face down Russia (politically and economically though sanctions) the lever that Russia has, and is starting to use, is to restrict gas supplies.

As a result wholesale energy costs have effectively doubled since the conflict began. This, from an already high base, with them having roughly doubled in the equivalent previous period. Further increases are predicted, which will lead to dramatically increasing impact on individuals and communities.

One of the aspects of our work that is core to our mission, is having a positive impact on communities as well as the planet.

With the positive impact from COP26, and with rising energy costs, it has never been easier in this post Feed in Tariff context, to make the case for communities to benefit from developing their own energy projects. Nor has it been easier to make the case for retrofit – materials and technologies, domestic, SME, and public buildings.

However, with the prospect of energy bills quadrupling within the year to January '23, the British public is understandably worried. There will be a terrible impact on Fuel Poverty and associated health issues; with all middle income brackets and below likely to be adversely affected. The people who we would hope to continue to work with in developing new projects in their communities may be harder and harder to engage, whilst they are putting their own efforts into simply surviving.

In other words, just as climate action and local renewables projects were becoming easier to sell, just as they are becoming more economically viable and necessary, so the availability of people to undertake them and the community financial investment to back them, looks like it will be harder and harder to achieve.

At Pure Leapfrog it is our role to meet this challenge and find ways to help communities, with their engagement and agency, in lower friction, easier to deliver ways, and this is what we will do.

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

Objectives

At this time of galvanising action and of rapid change, it is useful to remind ourselves of the legal charitable purposes of Pure Leapfrog. As stated in our Articles of Association, they are:

1. To promote sustainable development for the benefit of the public by
 - The preservation, conservation and the protection of the environment and the prudent use of resources,
 - The relief of poverty, the promotion of health and the improvement of the conditions of life in socially and economically disadvantaged communities,
 - The promotion of sustainable means of achieving economic growth and regeneration.
2. To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment, and to promote study and research in such subjects provided that the useful results to such study are disseminated to the public at large.
3. To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment.
4. To advance the education of the public in the conservation, protection and improvement of the physical and natural environment.

We recognise the context we operate within is increasingly politically led as opposed to being grassroots led, as has been the case for so much of our history. As such, it is important to remind ourselves that we are not a campaigning, political, or activist organisation.

Our purposes are written in such a way as to guide our activities; and, as our purposes are written, our activities should be delivered through advancement, promotion, and education of positive interventions in sustainability, environment, communities and economies.

Our activities in 2020-21 continued to be guided by this, and the trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims, objectives and activities and in the planning of future activities.

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

Pure Leapfrog Group

Early in 2020-21 the Pure Leapfrog Group comprised Pure Leapfrog (the charity) (05534395), its wholly owned subsidiary Leapfrog Finance Limited (07038343), and in turn its wholly owned subsidiary Leapfrog Bridge Finance Ltd (09726408). In September 2020, Leapfrog Bridge Finance was sold. Leapfrog Finance stopped trading at the end of October 2020. Efforts started to wind the company up and close it down, which was successfully completed after the year end, in October 2021. Pure Leapfrog Lilypad is a Community Interest Company owned by Pure Leapfrog Ltd, whose figures are not consolidated into these statements as they fall beneath the necessary threshold.

Activities

Pure Leapfrog is a sustainability and decarbonisation charity that draws on its staff's expertise in energy systems, finance, natural capital and carbon, to develop and support new projects and solutions that help communities to accelerate, and benefit from, their own decarbonisation.

We provide communities with support in writing their own low carbon futures, through support and advice on accessing finance for renewables projects, increasing capacity in this sector, provide legal support directly and through pro bono arrangements. We have an active Research and Development (R&D) programme that develops new propositions, business models and applications of technologies in the low carbon sector. This programme is geared towards leveraging commercialised propositions into community ownership. We also work with carefully selected corporate partners, supporting them in their own decarbonisation journeys, through the sourcing and delivery of high quality carbon credits.

As was the case last year, our achievements during the year are the result of work undertaken during the ongoing public health emergency of Covid. This brought with it the additional challenge of working under increased funding uncertainty (greater amounts of both public and philanthropic funds being targeted at front line delivery of covid support measures and away from other areas of support), and multiple sets of movement restrictions.

A restructure, embarked upon during the previous financial year (2019-20), saw the completion of our disposal of Leapfrog Bridge Finance (LBF) to Social and Sustainable Capital LLP (SASC) in September 2020 and the application to strike off Leapfrog Finance Limited from Companies House in August 2021 leading to it being dissolved voluntarily in October 2021.

Accordingly, and as Leapfrog Finance Ltd remained part of the group for the year reported on here, these accounts contain both consolidated group accounts as well as accounts for the charity as a discrete entity.

The charity retains its management of the Community Energy Fund loan book, as well as expertise in financial modelling, due diligence and lending, through the retained skills of staff who were transferred from the bridge finance business prior to its sale.

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

Achievements and performance

Finance

Having disposed of our lending business, our Finance activities have broadened to working with communities to access finance for their projects, rather than lending directly. As well as maintaining a partnership with SASC, who bought LBF Ltd from us, we have been establishing other relationships within the sector too.

We have also included Finance in much of our R&D Programme's work. The question of how to finance the "green revolution" is a very live one. Work is being undertaken at a global level to encourage investors to demonstrate how they are "greening" their portfolios and this is encouraging an increase in the supply of finance in this area. This must be matched by an increase in demand for finance from "green projects" – and crucially a distribution route that is as efficient as possible.

During the year we have undertaken work with partners such as Energy Systems Catapult, UK Research and Innovation, and the Green Finance Institute, including looking at how to match capital to new types of project, new due diligence requirements including environmental, social and governance (ESG) measurements, and how to aggregate similar projects across different counterparties.

By being part of this wide collaboration, we ensure that the voice of community ownership is heard, and we position ourselves well to continue to serve our beneficiaries and deliver on our charitable purposes.

During the year we also continued to manage a small loan book of community energy organisation clients – the Community Energy Fund – which has enabled multiple community energy groups to create smaller scale projects. This is managed on behalf of Big Society Capital but is now closed to new loans.

At the start of 2020-21 we had four loans still on the book, totalling £78,534. During the year one group settled its loan – Chelworth Community Solar. We look forward to continuing to work with and provide support to them in other ways in future. At the end of the year the loan book had three outstanding loans, totalling £24,767.

At time of writing, this smaller loan book was almost entirely wound down. Ongoing work is being undertaken to investigate other facilities that we might develop with new partners.

Charitable Funds Management

During the year Pure Leapfrog continued its partnership with British Airways, amongst other operating the BA Carbon Fund. BA passengers are invited to make voluntary contributions to this fund, that supports projects across the UK. Projects are sustainability, carbon and energy related; and support communities to determine pathways to realising their own sustainable futures.

In 2020-21 the BA Carbon Fund supported 5 projects with an investment of £57,006. This directly helped to avoid ongoing emissions of some 7 tonnes per annum. Case studies follow.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

Aighton, Bailey & Chaigley Village Hall, UK

Aighton, Bailey & Chaigley is an off gas grid area with high levels of fuel poverty.

Keeping the Village Hall fit for purpose for its users was essential as its use was shown to promote a sense of belonging in the village.

Built in 1965 by volunteers, the building is not only of another era in terms of building standards and materials, but also in much need of complete renovation.

A grant from BACF ensured that as part of this wider renovation, and in an off gas grid village, the hall was able to install a ground source heat pump for its space heating – saving some 82% of emissions compared to direct electric heating.

Not only is there a positive effect on avoided emissions, but also the cost base on which this vital community resource operates

Impacts of this project include:

- 2.5 tonnes CO₂e avoided each year.
- A safe and refurbished village amenity in an area of high fuel poverty and consequential challenges.
- Securing ability for users and user groups to continue to meet and enjoy activities together – reducing isolation and increasing health and well-being.
- Local news about the project increases awareness and understanding of low carbon technologies and raises the profile of the climate agenda.

SpArC, Bishops Castle, Shropshire, UK

SpArC is a multi use venue built around a swimming pool and theatre in rural Shropshire. The nearest alternative amenities are some 15 miles away from residents in this area.

It has been under increasing pressure, and threat of closure in recent years. The community, demonstrating how important this facility is to them, established a charity in 2016 to support the venue.

They have taken a sustainable approach to leveraging fundraising for impact – financially and environmentally. By raising funds to undertake low carbon interventions in the building they are able to operate more efficiently over the long term, helping to secure the future of the amenity.

This project saw LED lighting with motion sensors installed throughout the building, and insulation installed in the plant and machinery room. Both result in energy consumption, carbon, and cost reduction.

Impacts of this project include:

- 1.6 tonnes CO₂e avoided each year. 1.12 tonnes from the LED lighting and 0.48 tonnes from insulating the plant and machinery rooms.
- Additional activities can now be offered during longer operating hours but within the same cost envelope – better serving local residents.
- Commitment to using local contractors to leverage the multiplier effect in the local economy.
- Increased health and well-being outcomes for the local area.

PURE LEAPFROG

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Carbon Offsetting

We work with businesses that show they are sincerely engaged in measuring and reducing their carbon emissions.

We only work with businesses that demonstrate a commitment to reducing their impact on the climate, and who are serious about working with us on a long term basis. In return, they benefit from ongoing insight and updates on developments in carbon markets, standards and regulation, and credit availability. Through working with us they also have the opportunity to upskill their own staff on carbon literacy.

We also provide businesses with online offsetting calculators and tools, so they can offer offsetting options to their end users in respect of their impact too.

For their unmitigable emissions, we source high-quality, high-integrity carbon credits. When sourcing credits we look for projects that also generate significant sustainable co-benefits for local communities, with particular interest in those also delivering the following Sustainable Development Goals (SDGs)



We work with project developers where we can build long term relationships and who have a strong local presence in the areas in which their projects operate.

In 2020-21 we sourced credits for seven businesses and their customers. We procured credits that resulted in 183, 061 tonnes of CO₂e avoided. This was across thirteen projects in ten different countries.






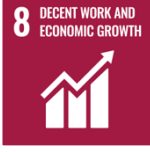








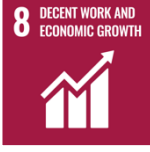










All of our supplied projects were of three different project types: Land Use and Forestry, Renewables, and Cookstoves. Collectively the thirteen different projects sourced also delivered a huge range of co-benefits, accounting for all except four of the seventeen SDGs.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

Carbon and Co-benefits by project type

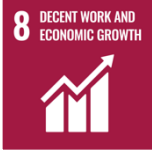




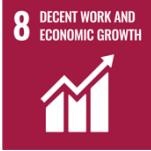
















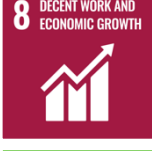




Type of project	Tonnes CO ₂ e avoided	Co-benefit SDGs covered
Land Use and Forestry	7,066	            
Renewables	170,909	   
Cookstoves	5,086	       

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

Carbon and SDGs by country













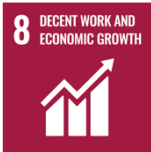



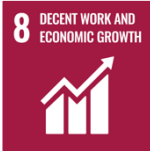

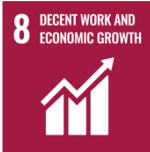


Country	Tonnes CO ₂ e avoided	SDGs covered
Cambodia	283	   
China	6,000	     
Darfur	86	       
DR Congo	5,000	        

PURE LEAPFROG
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Carbon and SDGs by country continued

Country	Tonnes CO ₂ e avoided	SDGs covered
India	129,794	    
Myanmar	700	     
Nicaragua	1,083	   
Peru	5,000	      
Turkey	30,015	  
USA	5,100	   

PURE LEAPFROG

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YEAR ENDED 31 AUGUST 2021

Research and Development

Our Innovation Programme continued to develop and grow throughout 2020-21. Our spend, which was largely grant supported, rose to £366,999 across eight projects.

Each project encompasses at least one of the following themes:

Future Energy

Carbon Services

Sustainable Finance

Natural Capital

We aim at creating exploitable outputs from our innovation work, so that significant levels of our output can be commercialised into new products or services that when delivered will have a positive social impact and are suitable for ownership/operation by Community Enterprises, Charities, and other third sector, not for profit, purpose led organisations. *Live R&D projects during the year:*

Greenway (BASEE)

£40,084, Funded by BEIS

An Energy Efficiency project designing a new end to end solution for SMEs to support them decarbonising. Being designed to provide foot printing, finance, interventions and reporting to SMEs as a single product.

Designed to stimulate and strengthen both demand side action and local skills and supply chain, to build capacity where it operates.

Future Energy

Carbon Services

Sustainable Finance

5G New Thinking (5GNT)

£117,537, Funded by DCMS

A research project exploiting the extended capabilities of 5G communication to create new business models that will drive financial viability for community ownership of private 5G networks in remote rural areas.

Remote rural areas disproportionately suffer from digital exclusion, inhibiting access to everyday services and holding back economic development. As part of this project we also examine the need for strong robust communications in delivering future energy services, and the role 5G can play in fulfilling this need.

Future Energy

Sustainable Finance

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Live R&D projects during the year continued

Rewire

£122,564, Funded by UKRI Industrial Strategy Challenge Fund & Pure Leapfrog

A Smart Local Energy System (SLES) design project. Focussing on Warrington in NW England. Undertaking a deep feasibility and design exercise to establish a route to creating a SLES.

Creating new business models for services deliverable under SLES either today or developable as SLES develop in years to come, looking at ways in which these new models can be financed, and looking at how significant amounts of capital can be mobilised to new projects on a regional basis.

Future Energy

Sustainable Finance

IoT Heat Meters (SPEN)

£10,517, Funded by Scottish Power Energy Networks

A technology project led by Strathclyde University to create smarter and more interoperable Heat Meters for homes on district heating systems with no existing means of regulation or metering.

This is an enabling technology that will Convert legacy district heating systems into ones that will be more viable for refinancing into community ownership.

Future Energy

Sustainable Finance

Mersey Biochar

£3,467, Funded by BEIS

A feasibility study looking at establishing a novel Greenhouse Gas Removal plant suitable for community ownership, with an initial target of £200/tonne cost for removing CO₂e.

This project combines multiple revenue streams to meet the £200/tonne target. These streams are made up from Carbon, Biochar, Heat and Energy Storage.

Future Energy

Carbon Services

Sustainable Finance

Natural Capital

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Live R&D projects during the year continued

Decent Homes

£24,461, Funded by Cadent Foundation & Pure Leapfrog

An end to end solution incorporating finance and installation of improvements to raise privately owned homes, that fall beneath it, to the Decent Home standard. Using novel financing mechanisms and route to market, it is designed to be accessible and affordable for homeowners seeking to improve the thermal comfort, safety and security of their homes.

