

JCI (12/2)

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

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

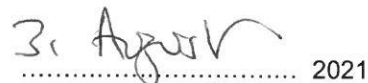
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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	<u>(192,939)</u>	<u>(374,357)</u>	<u>(567,296)</u>	<u>(479,440)</u>
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		<u>(8)</u>	<u>8</u>	<u>-</u>	<u>-</u>
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		<u>33,742</u>	<u>138,624</u>
			83,090	190,807
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

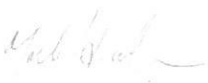
PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

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		<u>292,434</u>		<u>162,669</u>	
		408,482		470,696	
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		<u>8,117</u>		<u>2,461</u>
Total funds			<u>309,819</u>		<u>206,348</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

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>374,968</u>		<u>271,328</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>125,795</u>	<u>8,074</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

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
	419,459	306,802

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
A COMPANY LIMITED BY GUARANTEE

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	49,999	4,977	54,976
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	5,627	2,119	7,746
Net Book Value			
At 31 August 2020	44,372	2,858	47,230
At 31 August 2019	47,705	2,307	50,012

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
	33,742	138,624	33,743	138,625

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
	16,794,184	19,929,354	35,273	200,800

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
	115,059	138,275	80,775	107,227

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

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>

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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	<u>100</u>	<u>49,348</u>	<u>(27,871)</u>	<u>-</u>	<u>21,577</u>
Total Funds	<u>33,742</u>	<u>49,348</u>	<u>269,670</u>	<u>(34,481)</u>	<u>318,279</u>

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

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).