Future Energy

Sustainable Finance

Warrington Smart Grid (Leapfrog Lilypad)

£22,457, Funded by Cheshire and Warrington LEP

Creating new solutions using heat batteries to provide portfolio level optimisation for space heating and water heating in alternative tenure settings, including sheltered housing, supported living and mainstream RSL homes.

Future Energy

Leapfrog Launchpad

£25,912, Funded by Joseph Rowntree Charitable Trust

Creating new business models specifically for Community Energy Groups to help them transition from models supported by the Feed in Tariff which has now been discontinued.

Focussing on models that generate near 100% PPA sales opportunities for the asset owners. This includes new models for sites with constant demand, synthetic models with multiple PPAs, and partnerships with supply partners to facilitate energy sales through different routes.

Future Energy

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

Community Energy

During the year have engaged and worked with a number of partners in different ways.

We supported two communities in Lincolnshire. Providing them with options and approaches for incorporating Community Energy into their regeneration plans and Linkage College for a bid to the BEIS Rural Community Energy Fund (RCEF). Lincolnshire, particularly coastal areas, scores unfavourably on Indices of Multiple Deprivation. We demonstrated both the opportunity for designing community energy assets into buildings during the pre-construction phase, and how to add to existing rooftops. We also supported their learning about basic business modes that can become engines for community wealth building and community benefit.

We continued to engage with three Water Utility companies, exploring with them, and supporting their plans to create opportunities to work with Community Energy Groups for mutual benefit. Tenders have started to be issued and the work we undertook resulted in these tenders being made available to community groups.

Our Local Energy Accelerator Platform (LEAP) supported two groups through the provision of high quality legal templates to help create bankable projects, and the assets we own directly on a number of rooftops in South Wales continued to generate free electricity for the occupants of those homes, community groups, and businesses.

Finally, our partnership with Willmott Dixon to create opportunities for community owned rooftop solar on new buildings that they are delivering, took great steps forward with the agreement for two sites, both with strong community groups backing them.

A significant refurbishment of The Bristol Beacon will see a 150kWp system installed on the roof, owned and operated by Bristol Energy Coop, with energy being sold by them back to the occupant, The Bristol Music Trust.

A second similar project will see a 490kWp system installed on a new school being built in Wiltshire, which will be owned and operated by Wiltshire Wildlife Community Energy, with energy being sold back to the school, with Willmott Dixon purchasing anything generated but not consumed by the school.

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

Financial review

As set out in the consolidated statement of financial activities, the total group incoming resources during the year ended 31st August 2021 was £529,636 (2020: £2,298,591) while the group outgoing resources were £528,790 (2020: £2,271,821).

As set out in the Pure Leapfrog Limited's discrete statement of financial activities, the total charity's incoming resources during the year ended 31st August 2021 was £516,201 (2020: £793,709) while the charity's outgoing resources were £507,015 (2020: £690,238).

Income from Corporate Donations (Note 4) was sharply down in the year at £146,695 (2020: £428,226) which is overwhelmingly due to reduced income derived from BA passenger donations that comes into our BA Carbon Fund. The reason for this was widespread grounding of flights during the covid pandemic, and consequently much less by way of donations collected.

Reserves

The trustees have a target policy of maintaining 3-6 months of core operating costs, as unrestricted cash reserves in the charity. This equates to roughly £80k - £160k. This is to ensure working capital and free cash and create a necessary contingency for any unforeseen events. The trustees are planning to build up reserves from their current levels, and take comfort from the fact that there are tangible fixed assets that could be quickly realised if necessary in lieu of such cash reserves at this time – please see further comments relating to the financial statements' note 14 below.

The group net funds of £319,005 (2020: £318,279) was held at the end of the year. £280,938 (2020: £296,702) of this balance related to restricted funds held primarily for future grants or loans to UK projects.

At 31 August 2021, the unrestricted reserves in the group amounted to £38,067 (2020: £21,577).

As per Note 14 in the financial statements, the charity also owns revenue generating assets that based on future cashflows have a net present value of around £130,000. This cannot be stated in the accounts due to accounting rules, however the trustees believe that the valuation of these assets net of depreciation and outstanding payments (two at time of writing) would result in a further circa £80,000 of unrestricted income. The trustees take comfort from the additional cash liquidating these assets could yield, and remain ready to do so with potential buyers already previously engaged if needed.

These reserves were not above the threshold level required by the trustees at year end, however with ongoing financial planning and careful management the trustees believe there are strategic plans in place for the policy to be met in the future.

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

The Impact of COVID-19 and the future

The activity described in this report and accompanying accounts was undertaken during a second year of significant disruption due to the covid pandemic.

COVID-19 has had a damaging effect on all economies, shrinking them overall, constricting supply and weakening the link between economic activity and productivity. Unsatisfied pent up demand began to introduce inflationary pressure into the system, which becomes a risk for projects on fixed budgets, staff costs, and fundraising.

Also during the year we started to witness significant upward pressure on wholesale energy prices, starting the year at around £45/MWh and finishing at £113/MWh by our 2021 year end. Rising wholesale costs started to show as stress in the supply market and serious concern about fuel costs for both families and businesses; the latter putting yet further pressure on inflation.

The impact of covid on the economy has been further amplified by the invasion of Ukraine by Russia. With no time to adjust, correct or recover, the inflationary pressure in the economy has burst through, bringing inflation to 40 year record highs, and wholesale energy costs (supplies of gas from Russia have been subject to sanctions) rising to over £200/MWh at time of writing (July 2022).

We expect inflation to persist for at least another two years, and will factor this in to our planning and forecasts. At the same time we will continue to be very careful on spending, particularly non-project/core spending. And, at the same time we are continuing to seek to increase our reserves position, and if possible, to grow our organisation too.

We see growth as essential to tackling the climate crisis – not just the growth of Pure Leapfrog, but of the whole Net Zero sector. As described on last year's report, covid brought a pause to the world, during which minds were focussed on apocalyptic type events. Climate breakdown rose up the agenda, and issues of climate and sustainability have now tipped into the mainstream political discourse and public consciousness.

The year in review within this report was dominated by preparations for COP26 which was hosted in Glasgow in November '21. Whilst events in Ukraine and financial pressures may now dominate, and whilst this makes a more challenging backdrop against which to effect change, there remains a galvanised political and public will to take action.

Of course there is still discussion about how much action, how fast, and at what cost to whom, and whilst we may have opinions on this individually, it is Leapfrog's mission to ensure that we deliver actionable interventions and solutions to the communities we work with. This is our role and our focus, and we will not be drawn in to divisive debate on the periphery.

To do this effectively we must be realistic about the impact of covid-19, and now the impact of war in Ukraine too. We must ensure that the work we undertake is both effective in tackling climate change, and also good for strengthening resilience in communities, families and businesses. With Fuel Poverty levels set to rocket, the social impact aspect of our mission has never been more important.

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

Going concern

The Trustees have considered the business plans and forecasts for the Charity (as well as the additional value that is likely to accrue from renewable energy assets (see note 14) and believe that the base case is very likely to be achieved. We have secured grant income for a year ahead, and as per our reserves policy are planning to increase those. We have also had borrowing facilities in the past and would consider seeking them again if needed. Therefore, in the Trustees' judgement, the Charity continues to be a going concern.

Significant Events & Risk

We have growing unrestricted reserves, and a strong team of dedicated staff; a network of significant supporters across professional services (principally legal and financial), academia, other aligned third sector organisations, innovative low carbon tech companies, community energy, and local authorities.

In the previous year's report we stated that "we do not foresee any further significant events on the horizon", however as discussed above, at time of writing we have seen the invasion of Ukraine bring further significant pressure to bear, translating into inflationary pressure now and uncertainty in the future.

There is pressure on Europe to wean itself off Russian Gas dependence. This should translate into greater use of renewables overall, and we hope create more opportunities for communities to be empowered to write their own net zero futures.

We continue to invest in developing new services and solutions that can put new business models and assets into community ownership. This work is supported by grants we receive. Delivering these will create new revenues and reduce financial risk in the future.

There is a cliff edge risk relating to two large grants funded projects (Rewire and 5GNT) that both finish shortly after year end. At time of writing these have finished. Very often grants do not cover costs to commercialise and deliver new products and services, but concentrate more on supporting R&D. New services and solutions we are developing require further commercialisation which is underway internally and with partners. We have been successful in winning further bids to support our work during 2021-22 and beyond.

The risk of sector expansion overwhelming rather than buoying us is mitigated through our consistent delivery, good standing with partners and funders, and developing relationships with new partners that are keen to work with us.

Funding our growth is still difficult whilst reserves are lower than we would like, but strategic partnerships and further grant supported work help with that.

The labour market continued to be tight during the year, though no recruitment was necessary so we were unaffected. Keeping an eye to the future there are signs that the market may be loosening slightly,

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

but this is across the whole economy as opposed to those parts of the labour market possessing skills critical to our sector. There is also the argument that the labour market is loosening because the economy is weakening, which remains a macro risk.

A weakness that could become a risk if not addressed, are communications around our work. This can be mitigated through good recruitment and work is underway to identify budget and support to create such a role.

There were no reportable events within, or suffered by the charity during the year.

Structure, governance and management

Pure Leapfrog is governed by a Memorandum and Articles of Association, constituted 11 August 2005. It is a registered charity, no. 1112249 regulated by the Charities Commission. Pure Leapfrog is a limited company, no. 05534395.

The responsibilities of the Trustees and management/staff are set out in the Board charter and delegated authorities policy. Trustees and staff are recruited through an open advertisement process. There have been no new Trustees through the year. A suite of business and human resource policies guide the activities of staff.

Charity staff pay is set based on publicly available benchmarking information and research into current terms.

Chief Executive and Company Secretary

The Chief Executive during this reporting period was Paul Gilligan, who remains in post at time of writing and filing.

The Company Secretary is Barbara Sanderson.

The Team

At 31st August 2021 Pure Leapfrog had a staff of six people, plus Chris Matthews, our Senior Advisor and Leapfrogger Emeritus. Overall the team benefits from over fifty years' experience in renewables, energy systems, carbon, climate change, finance and legal related fields.

Approved on behalf of the board on 24 August 2022 by



Mark Henderson

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2021

The trustees (who are also directors of Pure Leapfrog for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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, which give a true and fair view of the state of affairs of the group and charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and 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 2019 (FRS 102);
- 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group or charitable company will continue on operation.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of Pure Leapfrog (the 'charity') and its subsidiaries (the 'group') for the year ended 31 August 2021 which the comprise the charity and the group statement of financial activities, the group and charitable parent company balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2021 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2021

[Other information](#)

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

[Opinions on other matters prescribed by the Companies Act 2006](#)

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

[Matters on which we are required to report by exception](#)

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the charitable parent company; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2021

- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2021

Auditor's responsibilities for the audit of the financial statements (continued)

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

We assessed the susceptibility of the group and charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2021

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shachi Blakemore (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

26 August 2022
Date.....

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2021

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	Funds	Funds	Funds	Funds	Funds	Funds
		£	£	2021 £	£	£	2020 £
Income							
Other trading activities	3	10,508	-	10,508	391,082	1,156,160	1,547,242
Donations	4	67,421	223,601	291,022	151,151	507,415	658,566
Charitable activities	5	38,463	188,232	226,695	49,013	35,021	84,034
Investment income	6	253	1,158	1,411	2,580	6,169	8,749
Total income		116,645	412,991	529,636	593,826	1,704,765	2,298,591
Expenditure on							
Raising Funds	7	-	-	-	471,924	1,232,601	1,704,424
Charitable activities	8	52,540	476,250	528,790	192,939	374,357	567,296
Total Expenditure		52,540	476,250	528,790	664,863	1,606,958	2,271,821
Net Income/(Expenditure)	11	64,105	(63,259)	846	(71,037)	97,807	26,770
Corporation tax charge	13	(120)	-	(120)	1,346	-	1,346
Transfers between funds		(47,494)	47,494	-	(8)	8	-
Net movement in funds		16,490	(15,764)	726	(69,699)	97,815	28,116
Reconciliation of funds							
Fund balances brought forward		21,577	296,702	318,279	91,276	198,887	290,163
Total funds carried forward		38,067	280,938	319,005	21,577	296,702	318,279

All of the above amounts relate to continuing activities.

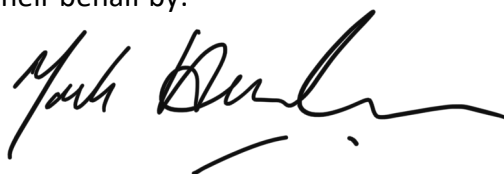
PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 AUGUST 2021

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	14		42,470		49,348
Investments	15		101		33,744
			<u>42,571</u>		<u>83,092</u>
Current assets					
Investments	16			16,794,184	
Debtors	17	255,933		115,059	
Cash at bank and in hand		<u>139,575</u>		<u>374,968</u>	
		395,508		17,284,211	
Creditors: amounts falling due within one year					
	18	<u>(69,073)</u>		<u>(17,014,541)</u>	
Net current assets			<u>326,434</u>		<u>269,670</u>
Total assets less current liabilities			369,005		352,760
Creditors: amounts falling due after more than one year					
	19		<u>(50,000)</u>		<u>(34,481)</u>
Net Assets			<u><u>319,005</u></u>		<u><u>318,279</u></u>
Funds					
Restricted income funds	21		280,938		296,702
Unrestricted income funds	22		<u>38,067</u>		<u>21,577</u>
	23		<u><u>319,005</u></u>		<u><u>318,279</u></u>

These financial statements were approved by the directors on 24th August,..... 2022
and are signed on their behalf by:



Company Registration Number: 0553439 Mark Henderson

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2021

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Note	Funds	Funds	Funds	Funds	Funds	Funds
		£	£	2021	£	£	2020
				£			£
Income							
Other trading activities	3	4,988	-	4,988	19,360	-	19,360
Donations	4	68,049	223,601	291,650	151,151	507,415	658,566
Charitable activities	5	29,920	188,232	218,152	49,013	35,021	84,034
Investment income	6	253	1,158	1,411	25,580	6,169	31,749
Total income		103,210	412,991	516,201	245,104	548,605	793,709
Expenditure on							
Charitable activities	8	30,765	476,250	507,015	239,440	450,798	690,238
Total Expenditure		30,765	476,250	507,015	239,440	450,798	690,238
Net Income/(Expenditure)	11	72,445	(63,259)	9,186	5,664	97,807	103,471
Transfers between funds		(42,495)	42,495	-	(8)	8	-
Net movement in funds		29,950	(20,764)	9,186	5,656	97,815	103,471
Reconciliation of funds							
Fund balances brought forward		8,117	301,702	309,819	2,461	203,887	206,348
Total funds carried forward		38,067	280,938	319,005	8,117	301,702	309,819

All of the above amounts relate to continuing activities.

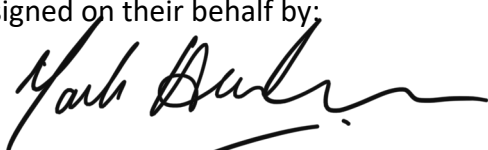
PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CHARITY BALANCE SHEET

YEAR ENDED 31 AUGUST 2021

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	14		42,470		47,230
Investments	15		101		33,744
			<u>42,571</u>		<u>80,974</u>
Current assets					
Investments	16		-		35,273
Debtors	17		255,933		80,775
Cash at bank and in hand			<u>139,575</u>		<u>292,434</u>
			<u>395,508</u>		<u>408,482</u>
Creditors: amounts falling due within one year					
	18		<u>(69,073)</u>		<u>(145,155)</u>
Net current assets			<u>326,434</u>		<u>263,327</u>
Total assets less current liabilities			369,005		344,301
Creditors: amounts falling due after more than one year					
	19		<u>(50,000)</u>		<u>(34,481)</u>
Net Assets			<u>319,005</u>		<u>309,819</u>
Funds					
Restricted income funds	21		280,938		301,702
Unrestricted income funds	22		<u>38,067</u>		<u>8,117</u>
			<u>319,005</u>		<u>309,819</u>

These financial statements were approved by the directors on 24th August,.... 2022
and are signed on their behalf by:



Company Registration Number: 0553439 Mark Henderson

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
CONSOLIDATED CASHFLOW STATEMENT

YEAR ENDED 31 AUGUST 2021

	Note	2021		2020	
		£	£	£	£
Net cash (outflows)/inflows from operating activities			(301,286)		125,795
Tax paid					-
Investing activities					
Interest paid		(1,789)		(1,178,201)	
Interest received		1,411		1,158,656	
Purchase of tangible fixed assets		-		(3,448)	
Net cash outflow from investing activities			(378)		(22,993)
Financing Activities					
Loans provided to clients		-		(6,850,000)	
Loans repaid by clients		16,811,434		10,970,891	
New loan finance		50,000		6,850,000	
Repayment of borrowings		(16,795,162)		(10,970,053)	
Net cash inflow/(outflow) from financing activities			66,272		838
Net (decrease)/increase in cash and cash equivalents			(235,393)		103,640
Cash and cash equivalents at the beginning of the year			374,968		271,328
Cash and cash equivalents at the end of the year			139,575		374,968

Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net movement in funds for the reporting period	726	28,116
Tax charge	120	(1,346)
Interest received	(1,411)	(1,158,656)
Interest paid	1,789	1,178,201
Depreciation of fixed assets	6,879	6,280
increase/(decrease) in debtors	(140,874)	23,216
(Decrease)/increase in creditors	(168,515)	49,984
Net cash (outflow)/inflow from operating activities	(301,286)	125,795

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

General information and basis of preparation

Pure Leapfrog is a private company limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

During the year the sale of Leapfrog Bridge Finance took place so these financial statements have been consolidated up to the date of sale(see page 7). The directors of Leapfrog Finance Limited and Pure Leapfrog made a strategic decision that Leapfrog Finance Limited would not deliver value and therefore commenced the winding up Leapfrog Finance Limited, which successfully completed in October 2021. Leapfrog Launchpad, a company in which there is a direct interest is dormant, and Pure Leapfrog Lilypad CIC, where all share capital is owned by Pure Leapfrog, fell beneath the threshold for consolidating into these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

The company has availed itself of s396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the company's activities.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Going concern

The financial statements have been prepared on the going concern basis. The trustees have considered the business plan and forecasts for the Charity for a period of at least 12 months from date of approval of these financial statements and believe that the base case should be achieved and provides a strong basis for our going concern confirmation. The Board also notes the additional value that is likely to accrue from Renewable energy assets (see note 14) in the event of their sale.

The trustees have considered the impact of Covid-19. Notwithstanding the new risks and challenges, based on the information available for the charity, they are satisfied that the charity remains a going concern.

Charitable funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The purpose and use of each restricted fund is set out in the notes to the financial statements.

Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the group and the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

If there are conditions attached to donations then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from trading subsidiaries to raise funds for the charity. Income is received in exchange for supplying services in order to raise funds and is recognised when entitlement has occurred. Trading income includes fee income and loan interest receivable which are recognised over the period to which the loan facility is provided

The group receives both corporate and individual donations. These are recognised once the amount has been received or entitlement confirmed. The income and expenditure for these donations will be classified as either restricted or unrestricted funds within the accounts dependent on the underlying conditions attached.

Investment income includes bank and loan interest. Bank interest is recognised when receivable.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Expenditure recognition

Expenditure is recognised on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised when there is a legal obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It can be categorised under the following headings:

- Costs of raising funds includes costs incurred by trading subsidiary entities including interest payable;
- Expenditure on charitable activities includes all costs associated with the provision of services.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. The analysis of these costs is included in note 9.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer equipment	over 3 years
Fixtures and fittings	over 3 - 5 years
Energy generating assets	over 20 years / aligning with the contracted income against asset

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Investments

Investments in subsidiaries are measured at cost less impairment.

Grants and programme related investments are made in accordance with the charity's aims and objectives which are primarily made in furtherance of the charity's objectives. All loans are repayable over periods ranging between a few months up to 3 years and bear interest rates between 0% and 6%. Those repayable in greater than one year are recorded as fixed asset investments.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Purchase of carbon credits

The purchase of carbon credits are payments made in furtherance of the charitable objectives of the charity. The purchase of carbon credits are accounted for where the trustees have approved the purchase without condition and this intention has been conveyed to the recipient. Where a purchase of carbon credits is required to fulfil a commitment to a donor wishing to offset carbon emissions, a liability for such a purchase is recognised in the financial statements.

Pure Leapfrog supports and assists others in procuring high quality carbon credits. Where this is done, arrangements are made by ourselves with the market, and back to back contracts executed. For this we act as agent and receive a fee. All such fees are recognised as income in our financial statements.

PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in income and expenditure.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income and expenditure.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Provisions

Provisions are recognised when the group has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Employee and retirement benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group and the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Tax

The company is a registered charity and is recognised as such by HMRC for taxation purposes. As a result there is no liability to corporation tax on its charitable income. The subsidiary entities account for tax as follows:

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the year because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

2. Judgements and key sources of estimation uncertainty

In the application of the group and the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical Judgements and estimates - Programme related investments

The group makes assessments of the recoverable value of amounts provided in the form of programme related investments to external parties. When assessing the recoverability of these amounts owed, management considered factors such as the market value of certain assets held by the relevant entities. Provisions were made where there were indications that the outstanding loan balance may not be recoverable in full.

3. Income from other trading activities

Group	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£	£	£	£
Trading activities	5,520	-	5,520	391,082	1,156,160	1,547,242
Disposal of Leapfrog Bridge Finance Limited	4,988	-	4,988	-	-	-
	10,508	-	10,508	391,082	1,156,160	1,547,242

Charity	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£	£	£	£
Trading activities	-	-	-	19,360	-	19,360
Disposal of Leapfrog Bridge Finance Limited	4,988	-	4,988	-	-	-
	4,988	-	4,988	19,360	-	19,360

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

4. Donations

Group	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Individual donations	4,785	817	5,603	16,167	29,727	45,894
Gift aid	(871)	-	(871)	1,375	-	1,375
Corporate donations	62,899	83,168	146,067	133,109	295,117	428,226
Government grants	-	90,224	90,224	-	41,321	41,321
Philanthropic grants	608	49,392	50,000	500	141,250	141,750
	67,421	223,601	291,022	151,151	507,415	658,566

Charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Individual donations	4,785	817	5,602	16,167	29,727	45,894
Gift aid	(871)	-	(871)	1,375	-	1,375
Corporate donations	63,527	83,168	146,695	133,109	295,117	428,226
Government grants	-	90,224	90,224	-	41,321	41,321
Philanthropic grants	608	49,392	50,000	500	141,250	141,750
	68,049	223,601	291,650	151,151	507,415	658,566

5. Income from charitable activities

Group	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Consultancy and events	10,737	188,210	198,947	21,500	35,021	56,521
Other income	27,726	22	27,748	27,513	-	27,513
	38,463	188,232	226,696	49,013	35,021	84,034

Charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Consultancy and events	2,194	188,210	190,404	21,500	35,021	56,521
Other income	27,726	22	27,748	27,513	-	27,513
	29,920	188,232	218,152	49,013	35,021	84,034

PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

6. Income from investments

Group	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£	£	£	£
Bank interest	3	24	26	85	76	161
Loan interest	251	1,134	1,385	2,495	6,093	8,588
Gift aid	-	-	-	-	-	0
	253	1,158	1,411	2,580	6,169	8,749

Charity	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£	£	£	£
Bank interest	3	24	26	85	76	161
Loan interest	251	1,134	1,385	2,495	6,093	8,588
Gift aid	-	-	-	23,000	-	23,000
	253	1,158	1,411	25,580	6,169	31,749

7. Costs of raising funds

Group and charity	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£	£	£	£
Trading subsidiary Costs	-	-	-	471,924	1,232,601	1,704,525

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

8. Analysis of charitable activities

Group	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Purchase of carbon credits	-	984	984	35,309	59,716	95,025
Other operating costs	57	6	63	208	199	407
Grants and related projects	3,181	107,655	110,836	35,256	280,491	315,747
Support costs (note 9)	19,643	9,732	29,375	40,014	5,275	45,289
Loan interest	640	1,148	1,788	1,256	6,412	7,668
Staff and consultants	(561)	356,725	356,164	44,606	21,889	66,495
Governance costs (note 10)	29,580	-	29,580	36,663	375	37,038
Reversal of Loan write off	-	-	-	(373)	-	(373)
	52,540	476,250	528,790	192,939	374,357	567,296

Charity	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Purchase of carbon credits	-	984	984	35,309	59,716	95,025
Other operating costs	57	6	63	208	199	407
Grants and related projects	3,181	107,655	110,836	35,256	280,491	315,747
Support costs (note 9)	14,759	9,732	24,491	35,621	5,275	40,896
Loan interest	640	1,148	1,788	1,256	6,412	7,668
Staff and consultants	(6,772)	356,725	349,953	111,295	98,330	209,625
Governance costs (note 10)	18,900	-	18,900	20,868	375	21,243
Reversal of Loan write off	-	-	-	(373)	-	(373)
	30,765	476,250	507,015	239,440	450,798	690,238

Grants and related projects include payments to entities which fulfil the objectives of the charity per the Trustees' Report.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

9. Analysis of charitable activities

Group	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Office costs	2,360	1,573	3,933	3,610	1,515	5,125
IT and infrastructure	2,258	1,331	3,589	1,116	95	1,211
Membership and subscriptions	3,787	2,768	6,555	2,860	-	2,860
Accounting fees	2,076	-	2,076	10,120	900	11,020
Travel and subsistence	48	3,024	3,072	3,890	88	3,978
Bank charges	1,067	107	1,174	915	648	1,563
Marketing/advertising	1,168	929	2,097	11,223	2,029	13,252
Depreciation	4,763	-	4,763	6,280	-	6,280
Loss on disposal of fixed assets	2,116	-	2,116	-	-	-
	19,643	9,732	29,375	40,014	5,275	45,289

Charity	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Office costs	1,785	1,573	3,358	3,610	1,515	5,125
IT and infrastructure	1,167	1,331	2,498	1,116	95	1,211
Membership and subscriptions	3,391	2,768	6,159	2,860	-	2,860
Accounting fees	1,566	-	1,566	7,170	900	8,070
Travel and subsistence	35	3,024	3,059	3,890	88	3,978
Bank charges	884	107	991	915	648	1,563
Marketing/advertising	1,168	929	2,097	11,223	2,029	13,252
Depreciation	4,763	-	4,763	4,837	-	4,837
	14,759	9,732	24,491	35,621	5,275	40,896

10. Analysis of governance costs

Group	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Audit fees	19,480	-	19,480	25,295	-	25,295
Insurance costs	7,091	-	7,091	2,928	-	2,928
Trustee expenses	-	-	-	-	-	-
Professional fees	3,010	-	3,010	8,440	375	8,815
	29,580	-	29,580	36,663	375	37,038

Charity	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Audit fees	12,000	-	12,000	9,500	-	9,500
Insurance costs	7,091	-	7,091	2,928	-	2,928
Trustee expenses	-	-	-	-	-	-
Professional fees	(190)	-	(190)	8,440	375	8,815
	18,900	-	18,900	20,868	375	21,243

PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

11. Net income (expenditure) for the year

	Group		Charity	
	2021	2020	2021	2020
This is stated after charging:	£	£	£	£
Depreciation	4,763	6,280	4,763	4,837
Auditor's remuneration				
- audit of the financial statements	19,480	25,295	12,000	12,000
- corporate tax compliance	3,200	2,950	-	-

12. Staff costs and emoluments

Total staff costs were as follows:	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Wages and salaries – charitable activities	325,583	66,495	319,785	209,625
Wages and salaries – raising funds	-	320,678	-	-
Social security costs	25,603	28,030	25,199	-
Pension costs	4,977	4,256	4,969	-
	356,164	419,459	349,953	209,625

Included within wages and salaries is £57,375 (2020: £66,195) relating to consultant costs paid to companies which have a common director.

Staff costs from 2020 relate to recharges of staff time from a subsidiary company.

Particulars of employees:

The average number of employees within the group during the year, was 6 (2020: 6).

The number of employees whose annual remuneration was £60,000 or more were;

	2021	2020
	Number	Number
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1

Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020: £nil).

The total compensation cost of key management personnel is £148,692 (2020: £91,976) which includes employers' national insurance costs and pension contributions. The trustees consider key management personnel to comprise the senior management team, as well as themselves.

PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

13. Taxation

Group	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	120	(992)
Deferred tax		
Origination and reversal of timing differences	-	(354)
	<u>120</u>	<u>(1,346)</u>

14. Tangible fixed asset group

Group	Energy Generating Assets £	Computer Equipment £	Total £
Cost or valuation			
At 1 September 2020	49,999	9,059	59,058
Additions	-	-	-
Disposals	-	(4,080)	(4,080)
At 31 August 2021	<u>49,999</u>	<u>4,979</u>	<u>54,978</u>
Depreciation and impairment			
At 1 September 2020	5,627	4,083	9,710
Depreciation charge in the year	3,333	1,429	4,763
Disposals	-	(1,964)	(1,964)
At 31 August 2021	<u>8,960</u>	<u>3,548</u>	<u>12,509</u>
Net book value			
At 31 August 2021	<u>41,039</u>	<u>1,431</u>	<u>42,470</u>
At 31 August 2020	<u>44,372</u>	<u>4,977</u>	<u>49,349</u>
Tangible fixed asset Charity			
Cost or valuation			
At 1 September 2020	49,999	4,979	54,978
Additions	-	-	-
Disposals	-	-	-
At 31 August 2021	<u>49,999</u>	<u>4,979</u>	<u>54,978</u>
Depreciation and impairment			
At 1 September 2020	5,627	2,119	7,746
Depreciation charge in the year	3,333	1,429	4,763
Disposals	-	-	-
At 31 August 2021	<u>8,960</u>	<u>3,548</u>	<u>12,509</u>
Net book value			
At 31 August 2021	<u>41,039</u>	<u>1,431</u>	<u>42,470</u>
At 31 August 2020	<u>44,372</u>	<u>2,860</u>	<u>47,232</u>

PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

As noted in the previous year, in 2018 the charity took in lieu of settlement of an outstanding loan, energy generating assets secured against that loan. The fair value of these, based on the net present value of the future income stream, is considered to be £135,934. The assets have not been valued to this amount, as income is not virtually certain because it is dependent on a number of variables. Under FRS102, unless the income is deemed to be virtually certain, the assets cannot be restated. However, the trustees believe that the valuation of this asset net of depreciation, and outstanding loan repayments (two remaining at time of writing), would result in £80,000 of unrestricted funds, which has not been included in these financial statements.

15. Fixed asset investments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Programme related investments	-	33,642	-	33,642
Shares in subsidiary company	1	1	1	1
Shares in joint ventures	100	100	100	100
	<u>101</u>	<u>33,743</u>	<u>101</u>	<u>33,743</u>

In 2018 the charity invested £100 in Leapfrog Launchpad Limited, a joint venture in which it has a 33% stake. At the year end this entity was yet to commence trading.

On 30 June 2020, Pure Leapfrog Lilypad CIC was incorporated. Pure Leapfrog is the parent entity. The investment is being carried at £nil value. This CIC has not been consolidated into these financial statements as it falls beneath the threshold that would necessitate it.

16. Current asset investments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Programme related investments	-	16,794,184	-	35,273
	<u>-</u>	<u>16,794,184</u>	<u>-</u>	<u>35,273</u>

Programme related investments are amounts which the charity has lent to third parties in line with its charitable objectives. These investments are repayable in less than one year.

	Capital & funds	Profit/(loss) for the year
	£	£
The company owned 100% of the £1 ordinary share capital of: Leapfrog Finance Limited, a company incorporated in England and Wales. (Company Number 07038343)	<u>-</u>	<u>(6,323)</u>
Leapfrog Bridge Finance Limited (indirect) (09726408)	<u>-</u>	<u>-</u>

The principal activity of Leapfrog Finance Limited was that of Fund Management Activities. It stopped trading in October 2020 and was liquidated in January 2022.

Leapfrog Finance Limited, owned 100% of the 1 £1 ordinary share of Leapfrog Bridge Finance Limited, a financial intermediation company incorporated in England and Wales. On 25 September 2020 100% of its shareholding in Leapfrog Bridge Finance Limited was sold for a cash consideration of £5,000.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

17. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	137,336	84,494	137,336	54,407
Gift Aid recoverable	1,348	2,696	1,348	2,696
Other Debtors	-	9,060	-	-
Amounts owed by group undertakings	-	-	-	4,863
Prepayments and accrued income	117,249	18,809	117,249	18,809
	<u>255,933</u>	<u>115,059</u>	<u>255,933</u>	<u>80,775</u>

18. Creditors

Amounts falling due within one year	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Other loans (note 20)	22,480	16,599,198	22,480	40,523
Trade creditors	18,881	34,749	18,881	27,727
Corporation Tax	-	3,414	-	-
Taxation and social security	9,201	56,294	9,201	-
Other creditors	18,511	320,886	18,511	76,905
	<u>69,073</u>	<u>17,014,541</u>	<u>69,073</u>	<u>145,155</u>

19. Creditors

Amounts falling due after more than one year	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Other loans (note 20)	50,000	34,481	50,000	34,481

20. Creditors – other loans

Creditors include loans which are due for repayment as follows:	Group		Charity	
	2021	2020	2021	2020
Amounts repayable:	£	£	£	£
In one year or less	22,480	16,599,198	22,480	40,523
In more than one year but not more than two years	10,000	34,481	10,000	34,481
In more than two years but not more than five years	40,000	-	40,000	-
In more than five years	-	-	-	-
	<u>72,480</u>	<u>16,633,679</u>	<u>72,480</u>	<u>75,004</u>

The Loan in 2021 is a COVID-19 Bounce Back loan of £50,000 repayable over 5 years with an interest rate of 2.5%. The loan of £22,480 is from Big Society Capital and has been used to fund small loan book payments which are all due to be repaid in the following financial year. Of the loan liability for the group in 2020: £16,558,675 was secured by fixed and floating charges over the assets of SASC Bridge Finance Limited (formerly Leapfrog Bridge Finance Limited). The £16.5m liability moved with Leapfrog Bridge Finance to SASC upon the sale of this company.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

21. Restricted income funds

Group	Balance at 1 September 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
	£	£	£	£	£
2020/21					
British Airways Carbon Fund	190,221	81,688	(57,006)	-	214,903
Carbon credit purchase	2,933	2,320	(1,097)	-	4,156
Warrington Community Benefit Fund	88,049	24	(50,000)	5,000	43,073
BASEE	-	47,189	(40,084)	(7,105)	-
5G NT	-	116,443	(117,537)	1,094	-
REWIRE	5,183	74,360	(122,564)	43,021	-
SPEN	-	11,114	(10,517)	(597)	-
Mersey Biochar	-	12,885	(3,467)	-	9,418
Decent Homes	-	24,392	(24,461)	69	-
Leapfrog Lilypad	-	16,442	(22,457)	6,014	-
Leapfrog Launchpad	2,946	25,000	(25,912)	-	2,034
Big Society Capital facility	7,370	1,134	(1,148)	(1)	7,355
	296,702	412,991	(476,250)	47,494	280,938

Charity	Balance at 1 September 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
	£	£	£	£	£
2020/21					
British Airways Carbon Fund	190,221	81,688	(57,006)	-	214,903
Carbon credit purchase	2,933	2,320	(1,097)	-	4,156
Warrington Community Benefit Fund	93,049	24	(50,000)	-	43,073
BASEE	-	47,189	(40,084)	(7,105)	-
5G NT	-	116,443	(117,537)	1,094	-
REWIRE	5,183	74,360	(122,564)	43,021	-
SPEN	-	11,114	(10,517)	(597)	-
Mersey Biochar	-	12,885	(3,467)	-	9,418
Decent Homes	-	24,392	(24,461)	69	-
Leapfrog Lilypad	-	16,442	(22,457)	6,014	-
Leapfrog Launchpad	2,946	25,000	(25,912)	-	2,034
Big Society Capital facility	7,370	1,134	(1,148)	(1)	7,355
	301,702	412,991	(476,250)	42,494	280,938

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

Restricted income funds Group	Balance at 1 September 2019	Income	Expenditure	Transfers	Balance at 31 August 2020
2019/20	£	£	£	£	£
British Airways Carbon Fund	188,243	261,862	(259,884)	-	190,221
Carbon Credits	-	65,260	(62,326)	-	2,934
Warrington Community Benefit Fund	-	100,049	(12,000)	-	88,049
BASEE	-	11,107	(11,115)	8	-
5G NT	-	12,063	(12,063)	-	-
REWIRE	-	43,543	(38,360)	-	5,183
SPEN	-	4,682	(4,682)	-	-
LBF Loan Interest	-	1,156,160	(1,156,160)	-	-
Leapfrog Lilypad	-	2,714	(2,714)	-	-
Leapfrog Launchpad	2,938	41,250	(41,242)	-	2,946
Big Society Capital facility	7,706	6,075	(6,412)	-	7,369
	198,887	1,704,765	(1,606,958)	8	296,702

Restricted income funds Charity	Balance at 1 September 2019	Income	Expenditure	Transfers	Balance at 31 August 2020
2019/20	£	£	£	£	£
British Airways Carbon Fund	188,243	261,862	(259,884)	-	190,221
Carbon Credits	-	65,260	(62,326)	-	2,934
Warrington Community Benefit Fund	5,000	100,049	(12,000)	-	93,049
BASEE	-	11,107	(11,115)	8	-
5G NT	-	12,063	(12,063)	-	-
REWIRE	-	43,543	(38,360)	-	5,183
SPEN	-	4,682	(4,682)	-	-
Leapfrog Lilypad	-	2,714	(2,714)	-	-
Leapfrog Launchpad	2,938	41,250	(41,242)	-	2,946
Big Society Capital facility	7,706	6,075	(6,412)	-	7,369
	203,887	548,605	(450,798)	8	301,702

British Airways Carbon Fund

The British Airways Carbon Fund represents donations received from British Airways customers through British Airways plc, which are to be used to reduce carbon emissions through community renewable energy and energy efficiency projects in the UK and internationally.

Carbon Credits

Money received and spent on carbon credits during the year to offset the carbon footprints of individuals, businesses and travellers

Warrington Community Benefit Fund

This is a fund established to deliver environmental and social impact that was established from one time donations made by Pure Leapfrog, Warrington Borough Council, and Gridserve Ltd, during the development of two ground-mount solar farms near York and Hull, owned by Warrington Borough Council. The fund will be fully granted to worthy projects over time, with no expectation of additional funds replenishing it.

BASEE

An Energy Efficiency project for SMEs, funded by BEIS. Now being commercialised as "Greenway".

5G NT

A rural connectivity project in Orkney, funded by DCMS.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

REWIRE

An Innovate UK funded project to develop designs for Smart Local Energy Systems.

SPEN

Funding to develop an Internet of Things heat meter for smartening district heating systems so that they may become investible for community ownership and be refinanced out of Local Authority ownership. This could avoid significant and sudden costs being levied on leaseholders as LAs are not permitted to accrue monies for end of life replacement Energy Centres.

Mersey Biochar

A BEIS funded project exploring the feasibility for a Biomass Greenhouse Gas Capture and sequestration plant, that also produces zero carbon heat and flexible despatchable power.

Decent Homes

A new business model for Local Authorities to deploy to help retrofit homes of vulnerable people to be safer and more thermally efficient.

LBF Loan Interest

Loan interest from the activities of Leapfrog Bridge Finance

Leapfrog Lilypad

Cheshire and Warrington LEP funded project to deploy flexible assets into settings in Warrington, exploring and designing optimisable portfolios of assets.

Leapfrog Launchpad

With funding from Joseph Rowntree, to develop new business models for community energy.

Big Society Capital facility

Big Society Capital provide Pure Leapfrog with a small loan facility which it could on-lend to community energy groups and charities. The facility was closed to new applications in 2017. Where loan payments are made in advance of schedule, they are held as restricted funds

22. Unrestricted income funds

Group	Balance at 1 September 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
	£	£	£	£	£
2020/21					
General Funds	21,577	116,645	(52,660)	(47,495)	38,067
	Balance at 1 September 2019	Income	Expenditure	Transfers	Balance at 31 August 2020
	£	£	£	£	£
2019/20					
General Funds	91,276	593,826	(664,863)	1,338	21,577
Charity	Balance at 1 September 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
	£	£	£	£	£
2020/21					
General Funds	8,117	103,210	(30,765)	(42,495)	38,067
	Balance at 1 September 2019	Income	Expenditure	Transfers	Balance at 31 August 2020
	£	£	£	£	£
2019/20					
General Funds	2,461	245,104	(239,440)	(8)	8,117

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

23. Analysis of net assets between funds

	Investments	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£	£
2020/21					
Restricted funds	-	-	280,938	-	280,938
General unrestricted funds	101	42,470	45,496	(50,000)	38,067
	101	42,470	326,434	(50,000)	319,005
	Investments	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£	£
2019/20					
Restricted funds	33,642	-	302,541	(34,481)	301,702
Designated Funds	-	-	-	-	-
General unrestricted funds	101	47,230	(39,214)	-	8,117
	33,743	47,230	263,327	(34,481)	309,819

24. Company limited by guarantee

The company is limited by guarantee and there is therefore no share capital. Members' liability is limited to £1 per member. At 31 August 2021, there were 5 members.

25. Related party transactions

The company has taken advantage of exemptions under Financial Reporting Standard 102 s.33.1A not to disclose transactions with group undertakings.

There were no related party transactions relating to trustees in 2021 or 2020 (note 12).

PURE LEAPFROG

England & Wales - Charity number 1112249

Accounts

JCI (2019)

Company Registration Number 05534395
Charity Number 1112249

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

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**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

YEAR ENDED 31 AUGUST 2020

Registered charity name	Pure Leapfrog		
Charity number	1112249		
Company registration number	05534395		
Registered office	7-14 Great Dover Street London SE1 4YR		
Trustees	Simon Cordery Mark Henderson Michael Jampel Shelagh Kirkland Graeme Ludlow Sophie Pughe (Appointed 01/02/2021)		
Senior management team	Claire Hanratty Paul Gilligan	CEO CEO	(Resigned 01/11/2020) (Appointed 01/11/2020)
Auditor	Johnston Carmichael LLP Chartered Accountants 7-11 Melville Street Edinburgh EH3 7PE		
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP		

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

The Trustees present their report and the audited financial statements of the charity and group for the year ended 31 August 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and with the charity's governing document, the Companies Act 2006, 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 and Republic of Ireland (FRS 102).

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

The trustees

The trustees who served the charitable company during the year and since the year end were as follows:

Simon Cordery
Michael Jampel
Mark Henderson (Chair)
Shelagh Kirkland (Treasurer)
Graeme Ludlow
Sophie Pughe (Appointed 01/02/2021)

The Team

The Leapfrog Group has a staff of six people, plus two committed contractors, as at 31st August 2020. Between them they have over fifty years' experience in renewables, energy systems, carbon, climate change, finance and legal related fields.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

Chairman's statement

The decades of mounting evidence of climate breakdown and man-made climate change continued to build during 2019-20. It seemed to finally tip into widespread public and political consciousness in 2018-19, leading to legal, political and personal commitments, but the global lockdowns caused by the Covid pandemic appear to have allowed people, communities and governments across the world to pause, reflect and embrace – with increased urgency - a better world, with a changed set of priorities and a realisation that it is possible to hit a global “reset” button, if the will is there. Even before the first lockdown was lifted in the UK, there were calls to “build back better” and “build back greener”.

Progress on commitment to tackling climate change is welcome. However, as good intentions and commitments increase so we must be alert to new and different dangers arising.

As the issue continues to climb the UK's mainstream political agenda, so it inevitably becomes pulled in different directions, with a range of opinions about the correct action to take and strategies to adopt. Predictably this becomes bound up in shorter term political considerations, with the risk that necessary significant action falls into the gap that emerges between politicians.

At the same time, as limited legislation is brought forward, and targets enshrined; policy makers and the civil service have the unenviable job of translating political aspirations in to legislation, and legislation into actionable policies and regulations. The result is that we see the capital markets pulling ahead of policy. A growing Environmental, Social and Governance credentialed pool of capital is looking for investible opportunities that are not as abundant due to the pace of the legislative and policy process creating uncertainty for scheme developers.

Government money has been flowing into projects and communities through a combination of Covid (build back better) financial support, and new funding streams that form part of the post Brexit “levelling up” agenda. The risk that we see is that a great number of projects will be brought forward that do not deliver against a strategic plan, because at present, it is something that is still absent.

These triple risks of political failure, lack of investible projects, and no underlying strategy, means that it is more important than ever that we continue to turn our efforts and talents to defining and delivering some of the building blocks needed to secure the transition that is required, and to ensure that it is a Just Transition that serves the planet and communities.

Of course, 2019.20 has been a difficult year for everyone globally. Pure Leapfrog has not been immune from the challenges the world has faced from the Covid pandemic. We have worked hard to protect the charity, to look after our staff and to continue to develop the charity to continue to deliver its purpose and have impact, even in the most challenging of times.

Finally, I would like to pay tribute to Claire Hanratty, the outgoing CEO of Pure Leapfrog Group. Claire joined Pure Leapfrog at a time of significant change in the community energy sector. She transformed the business, spotting the changes that were coming and adapting it to remain fit for purpose. With great personal dedication she also worked hard to secure a future for Leapfrog Bridge Finance; thus ensuring not just the protection of jobs, but also the ongoing access to capital that community projects will increasingly need as the energy system changes. Leapfrog Bridge Finance now trades as SASC Bridge Finance and is part of a larger fund management company where it can grow to its greatest potential.

During her tenure Claire also steered Pure Leapfrog through the worst of the Covid-19 pandemic, and continued to prioritise the organisation's needs at significant personal sacrifice.

Claire has now returned to her long term home in Australia, and is succeeded by Paul Gilligan. Paul was appointed by a unanimous decision of the trustees, and is somebody with whom we are delighted to be working as we embark into a very different world.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

Trustees' Report

Objectives and Activities

At this time of galvanising action and of rapid change, it is useful to remind ourselves of the legal charitable purposes of Pure Leapfrog. As stated in our Articles of Association, they are:

1. To promote sustainable development for the benefit of the public by
 - The preservation, conservation and the protection of the environment and the prudent use of resources,
 - The relief of poverty, the promotion of health and the improvement of the conditions of life in socially and economically disadvantaged communities,
 - The promotion of sustainable means of achieving economic growth and regeneration.
2. To advance the education of the public in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment, and to promote study and research in such subjects provided that the useful results to such study are disseminated to the public at large.
3. To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment.
4. To advance the education of the public in the conservation, protection and improvement of the physical and natural environment.

We recognise the context we operate within is increasingly politically led as opposed to being grass-roots led as has been the case for so much of our history. As such, it is important to remind ourselves that we are not a campaigning, political, or activist organisation.

Our purposes are written in such a way as to guide our activities; and, as our purposes are written, our activities should be delivered through advancement, promotion, and education of positive interventions in sustainability, environment, communities and economies.

Our activities in 2019-20 continued to be guided by this, and the trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims, objectives and activities and in the planning of future activities.

Pure Leapfrog Group

For the year ending 2019-20 the Pure Leapfrog Group comprised Pure Leapfrog (the charity) (05534395), its wholly owned subsidiary Leapfrog Finance Limited (07038343), and in turn its wholly owned subsidiary Leapfrog Bridge Finance Ltd (09726408) now known as SASC Bridge Finance Limited.

Care should be made, when reading, to distinguish between these entities when referenced.

Activities

Pure Leapfrog is a sustainability and decarbonisation charity that draws on its staff's expertise in energy systems, finance, natural capital and carbon, to develop and support new projects and solutions that help communities to accelerate their own decarbonisation.

Our activities range from loan making, to pro bono support and provision of legal templates, through contributing to the research and development of new technologies and business models in the renewables and clean tech space. We provide a high quality carbon offsetting service to carefully selected corporate partners, as well as ongoing support and advice to the community energy sector.

Our achievements this year have been set against a backdrop of challenging times, with the world grappling with the terrible impact of the Covid pandemic. The Leapfrog group also began a restructure that concluded in the following financial year (2020.21) that ensures it will continue to deliver impact within the changing context described on the Chairman's Report.

As noted in last year's report, directors had been in discussions regarding the ownership/management of Leapfrog Bridge Finance. During the year to August 2020 a sale of Leapfrog Bridge Finance was agreed, concluding only a couple of weeks after the year end.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

We are delighted to see that SASC Bridge Finance (formerly known as Leapfrog Bridge Finance Ltd) continues to support community energy projects in the UK, under its new ownership At Social and Sustainable Capital.

Accordingly, and as the bridge finance business remained part of the group for the year reported on here, these accounts contain both consolidated group accounts as well as accounts for the charity as a discrete entity.

The charity retains its Community Energy Fund loan book, as well as expertise in financial modelling, due diligence and lending, through the retained skills of staff who were transferred from the bridge finance business prior to its sale.

Achievements & Performance

Finance

Since financial close of a £16m loan, in partnership with Investec, to GRIDSERVE Sustainable Energy Ltd to develop two new solar farms for Warrington Borough Council, being achieved in 2018-19, there has been no new lending from our bridge finance facility.

Construction commenced for the new Warrington BC solar farms during this year; with the 37.4 Megawatt York site being commissioned and repaid in December 2019. The 25.7MW site in Hull was successfully commissioned and repaid in October 2020, after the end of the financial year.

We maintain a small loan book of community energy organisation clients – the Community Energy Fund – which has enabled multiple community energy groups to create smaller scale projects.

Going in to 2019-20 we had seven loans on the book, totalling circa £339k. During the year two groups settled their accounts – Bristol Energy Coop, and Four Winds Energy Cooperative. We look forward to continue providing support to these groups in the future. The loan book ended the year with £68,916 outstanding.

The sale of Leapfrog Bridge Finance saw some of its staff transferred to Pure Leapfrog (the charity). Our skills in finance, particularly with sympathies to the specific needs, models and community benefit fund structures found within the Community Energy Sector, continue to position us well as a financial specialist within this field.

Community Energy Fund small loan book at August 2020

Charitable Funds Management

Pure Leapfrog continues to work in partnership with British Airways, operating the British Airways Carbon Fund. BA passengers are invited to make voluntary contributions to this fund, that supports community projects across the UK. Projects are sustainability, carbon and energy related; and support communities to determine pathways to realising their own sustainable futures.

In 2019-20 the BA Carbon Fund supported 20 projects with a total investment of £260,000. This support directly helped to avoid ongoing emissions of some 525 tonnes per annum.

Please see overleaf for project examples.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

Village Water, Zambia

Good hygiene, clean drinking water, and a safe place to use the bathroom are just as important as teachers, classrooms and books for a quality education. When these aren't available, students spend less time learning because of sickness or time spent collecting water. Half the population in Zambia is 15 or under, removing the barriers to completing their education is essential for this generation to move away from poverty.

4 schools and 1 Health Centre (serving 19,500 people) in Western Province, Zambia who have insufficient access to water have benefited from this grant.

The project upgraded water-points to a solar water system. A solar pump was installed and linked to solar panels which supply gravity fed taps stands installed at key locations to allow use by surrounding communities. Local users pay a nominal fee for water which will be saved for future maintenance and repairs.

The impact of this project can be measured by:

- 2 tonnes CO₂ avoided each year.
- Project activities will reduce school absenteeism due to waterborne diseases (skin and eye infection and diarrhoea) by at least 70% from baseline for 2000 pupils in 4 schools.
- Education sessions for at least 2000 pupils (also open to surrounding communities) will improve understanding of menstruation and break cultural taboos benefitting estimated 1000 female pupils in 4 schools.
- Education and improved wash facilities will reduce school absenteeism due to menstruation by 60% from baseline for estimated 1000 female students in 4 schools.

Moseley Road Baths, UK

Moseley Road Baths is a Grade II* listed building, recognised worldwide as at risk, and having national significance. It is also a much-used community pool that has continually hosted swimming for 112 years, providing healthy exercise for the population of Balsall Heath.

The Baths had been regularly earmarked for closure by Birmingham City Council over the last 20 years and have been disinvested in. Most recently the pool was due to close in 2017 but was successfully taken over by the local community.

It was important to the community to invest in the baths, but to do so sustainably.

A grant from the BA Carbon fund allowed them to upgrade water heating to improve showering facilities for users of the baths.

The impact of this project can be measured by:

- 25% reduction in GHG emissions from water heating, saving 13.9 tonnes CO₂ each year.
- Supporting an increase in swim time by 40% and a doubling of the number of swimmers.
- Increased capacity allows for single gender swim sessions, which is important in an ethnically diverse area such as Balsall Heath.
- Securing access to health and wellbeing facilities for the community.
- Supporting community cohesion through investment into a loved and continually threatened local amenity.
- Securing heritage of the built environment by helping to upgrade and retrofit an historically important building.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

Carbon Offsetting

As part of promoting sustainable benefit and sustainable means of achieving economic growth and regeneration, we continue to work with partners that show a sincere commitment to reducing their impact on the planet.

We work with partners who show they are sincerely engaged in ways of measuring and reducing their emissions. Partners are provided with access to high quality carbon offsets to cover their un-mitigable emissions. Where possible, further engagement to educate partners on ways of discovering how they might become more sustainable in future, is offered.

We also provide partners with online offsetting calculators and tools so that they can offer offsetting options to their end users in respect of their impact.

In 2019-20 we arranged for 6 partners to offset over 27,000 tonnes of carbon, through the provision of £95,000 of carbon credits.

These credits are created by projects that have significant co-benefits, beyond the avoidance of carbon emissions, which is their primary aim. Please see below for two great examples.

Low Smoke Cook Stoves for Communities in Darfur, Sudan

90% of households in Sudan use biomass for their stoves and for every 10 trees cut down, only 1.5 are regrown. In addition to this, burning wood and charcoal inside the home creates harmful gases and residue for residents. By providing low smoke cook stoves to these war torn communities, the project reduces deforestation and improves community health.

The project provides a number of additional positive impacts to families and particularly to women:

- Almost 100% of families using the new cookstoves delivered by the project state that indoor air quality has greatly improved.
- Each stove installed in a household in Darfur saves 4.5 tCO₂e – equivalent to one passenger flying 3 times between London and New York.
- The Global Alliance for Clean Cook-stoves states that cooking with efficient low smoke LPG reduces most key pollutants by over 95% and reduces energy consumption by 50-70%.
- 100% of households have reported decreases in energy expenditure
- 26 % of women are starting new income generating activities, with a further 8% expanding existing activities with the time saved no longer having to collect wood.
- 58% of women said they had more time to spend with their children.
- 48% of women surveyed said their husbands have even showed more interest in the cooking with the new stoves.

This project claims contributions to United Nations Sustainable Development Goals 8, 12, 13 & 15.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

Taking Root- Reforestation with impact in Nicaragua

Reforestation is essential to limit climate change to 2 °C. We will not meet reforestation targets without engaging and working with the world's 500 million smallholder farmers.

Growing trees has the potential to create huge value for farmers. However, historic barriers have meant this potential has been unmet:

- Farmers have not had access to the upfront capital needed to grow trees
- Measuring project outcomes across multiple small farms has been too complex and costly

The Taking Root Approach overcomes these barriers, creating the conditions for transformational change on an unprecedented scale.

When farmers earn an income from growing trees, climate change and poverty are addressed simultaneously.

Taking Root creates the conditions for farmers to reforest their own land by providing financial incentives to grow trees, advisory services and market access for forest-based commodities.

In just a decade Taking Root has had significant impact:

- Over \$4,000,000 invested into communities
- Over 5,000,000 trees planted
- 1070 Farming families supported
- More than 900,000 tonnes CO₂ stored

This project uses mobile phone information, satellite imagery and machine learning to create rigorous independent reporting in near real-time across thousands of farms.

Research and Development

2019-20 saw a step change in our efforts to contribute to the research and development required to tackle the climate crisis, particularly with local and place based approaches, and with attention on hard to solve problems.

Through a small but growing portfolio of innovation projects, we have quickly secured ourselves a strong position within a high quality set of innovation partners drawn from the third sector, the commercial and industrial sector, and the academic sector.

A total of £66,000 was spent by Pure Leapfrog on R&D in 2019-20, across 4 projects.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

Project BASEE (Boosting Access for SMEs to Energy Efficiency)

The SME sector needs help decarbonising, and has its own set of challenges that are unlike other sectors such as large industrial, public sector or domestic.

Things we know:

- The average lifespan of an SME is 4 years
- ROI on EE measures can run to at least 7 years
- For most sectors, energy costs account for 3% of their expenditure (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/739699/180718_Business_Energy_Statistical_Summary_-_final_version.pdf).

These factors alone make decarbonising SMEs difficult. Even 10% cost increase of energy will only translate to a marginal increase in costs – and business will be prioritising interventions that can lead to more significant cost reductions than that.

We also know that 54% of business owners would like to take steps to reduce their carbon footprint (https://www.edie.net/news/6/Just-one-in-ten-UK-SMEs-measuring-their-carbon-emissions--survey-finds/?utm_campaign=edie.net%20weekly%20newsletter%20edieweekly-live-11-8-2021&utm_source=AdestraCampaign&utm_medium=Email&utm_content=Just%20one%20in%20ten%20UK%20SMEs%20measuring%20their%20carbon%20emissions%2C%20survey%20finds.), and also many small but viable businesses report significant trouble in raising finance for investment.

Working with our partners Q-Energy and Ask Inclusive Finance, we have been designing an integrated approach that reduces hurdles for business wishing to decarbonise, makes finance available for EE measures, and reduces their energy bills too.

Q-Energy is an Energy Broker with a difference. Rather than simply selling tariffs on competitive terms they are able to monitor and control various aspects of energy usage within buildings. They offer “Smart Tariffs” to customers and can optimise the monitoring and control of buildings’ loads at portfolio level. This intervention alone reduces energy consumption and energy bills.

Retrofitting low carbon technologies to buildings can make additional flexible assets available to help with overall optimisation, and Q-Energy can supply these assets to SMEs.

Many SMEs struggle to access lending. Ask Inclusive Finance was established to address this market failure. As part of the BASEE project they have been investigating how they would write loans to finance EE assets on the basis that Q-Energy customers would cover loan repayments from savings on their energy bills.

Pure Leapfrog, with expertise in both Finance and Energy systems, technologies and markets, have been helping to architect an overall solution, that we hope will lead to a solution being brought to market by these partners.

Community Energy

At Pure Leapfrog we continue to look forward and adapt to new policy, commercial and technological contexts. With the removal of the Feed in Tariff (“FIT”) subsidy now fully absorbed by the community energy sector, we have been working to build new post-FIT models for community energy.

With generous support from the Joseph Rowntree Charitable Trust we have invested around £44,000 into this endeavour. In most cases a key requirement for community energy in the post-FITs era, is either scale or guaranteed close to 100% sale of energy. Preferably both. In most cases the energy that isn’t sold directly (through a Power Purchase Agreement (“PPA”)) will be sold on to the grid, earning only a fraction of what is needed to support a community project.

Our work has continued to focus on ways of achieving high offtake through dedicated PPAs either over private wire, or indirectly, through a “sleeving” arrangement.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

Willmott Dixon Community Energy

During 2019-20 we formally partnered with Willmott Dixon, a Tier 1 Construction Company operating in England and Wales. Willmott Dixon has made a strong commitment to sustainability, committed to achieving Zero Carbon by 2030 for their own operations, but crucially to find ways to build more sustainable buildings for their clients too.

Our partnership leans heavily on their ambition and on our position within the Community Energy sector. For every new contract Willmott Dixon win in England or Wales, and where it is feasible, their client will be offered the option of including a community energy package.

Pure Leapfrog will draw on its network to nominate a suitable community nearby - stepping in ourselves if there is not one. The building owner grants a roof lease to the community group, and the community group undertakes a share raise in order to own and operate Solar PV on the roof of the new building. The building occupant enters into a PPA that aligns with the roof lease term.

The key to the success of this scheme is that Willmott Dixon commit to signing a second PPA and agree to take any spill from the system through a sleeving arrangement, paying the same PPA price as the occupant.

As rooftop solar becomes increasingly important yet increasingly commercially challenging, it is schemes like this that will be able to unlock positive impacts for the planet and for communities.

Governance

The Trustees look to the Charity Governance Code as a means to assist with their commitment to governance practices of the highest quality. The Board is incorporating Code guidelines and checklists as part of the review of Pure Leapfrog's governance it is currently undertaking. The Trustees intend to use the outcomes of this assessment to establish a programme of ongoing governance enhancement.

The Impact of COVID-19 and the future

These accounts were being submitted after a period of significant disruption. The global Covid-19 pandemic had forced governments to introduce draconian measures limiting movement, which in turn had a sudden, significant and immediate negative effect on all economies.

The UK, like many other developed economies, was fortunate to be able to bring forward financial support for individuals and companies. Pure Leapfrog was impacted in a number of areas of work, most significantly within our Carbon Services and Offsetting. This was due to companies being forced to preserve cash, hitting our corporate offsetting services; and a sudden drop in air travel, hitting our passenger offsetting services.

We must note that the drop in all forms of travel did have a recuperative effect upon the planet and we, like many, welcomed the glimpse this gave us into what a cleaner and more sustainable planet would look and feel like. It is a fact however that it did reduce our income.

Government and philanthropic grants to support charities hit by the pandemic were almost exclusively targeted at charities that were providing frontline support for communities, the vulnerable and those disproportionately impacted by the pandemic. Despite looking for additional financial support of this kind, we found repeatedly that we did not qualify.

Pure Leapfrog furloughed, and then sadly made redundant, one member of staff, and full time staff all took voluntary salary reductions for 3 months.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

Careful and diligent financial management has seen the charity through the worst of the pandemic so far. At time of writing, the UK population enjoys a high level of vaccination, and the governments of the UK have been removing restrictions to almost nothing. Cases of infection remain high, but lower than previous peaks; and hospitalisations and deaths are occurring at a significantly lower ratio to infections than was the case prior to vaccines being approved and distributed.

Despite it being a vastly improved, and seemingly increasingly improving picture, it is almost impossible to say what developments may yet occur and when immediate threats from this pandemic might be over. Even when immediate threats are over, there will be a long economic shadow cast by its impact.

As referenced by our Chair in his report, there was a moment of collective clarity, where the world paused and reflected on the challenge of climate change. Meeting this challenge in a fair and just way, and supporting communities to do all they can with place based interventions of their own, remains our singular focus as an organisation. We have seen growing fiscal support to help accelerate the environmental agenda and to decarbonise our energy system/economy. There is also a greater public appreciation of work that needs to be done, and support for it.

Therefore, whilst we hope, but cannot know, that we are emerging from a terrible time; we acknowledge that we do so with greater understanding and support from the public and government for climate related issues. We are in a time of transition as an organisation and having to rebuild our own financial strength, but we do so in a supportive and receptive environment, and we do so as a going concern with some of our most important work ahead of us.

Financial position at the end of the period

As set out in the consolidated statement of financial activities, the total group incoming resources during the year ended 31st August 2020 was £2,298,591 (2019: £1,821,628) while the group outgoing resources were £2,271,821 (2019: £1,745,895).

As set out in the Pure Leapfrog Limited's discrete statement of financial activities, the total charity's incoming resources during the year ended 31st August 2020 was £793,709 (2019: £493,100) while the charity's outgoing resources were £690,238 (2019: £465,613).

Reserves

The Trustees have a target policy of maintaining 3-6 months of unrestricted cash reserves in the charity. As the innovation projects we are operating are all undertaken on a 'quarterly claim basis', the restricted funds associated with these projects will show a negative balance from time to time while awaiting reimbursement.

The group net reserve of £318,279 (2019: £290,163) was held at the end of the year. £296,702 (2019: £198,887) of this balance related to restricted funds held primarily for future grants or loans to UK projects.

The charity's net reserve of £309,819 (2019: £206,348) was held at the end of the year. £301,702 (2019: £203,887) of this balance related to restricted funds held primarily for future grants or loans to UK projects.

At 31 August 2020, the unrestricted reserves in the group amounted to £21,577 (2019: £91,276) and £8,117 (2019: £2,461) in the charity. These reserves were not above the threshold level required by the Trustees at year end, however ongoing financial planning and careful management is continuing to help the charity develop the reserves it requires.

As per Note 14 in the financial statements, the charity also owns revenue generating assets that based on future cashflows have a net present value of around £140,000. This cannot be stated in the accounts due to accounting rules, however the trustees believe that the valuation of these assets net of depreciation would result in a further circa £78,953 of unrestricted income.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

Going Concern

The Trustees have considered the business plans and forecasts for the Charity (as well as the additional value that is likely to accrue from renewable energy assets (see note 14)) and believe that the base case is very likely to be achieved. Therefore, in the Trustees' judgement, the Charity continues to be a going concern.

Significant Events & Risk

Pure Leapfrog remains on a sound, and improving footing. Having come through significant change in the sector, the business, and the pandemic we are well poised for the next chapter of the organisation's history.

We have growing unrestricted reserves, and a strong team of dedicated staff; a network of significant supporters across professional services (principally legal and financial), academia, other aligned third sector organisations, innovative low carbon tech companies, community energy, local authorities and so on; we have a strategy and a financial plan that maintains the needs of the company but starts to wean us off such heavy reliance on grant supported projects; and we are undertaking a review of board skills to further develop membership that will support the ambitions of the organisation going forward.

The principle significant events of divesting ourselves of Leapfrog Bridge Finance Ltd ("LBF"), and the Covid-19 pandemic have been covered elsewhere in this report. In summary, we continue to develop new services to the community energy sector following the sale of LBF Ltd, and we continue to rebuild from the shock of the pandemic.

Whilst we do not foresee any further significant events on the horizon, we acknowledge that they cannot always be foreseen. With this in mind, we continue to proceed with a conservative and steady approach, and a scrupulous eye to detail.

There is increasing opportunity for Pure Leapfrog. As mentioned elsewhere in this report, there is greater fiscal support for the work in which we are engaged, as well as an increasing appetite from communities, local authorities, and corporates, to engage the skills and services from our sector. Our desire is to represent, champion, and drive best practice; and our opportunity is to find partners who value our rigorous and values led approach, and whom will engage with us in a way that sustains us.

A risk that we recognise, and which guides us in our planning, is that with an expansion of our sector overall, without growth ourselves, we become a smaller part of it. The ultimate risk is that our organisation becomes overtaken by newer, larger, or better adapted organisations.

Given we are already resource constrained and that we must grow to secure the organisation's future in a growing sector, it is the increase of service provision that generates unrestricted reserves that we must focus upon. We have no plans to reduce our work under restricted funds (this is chiefly our R&D portfolio), but must tip the balance of revenue generation so that unrestricted income becomes the larger part.

The other principal risk that we currently identify is staffing and recruitment. The labour market is currently under supplied in general, which is already driving wage inflation. The skills we seek are becoming harder to recruit too. We are already looking at how we better communicate, in a more relevant way, to a generation of younger potential employees that are much more purpose focussed than previous generations in general.

Finally, we must consider financial risk. As we continue to rebalance our sources of income, so we are undertaking a greater number of business development activities. We are building and managing a pipeline of potential partners who may wish to work with us, and identifying projects where we can add value.

We are mitigating risk further, by introducing a more standardised ways of assessing opportunities across all areas of our operation. These look at potential projects for their fit with our purpose, our ability and availability to deliver, budget and full cost recovery (at a minimum), and wider fit with other ongoing projects. This standardisation extends to more sophisticated resource planning than we have undertaken before, in order to maximise grant recovery and resource availability.

The dual benefits of more active resource planning are the better and more focussed use of the resources we currently have, but also the ability to scale within a more robust framework.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2020

Structure, Governance and Management

Overview

Pure Leapfrog is governed by a Memorandum and Articles of Association, constituted 11 August 2005. It is a registered charity, no. 1112249 regulated by the Charities Commission. Pure Leapfrog is a limited company, no. 05534395.

The responsibilities of the Trustees and management/staff are set out in the Board charter and delegated authorities policy. Trustees and staff are recruited through an open advertisement process. There have been no new Trustees through the year. A suite of business and human resource policies guide the activities of staff.

Charity staff pay is set based on publicly available benchmarking information and research into current terms.

At 31 August 2020, Pure Leapfrog's wholly owned trading subsidiary, Leapfrog Finance, company no. 07038343, in turn owned Leapfrog Bridge Finance, company no. 09726408. Fully consolidated accounts have been prepared for the year ending 31st August 2020 (now known as SASC Bridge Finance Ltd).

Chief Executive and Company Secretary

The Chief Executive during this reporting period was Claire Hanratty. Claire was succeeded during 2020.21 by Paul Gilligan, under whose tenure this report was prepared.

The Company Secretary, appointed in January 2020, is Barbara Sanderson.

Statement of disclosure to auditor

Each trustee, as at the date of this report, has confirmed that insofar as he/she is aware, there is no relevant audit information (that is, information needed by the charitable company's auditor in connection with preparing their report) of which the charitable company's auditor is unaware, and he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable Company's auditor is aware of that information.

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Registered office:
7-14 Great Dover Street
London
SE1 4YR

Signed by order of the trustees



.....
Mark Henderson
Trustee

31st August, 2021
.....

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2020

The trustees (who are also directors of Pure Leapfrog for the purposes of company law) are responsible for preparing the Trustees' Annual 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, which give a true and fair view of the state of affairs of the group and charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and 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 2019 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and 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 group and charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of Pure Leapfrog (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2020 and of the group's and parent charitable company's incoming resources and application of resources, including the group's and the parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept sufficient and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011, and report in accordance with those Acts.

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

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2020

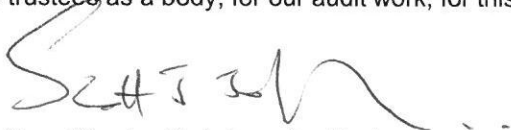
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Scott Jeffrey (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor

31 August 2021

7-11 Melville Street
Edinburgh
EH3 7PE

Johnston Carmichael LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income					
Other trading activities	3	391,082	1,156,160	1,547,242	1,339,272
Donations	4	151,151	507,415	658,566	426,326
Charitable activities	5	49,013	35,021	84,034	35,351
Investments	6	2,580	6,169	8,749	20,679
Total income		<u>593,826</u>	<u>1,704,765</u>	<u>2,298,591</u>	<u>1,821,628</u>
Expenditure on					
Raising funds	7	(471,924)	(1,232,601)	(1,704,525)	(1,266,455)
Charitable activities	8	(192,939)	(374,357)	(567,296)	(479,440)
Total expenditure		<u>(664,863)</u>	<u>(1,606,958)</u>	<u>(2,271,821)</u>	<u>(1,745,895)</u>
Net (expenditure)/income		(71,037)	97,807	26,770	75,733
Corporation tax charge	13	1,346	-	1,346	(5,555)
Transfers between funds		(8)	8	-	-
Net movement in funds		<u>(69,699)</u>	<u>97,815</u>	<u>28,116</u>	<u>70,178</u>
Fund balances at 1 September 2019		<u>91,276</u>	<u>198,887</u>	<u>290,163</u>	<u>219,985</u>
Total funds carried forward		<u>21,577</u>	<u>296,702</u>	<u>318,279</u>	<u>290,163</u>

All of the above amounts relate to continuing activities.

The notes on pages 23 to 41 form part of these financial statements


**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2020

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Tangible assets	14		49,348		52,183
Investments	15		33,742		138,624
			<u>83,090</u>		<u>190,807</u>
Current assets					
Investments	16	16,794,184		19,929,354	
Debtors	17	115,059		138,275	
Cash at bank and in hand		<u>374,968</u>		<u>271,328</u>	
		17,284,211		20,338,957	
Creditors: amounts falling due within one year	18	<u>(17,014,541)</u>		<u>(20,067,298)</u>	
Net current assets			<u>269,670</u>		<u>271,659</u>
Total assets less current liabilities			352,760		462,466
Creditors: amounts falling due after more than one year	19		(34,481)		(171,949)
Deferred tax			-		(354)
Net assets			<u>318,279</u>		<u>290,163</u>
Funds					
Restricted income funds	21		296,702		198,887
Unrestricted income funds	22		<u>21,577</u>		<u>91,276</u>
Total funds			<u>318,279</u>		<u>290,163</u>

These financial statements were approved by the directors on 26th August, 2021 and are signed on their behalf by:



.....
Mark Henderson
Chairman

Company Registration Number: 05534395

The notes on pages 23 to 41 form part of these financial statements

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME
AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£
Income					
Other trading activities	3	19,360	-	19,360	5,744
Donations	4	151,151	507,415	658,566	431,326
Charitable activities	5	49,013	35,021	84,034	35,351
Investments	6	25,580	6,169	31,749	20,679
Total income		<u>245,104</u>	<u>548,605</u>	<u>793,709</u>	<u>493,100</u>
Expenditure on					
Charitable activities	8	<u>(239,440)</u>	<u>(450,798)</u>	<u>(690,238)</u>	<u>(465,613)</u>
Total expenditure		<u>(239,440)</u>	<u>(450,798)</u>	<u>(690,238)</u>	<u>(465,613)</u>
Net income		5,664	97,807	103,471	27,487
Transfers between funds		<u>(8)</u>	<u>8</u>	<u>-</u>	<u>-</u>
Net movement in funds		5,656	97,815	103,471	27,487
Reconciliation of funds					
Fund balances at 1 September 2019		<u>2,461</u>	<u>203,887</u>	<u>206,348</u>	<u>178,861</u>
Total funds carried forward		<u>8,117</u>	<u>301,702</u>	<u>309,819</u>	<u>206,348</u>

All of the above amounts relate to continuing activities.

The notes on pages 23 to 41 form part of these financial statements

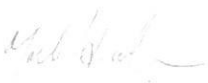
**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2020

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Tangible assets	14		47,230		50,012
Investments	15		33,743		138,625
			<u>80,973</u>		<u>188,637</u>
Current assets					
Investments	16	35,273		200,800	
Debtors	17	80,775		107,227	
Cash at bank and in hand		292,434		162,669	
		<u>408,482</u>		<u>470,696</u>	
Creditors: amounts falling due within one year	18	<u>(145,155)</u>		<u>(281,036)</u>	
Net current assets			<u>263,327</u>		<u>189,660</u>
Total assets less current liabilities			344,300		378,297
Creditors: amounts falling due after more than one year	19		<u>(34,481)</u>		<u>(171,949)</u>
Net assets			<u>309,819</u>		<u>206,348</u>
Funds					
Restricted income funds	21		301,702		203,887
Unrestricted income funds	22		8,117		2,461
Total funds			<u>309,819</u>		<u>206,348</u>

These financial statements were approved by the directors on26th August..... 2021 and are signed on their behalf by:


.....

Mark Henderson
Chairman

Company Registration Number: 05534395

The notes on pages 23 to 41 form part of these financial statements.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2020

	2020		2019	
	£	£	£	£
Net cash inflow from operating activities		125,795		8,074
Tax paid		-		5,424
Investing activities				
Interest paid	(1,178,201)		(840,164)	
Interest received	1,158,656		843,653	
Purchase of tangible fixed assets	<u>(3,448)</u>		<u>(4,086)</u>	
Net cash outflow from investing activities		(22,993)		(597)
Financing activities				
Loans provided to clients	(6,850,000)		(15,500,000)	
Loans repaid from clients	10,970,891		12,151,175	
New loan finance	6,850,000		15,500,000	
Repayment of borrowings	<u>(10,970,053)</u>		<u>(12,215,069)</u>	
Net cash inflow/(outflow) from financing activities		838		(63,894)
Net increase/(decrease) in cash and cash equivalents		<u>103,640</u>		<u>(50,993)</u>
Cash and cash equivalents at the beginning of the year		<u>271,328</u>		<u>322,321</u>
Cash and cash equivalents at the end of the year		<u><u>374,968</u></u>		<u><u>271,328</u></u>

Reconciliation of net movement in funds to net cash flow from operating activities

	2020	2019
	£	£
Net movement in funds for the reporting period	28,116	70,178
Tax charge	(1,346)	5,555
Interest received	(1,158,656)	(843,653)
Interest paid	1,178,201	840,164
Depreciation of fixed assets	6,280	3,153
Decrease in debtors	23,216	137,321
Increase/(decrease) in creditors	<u>49,984</u>	<u>(204,644)</u>
Net cash inflow/(outflow) from operating activities	<u><u>125,795</u></u>	<u><u>8,074</u></u>

The notes on pages 23 to 41 form part of these financial statements

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

General information and basis of preparation

Pure Leapfrog is a private company limited by guarantee registered in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

These financial statements consolidate the results of the charity, its wholly owned subsidiary Leapfrog Finance Limited, and Leapfrog Bridge Finance Limited (now known as SASC Bridge Finance Limited) (a wholly owned subsidiary of Leapfrog Finance Limited at the balance sheet date) on a line by line basis. No results have been consolidated in respect of the investment in Leapfrog Launchpad as the entity remains dormant.

As noted in note 26 Leapfrog Bridge Finance Limited was sold to a third party post year end. Management also intend to wind down and strike off Leapfrog Finance Limited in the coming financial year.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

The company has availed itself of s396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the company's activities.

Reduced Disclosure Framework

The parent company qualifies to adopt the reduced disclosure framework for FRS 102 and has taken advantage of the exemption to present a cash flow statement.

Going concern

The financial statements have been prepared on the going concern basis. The trustees have considered the business plan and forecasts for the Charity and believe that the base case should be achieved and provides a strong basis for our going concern confirmation. The Board also notes the additional value that is likely to accrue from Renewable energy assets.

The Directors have considered the impact of Covid-19. Notwithstanding the new risks and challenges, based on the information available for the group and the ongoing support from their finance providers, they are satisfied that the charity and group remains a going concern. As noted in note 26 Leapfrog Bridge Finance Limited was sold to a third party post year end. Management also intend to wind down and strike off Leapfrog Finance Limited in the coming financial year. On that basis Leapfrog Finance Limited is no longer considered to be a going concern. Leapfrog Finance Limited is not a significant part of the Group and as such no amendments have been made to the financial statements or audit report with respect of this. There has been no change in the recognition and measurement of assets and liabilities as a result of the decision to re-assign the management of the loan facilities or the decision to restructure the group.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

Charitable funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The purpose and use of each restricted fund is set out in the notes to the financial statements.

Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the charity is entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

If there are conditions attached to donations then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from trading subsidiaries to raise funds for the charity. Income is received in exchange for supplying services in order to raise funds and is recognised when entitlement has occurred. Trading income includes fee income and loan interest receivable which are recognised over the period to which the loan facility is provided.

The group receives both corporate and individual donations. These are recognised once the amount has been received or entitlement confirmed. The income and expenditure for these donations will be classified as either restricted or unrestricted funds within the accounts dependent on the underlying conditions attached.

Investment income includes bank and loan interest. Bank interest is recognised when receivable.

Expenditure recognition

Expenditure is recognised on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised when there is a legal obligation to make payments to third parties. It can be categorised under the following headings:

- Costs of raising funds includes costs incurred by trading subsidiary entities including interest payable;
- Expenditure on charitable activities includes all costs associated with the provision of services.

Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

The analysis of these costs is included in note 9.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer equipment	over 3 years
Energy generating assets	over 20 years

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Investments

Investments in subsidiaries are measured at cost less impairment.

Grants and programme related investments are made in accordance with the charity's aims and objectives which are primarily made in furtherance of the charity's objectives. All loans are repayable over periods ranging between a few months up to 3 years and bear interest rates between 0% and 6%. Those repayable in greater than one year are recorded as fixed asset investments.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Purchase of carbon credits

The purchase of carbon credits are payments made in furtherance of the charitable objectives of the charity. The purchase of carbon credits are accounted for where the Trustees have approved the purchase without condition and this intention has been conveyed to the recipient. Where a purchase of carbon credits is required to fulfil a commitment to a donor wishing to offset carbon emissions, a liability for such a purchase is recognised in the financial statements.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in income and expenditure.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income and expenditure.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

Provisions

Provisions are recognised when the group has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

1. Accounting Policies (continued)

Employee and retirement benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Tax

The company is a registered charity and is recognised as such by HMRC for taxation purposes. As a result there is no liability to corporation tax on its charitable income. The subsidiary entities account for tax as follows:

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the year because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2. Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical Judgements and estimates

Programme related investments

The group makes an assessment of the recoverable value of amounts provided in the form of programme related investments to external parties. When assessing the recoverability of these amounts owed, management considers factors such as the market value of certain assets held by the relevant entities. Provisions are made where there are indications that the outstanding loan balance is not recoverable in full.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

3. Income from other trading activities

Group	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Trading activities	391,082	1,156,160	1,547,242	1,339,272
	<u>391,082</u>	<u>1,156,160</u>	<u>1,547,242</u>	<u>1,339,272</u>

Of the total income from other trading activities in 2020 £1,156,160 (2019: £823,036) related to restricted income.

Charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Trading activities	19,360	-	19,360	5,744
	<u>19,360</u>	<u>-</u>	<u>19,360</u>	<u>5,744</u>

Of the total income from other trading activities in 2020 £nil (2019:- £nil) related to restricted income.

4. Donations

Group	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Individual donations	16,167	29,727	45,894	9,719
Gift aid	1,375	-	1,375	583
Corporate donations	133,109	295,117	428,226	373,874
Government grants	-	41,321	41,321	-
Philanthropic grants	500	141,250	141,750	42,150
	<u>151,151</u>	<u>507,415</u>	<u>658,566</u>	<u>426,326</u>

Of the total donations in 2020 £507,415 (2019: £316,352) related to restricted income.

Charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Individual donations	16,167	29,727	45,894	9,719
Gift aid	1,375	-	1,375	583
Corporate donations	133,109	295,117	428,226	373,874
Government grants	-	41,321	41,321	-
Philanthropic grants	500	141,250	141,750	47,150
	<u>151,151</u>	<u>507,415</u>	<u>658,566</u>	<u>431,326</u>

Of the total donations in 2020 £507,415 (2019: £321,351) related to restricted income.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

5. Income from charitable activities

Group and charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Consultancy and events	21,500	35,021	56,521	20,848
Other income	27,513	-	27,513	14,503
	<u>49,013</u>	<u>35,021</u>	<u>84,034</u>	<u>35,351</u>

Of the income from charitable activities in 2020, £35,021 (2019: £nil) was restricted income.

6. Income from investments

Group	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Bank interest	85	76	161	62
Loan interest	2,495	6,093	8,588	20,617
	<u>2,580</u>	<u>6,169</u>	<u>8,749</u>	<u>20,679</u>

Of the income from investments in 2020 £6,169 (2019: £14,865) related to restricted income.

Charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Bank interest	85	76	161	62
Loan interest	2,495	6,093	8,588	20,617
Gift aid	23,000	-	23,000	-
	<u>25,580</u>	<u>6,169</u>	<u>31,749</u>	<u>20,679</u>

Of the income from investments in 2020 £6,169 (2019: £14,865) related to restricted income.

7. Costs of raising funds

Group	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Trading subsidiary costs	471,924	1,232,601	1,704,525	1,266,455
	<u>471,924</u>	<u>1,232,601</u>	<u>1,704,525</u>	<u>1,266,455</u>

Of the total costs of raising funds in 2020 £1,232,601 (2019: £823,036) related to restricted expenditure.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

8. Analysis of charitable activities

Group	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Purchase of carbon credits	35,309	59,716	95,025	45,235
Other operating costs	208	199	407	-
Grants and related projects	35,256	280,491	315,747	280,239
Support costs (note 9)	40,014	5,275	45,289	48,057
Loan interest	1,256	6,412	7,668	17,128
Staff and consultants	44,606	21,889	66,495	52,775
Governance costs (note 10)	36,663	375	37,038	36,006
Reversal of loan write off	(373)	-	(373)	-
	<u>192,939</u>	<u>374,357</u>	<u>567,296</u>	<u>479,440</u>

Of the total charitable activities expenditure incurred in the year £374,357 (2019: £319,739) was restricted.

Charity	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Purchase of carbon credits	35,309	59,716	95,025	45,235
Other operating costs	208	199	407	-
Grants and related projects	35,256	280,491	315,747	280,238
Support costs (note 9)	35,621	5,275	40,896	47,431
Loan interest	1,256	6,412	7,668	17,128
Staff and consultants	111,295	98,330	209,625	52,775
Governance costs (note 10)	20,868	375	21,243	22,806
Reversal of loan write off	(373)	-	(373)	-
	<u>239,440</u>	<u>450,798</u>	<u>690,238</u>	<u>465,613</u>

Of the total charitable activities expenditure incurred in the year £450,798 (2019: £319,738) was restricted.

Grants and related projects include payments to entities which fulfil the objectives of the charity per the Trustees' Report.

9. Analysis of support costs

Group	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Office costs	3,610	1,515	5,125	1,896
IT and infrastructure	1,116	95	1,211	602
Membership and subscriptions	2,860	-	2,860	1,721
Accounting fees	10,120	900	11,020	27,697
Travel and subsistence	3,890	88	3,978	1,299
Bank charges	915	648	1,563	824
Marketing/advertising	11,223	2,029	13,252	10,865
Depreciation	6,280	-	6,280	3,153
	<u>40,014</u>	<u>5,275</u>	<u>45,289</u>	<u>48,057</u>

Of the total support costs incurred in the year £5,275 (2019: £5,245) was restricted.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

9. Analysis of support costs (continued)

Charity	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Office costs	3,610	1,515	5,125	1,896
IT and infrastructure	1,116	95	1,211	602
Membership and subscriptions	2,860	-	2,860	1,721
Accounting fees	7,170	900	8,070	27,697
Travel and subsistence	3,890	88	3,978	1,300
Bank charges	915	648	1,563	824
Marketing/advertising	11,223	2,029	13,252	10,865
Depreciation	4,837	-	4,837	2,526
	<u>35,621</u>	<u>5,275</u>	<u>40,896</u>	<u>47,431</u>

Of the total support costs incurred in the year £5,275 (2019: £5,245) was restricted.

10. Analysis of governance costs

Group	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Audit fees	25,295	-	25,295	22,000
Insurance costs	2,928	-	2,928	3,606
Trustee expenses	-	-	-	7,200
Professional fees	8,440	375	8,815	3,200
	<u>36,663</u>	<u>375</u>	<u>37,038</u>	<u>36,006</u>

Of the total governance costs incurred in the year £375 (2019: £nil) was restricted.

Charity	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Audit fees	9,500	-	9,500	8,800
Insurance costs	2,928	-	2,928	3,606
Trustee expenses	-	-	-	7,200
Professional fees	8,440	375	8,815	3,200
	<u>20,868</u>	<u>375</u>	<u>21,243</u>	<u>22,806</u>

Of the total governance costs incurred in the year £375 (2019: £nil) was restricted.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

11. Net income/(expenditure) for the year

This is stated after charging:	2020	2019
	£	£
Depreciation	6,280	3,153
Auditor's remuneration		
- audit of the financial statements	25,295	22,000
- corporate tax compliance	2,950	2,000
	<u>2,950</u>	<u>2,000</u>

12. Staff costs and emoluments

Total staff costs were as follows:

	2020	2019
	£	£
Wages and salaries – charitable activities	66,495	52,775
Wages and salaries – raising funds	320,678	232,361
Social security costs	28,030	19,656
Pension costs	4,256	2,010
	<u>419,459</u>	<u>306,802</u>

Included within wages and salaries is £68,614 (2019 - £33,211) relating to consultant costs paid to companies which have a common director.

Particulars of employees:

The average number of employees within the group during the year, was 7 (2019 - 4).

The number of employees whose annual remuneration was £60,000 or more were;

	2020	2019
	number	number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£90,001 - £100,000	1	-
£110,001 - £120,000	-	1

Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2019 - £nil).

The total compensation cost of key management personnel is £91,268 (2019 - £110,537). The trustees considers key management personnel to comprise the senior management team. No trustees are accruing pension benefits in the current or prior year.

During the year expenses reimbursed to a trustee totalled £nil (2019 - £nil). As a result of consultancy services provided in relation to the settlement of an outstanding loan in the small loan book, a payment of £nil (2019 - £7,200) was made to a trustee.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

13. Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	(992)	5,347
Deferred tax		
Origination and reversal of timing differences	(354)	208
	<u>(1,346)</u>	<u>5,555</u>

14. Tangible fixed assets

Group	Energy Generating Assets £	Computer equipment £	Total £
Cost or valuation			
At 1 September 2019	49,999	9,137	59,136
Additions	-	3,448	3,448
Disposals	-	(3,527)	(3,527)
At 31 August 2020	<u>49,999</u>	<u>9,058</u>	<u>59,057</u>
Depreciation			
At 1 September 2019	2,294	4,659	6,953
Charge for the year	3,333	2,947	6,280
Disposals	-	(3,524)	(3,524)
At 31 August 2020	<u>5,627</u>	<u>4,082</u>	<u>9,709</u>
Net Book Value			
At 31 August 2020	<u>44,372</u>	<u>4,976</u>	<u>49,348</u>
At 31 August 2019	<u>47,705</u>	<u>4,478</u>	<u>52,183</u>

As noted in the prior year the charity took, in settlement of an outstanding loan in 2018, energy generating assets. The fair value of these assets, based on the net present value of the future income stream is considered to be £144,572. The assets have not been revalued to this amount as income is not virtually certain because it is dependent on a number of variables. Under FRS102 unless the income is deemed to be virtually certain the assets cannot be restated. However, the Trustees believe that the valuation of this asset net of depreciation would result in £78,953 of unrestricted funds which has not been included in these accounts

**PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

14 Tangible fixed assets (continued)

Charity

	Energy Generating Assets £	Computer equipment £	Total £
Cost or valuation			
At 1 September 2019	49,999	2,922	52,921
Additions	-	2,055	2,055
Disposals	-	-	-
At 31 August 2020	<u>49,999</u>	<u>4,977</u>	<u>54,976</u>
Depreciation			
At 1 September 2019	2,294	615	2,909
Charge for the year	3,333	1,504	4,837
Disposals	-	-	-
At 31 August 2020	<u>5,627</u>	<u>2,119</u>	<u>7,746</u>
Net Book Value			
At 31 August 2020	<u>44,372</u>	<u>2,858</u>	<u>47,230</u>
At 31 August 2019	<u>47,705</u>	<u>2,307</u>	<u>50,012</u>

15. Fixed asset investments

	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Programme related investments	33,642	138,524	33,642	138,524
Shares in subsidiary company	-	-	1	1
Shares in joint ventures	100	100	100	100
	<u>33,742</u>	<u>138,624</u>	<u>33,743</u>	<u>138,625</u>

In the prior year the charity invested £100 in Leapfrog Launchpad Limited, a joint venture in which it has a 33% stake. At the year end this entity was yet to commence trading.

On 30 June 2020, Pure Leapfrog Lilypad CIC was incorporated and remained dormant at 31 August 2020. Pure Leapfrog is the parent entity. This investment is being carried at £nil value.

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

15. Fixed asset investments (continued)

	Capital & funds £	Profit/(loss) for the year £
The company owns 100% of the £1 ordinary share capital of: Leapfrog Finance Limited, a company incorporated in England and Wales. (Company Number 07038343)	6,286	(52,801)
SASC Bridge Finance Ltd (formerly Leapfrog Bridge Finance Limited) (indirect) (09726408)	2,175	447

The principal activity of Leapfrog Finance Limited is that of Fund Management Activities. Turnover for the year was £376,467 with expenditure totalling £430,615 and Corporation Tax credit of £1,347.

Leapfrog Finance Limited, owns 100% of the 1 £1 ordinary share of SASC Bridge Finance Ltd (formerly Leapfrog Bridge Finance Limited), a financial intermediation company incorporated in England and Wales. Turnover for the year was £1,479,405 with expenditure totalling £1,478,958 and Corporation Tax charge of £nil.

16. Current asset investments

	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Programme related investments	16,794,184	19,929,354	35,273	200,800
	<u>16,794,184</u>	<u>19,929,354</u>	<u>35,273</u>	<u>200,800</u>

Programme related investments are amounts which the charity has lent to third parties in line with its charitable objectives. These investments are repayable in less than one year.

17. Debtors

	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Trade debtors	84,494	99,828	54,407	90,828
Gift aid recoverable	2,696	540	2,696	540
Other debtors	9,060	21,353	-	-
Amounts owed by group undertakings	-	-	4,863	-
Prepayments and accrued income	18,809	16,554	18,809	15,859
	<u>115,059</u>	<u>138,275</u>	<u>80,775</u>	<u>107,227</u>

**PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

18. Creditors: Amounts falling due within one year

	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Other loans	16,599,198	19,417,955	40,523	169,403
Amounts due to group undertakings	-	-	-	2,232
Trade creditors	34,749	16,899	27,727	7,369
Corporation tax	3,414	-	-	-
Taxation and social security	56,294	11,209	-	-
Other creditors	320,886	621,235	76,905	102,032
	<u>17,014,541</u>	<u>20,067,298</u>	<u>145,155</u>	<u>281,036</u>

19. Creditors: Amounts falling due after more than one year

	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Other loans	<u>34,481</u>	<u>171,949</u>	<u>34,481</u>	<u>171,949</u>

20. Creditors –other loans

Creditors include loans which are due for repayment as follows:

	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
Amounts repayable:				
In one year or less	16,599,198	19,417,955	40,523	169,403
In more than one year but not more than two years	34,481	62,041	34,481	62,041
In more than two years but not more than five years	-	46,162	-	46,162
In more than five years	-	63,746	-	63,746
	<u>16,633,679</u>	<u>19,589,904</u>	<u>75,004</u>	<u>341,352</u>

Of the loan liability in the Group, £16,558,675 (2019 - £19,248,552 is secured by fixed and floating charges over the assets of SASC Bridge Finance Ltd (formerly Leapfrog Bridge Finance Limited).

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

21. Restricted income funds

Group – 2019/20

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
British Airways					
Carbon Fund	188,243	261,862	(259,884)	-	190,221
Carbon credits	-	65,260	(62,326)	-	2,934
Warrington					
Community Benefit	-	100,049	(12,000)	-	88,049
BASEE	-	11,107	(11,115)	8	-
5G NT	-	12,063	(12,063)	-	-
REWIRE	-	43,543	(38,360)	-	5,183
SPEN	-	4,682	(4,682)	-	-
LBF loan interest	-	1,156,160	(1,156,160)	-	-
Leapfrog Lilypad	-	2,714	(2,714)	-	-
Leapfrog					
Launchpad	2,938	41,250	(41,242)	-	2,946
Big Society Capital facility	7,706	6,075	(6,412)	-	7,369
	<u>198,887</u>	<u>1,704,765</u>	<u>(1,606,958)</u>	<u>8</u>	<u>296,702</u>

Group – 2018/19

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2019 £
British Airways					
Carbon Fund	153,109	265,518	(251,648)	21,264	188,243
Other corporate donations	-	9,202	(9,202)	-	-
Carbon credit purchases	-	-	(3,181)	3,181	-
M&E Grant	20,091	8,400	(8,400)	(20,091)	-
LBF loan interest	-	823,036	(823,036)	-	-
Leapfrog					
Launchpad	-	33,750	(30,812)	-	2,938
Big Society Capital facility	4,355	14,347	(16,496)	5,500	7,706
	<u>177,555</u>	<u>1,154,253</u>	<u>(1,142,775)</u>	<u>9,854</u>	<u>198,887</u>

**PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

21. Restricted income funds (continued)

Charity – 2019/20

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
British Airways					
Carbon Fund	188,243	261,862	(259,884)	-	190,221
Carbon credits	-	65,260	(62,326)	-	2,934
Warrington					
Community Benefit	5,000	100,049	(12,000)	-	93,049
BASEE	-	11,107	(11,115)	8	-
5G NT	-	12,063	(12,063)	-	-
REWIRE	-	43,543	(38,360)	-	5,183
SPEN	-	4,682	(4,682)	-	-
Leapfrog Lilypad	-	2,714	(2,714)	-	-
Leapfrog					
Launchpad	2,938	41,250	(41,242)	-	2,946
Big Society Capital facility	7,706	6,075	(6,412)	-	7,369
	<u>203,887</u>	<u>548,605</u>	<u>(450,798)</u>	<u>8</u>	<u>301,702</u>

Charity – 2018/19

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2019 £
British Airways					
Carbon Fund	153,109	265,517	(251,647)	21,264	188,243
Other corporate donations	-	9,202	(9,202)	-	-
Warrington					
Community Benefit Fund	-	5,000	-	-	5,000
NG Fund	-	-	(3,181)	3,181	-
M&E Grant	20,091	8,400	(8,400)	(20,091)	-
Leapfrog					
Launchpad	-	33,750	(30,812)	-	2,938
Big Society Capital facility	4,355	14,347	(16,496)	5,500	7,706
	<u>177,555</u>	<u>336,216</u>	<u>(319,738)</u>	<u>9,854</u>	<u>203,887</u>

PURE LEAPFROG A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

21. Restricted income funds (continued)

British Airways Carbon Fund

The British Airways Carbon Fund represents donations received from British Airways customers through British Airways plc, which are to be used to reduce carbon emissions through community renewable energy and energy efficiency projects in the UK and internationally.

Carbon credits

Money received and spent on carbon credits during the year to offset the carbon footprints of individuals, businesses and travellers.

Warrington Community Benefit

Money for a Social Benefit fund associated with the Warrington Borough Council Solar Farms in York and Humberside. The fund beneficiary is Warrington Community Energy, with whom we work to achieve energy efficiency and carbon reduction impacts in Warrington Borough.

BASEE

An R&D project funded by BEIS, aimed at how to target energy efficiency measures to SMEs. Our partners are Q-Energy, a technology oriented energy broker with the ability to interface with building management systems and to create "Smart Tariffs"; and Ask Intelligent Finance, a specialist lender to SMEs.

5GNT

An R&D project funded by DCMS and led by Cisco Systems. 5GNT seeks to establish new business models for 5G communications networks in remote areas where there is often poor telecoms coverage. The project predicated its New Thinking (5G NT) on the ability for community and alternative ownership structures to help address market failure.

REWIRE

Our flagship Energy Systems project, funded by Innovate UK. We are making a digital twin of Warrington Borough to simulate current energy systems and loads, and then role play scenarios for the introduction of renewables, storage and other low carbon interventions.

SPEN

Supported by Scottish Power Energy Networks and working with The University of Strathclyde and Switch2 Heat Networks, to introduce "Internet of Things" enabled heat meters into heat network connected properties for better metering and more efficient usage.

Leapfrog Lilypad

Money to help set up a separate CIC to work on Energy and Low Carbon interventions.

Leapfrog Launchpad

Money to support the creation of a joint venture to bring forward new models of community energy that are not reliant on Feed in Tariff subsidy.

Big Society Capital Facility

Big Society Capital provide Pure Leapfrog with a small loan facility which it could on-lend to community energy groups and charities. The facility was closed to new applications in 2017.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

22. Unrestricted income funds

Group - 2019/20	Balance at 1 September 2019 £	Income £	Expenditure £	Corporation Tax/ transfers £	Balance at 31 August 2020 £
General Funds	91,276	593,826	(664,863)	1,338	21,577
	<u>91,276</u>	<u>593,826</u>	<u>(664,863)</u>	<u>1,338</u>	<u>21,577</u>
Charity – 2019/20	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
General Funds	2,461	245,104	(239,440)	(8)	8,117
	<u>2,461</u>	<u>245,104</u>	<u>(242,440)</u>	<u>(8)</u>	<u>8,117</u>
Group – 2018/19	Balance at 1 September 2018 £	Income £	Expenditure £	Corporation Tax/ transfers £	Balance at 31 August 2019 £
General Funds	42,430	667,375	(603,120)	(15,409)	91,276
	<u>42,430</u>	<u>667,375</u>	<u>(603,120)</u>	<u>(15,409)</u>	<u>91,276</u>
Charity – 2018/19	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2019 £
General Funds	1,306	156,884	(145,875)	(9,854)	2,461
	<u>1,306</u>	<u>156,884</u>	<u>(145,875)</u>	<u>(9,854)</u>	<u>2,461</u>

23. Analysis of net assets between funds

Group – 2019/20	Investments £	Tangible fixed assets £	Net current assets/ (liabilities) £	Long term liabilities/ Deferred tax £	Total £
Restricted funds	33,642	-	297,541	(34,481)	296,702
General unrestricted funds	100	49,348	(27,871)	-	21,577
Total Funds	<u>33,742</u>	<u>49,348</u>	<u>269,670</u>	<u>(34,481)</u>	<u>318,279</u>

**PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 AUGUST 2020

23. Analysis of net assets between funds (continued)

Charity – 2019/20

	Investments £	Tangible fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted funds	33,642	-	302,541	(34,481)	301,702
General unrestricted funds	101	47,230	(39,214)	-	8,117
Total Funds	33,743	47,230	263,327	(34,481)	309,819

Group – 2018/19

	Investments £	Tangible fixed assets £	Net current assets £	Long term liabilities/ Deferred tax £	Total £
Restricted funds	138,524	-	232,312	(171,949)	198,887
General unrestricted funds	100	52,183	39,347	(354)	91,276
Total Funds	138,624	52,183	271,659	(172,303)	290,163

Charity – 2018/19

	Investments £	Tangible fixed assets £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted funds	138,524	-	237,312	(171,949)	203,887
General unrestricted funds	101	50,012	(47,652)	-	2,461
Total Funds	138,625	50,012	189,660	(171,949)	206,348

24. Company limited by guarantee

The company is limited by guarantee and there is therefore no share capital. Members' liability is limited to £1 per member. At 31 August 2020, there were 5 members.

25. Related party transactions

Other transactions with related parties

The company has taken advantage of exemptions under Financial Reporting Standard 102 s.33.1A not to disclose transactions with group undertakings.

26. Post balance sheet event

On 25 September 2020 Leapfrog Finance Limited sold 100% of its shareholding in SASC Bridge Finance Ltd (formerly Leapfrog Bridge Finance Limited).