

PURE LEAPFROG

COMPANY LIMITED BY GUARANTEE

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

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

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MEMBERS OF THE BOARD AND PROFESSIONAL ADVISORS

YEAR ENDED 31 AUGUST 2021

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

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

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

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

Mark Henderson (Chair)

Simon Cordery

Dr Michael Jampel

Shelagh Kirkland (Treasurer)

Graeme Ludlow

Sophie Pughe

Senior management team

Paul Gilligan, CEO

Barbara Sanderson, COO

Registered Office

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

Auditors

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

Bankers

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

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

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Chairman's statement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Objectives

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

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

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

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

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

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Pure Leapfrog Group

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

Activities

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

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

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

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

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

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

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Achievements and performance

Finance

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

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

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

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

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

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

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

Charitable Funds Management

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

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

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Aighton, Bailey & Chaigley Village Hall, UK

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

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

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

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

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

Impacts of this project include:

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

SpArC, Bishops Castle, Shropshire, UK

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

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

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

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

Impacts of this project include:

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

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Carbon Offsetting

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

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

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

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



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

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






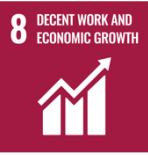



















All of our supplied projects were of three different project types: Land Use and Forestry, Renewables, and Cookstoves. Collectively the thirteen different projects sourced also delivered a huge range of co-benefits, accounting for all except four of the seventeen SDGs.

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Carbon and Co-benefits by project type

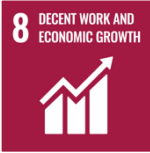




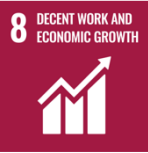





















Type of project	Tonnes CO ₂ e avoided	Co-benefit SDGs covered
Land Use and Forestry	7,066	            
Renewables	170,909	   
Cookstoves	5,086	       

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Carbon and SDGs by country








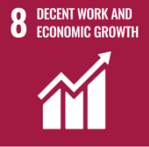





















Country	Tonnes CO ₂ e avoided	SDGs covered
Cambodia	283	   
China	6,000	     
Darfur	86	       
DR Congo	5,000	        

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Carbon and SDGs by country continued

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

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Research and Development

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

Each project encompasses at least one of the following themes:

Future Energy

Carbon Services

Sustainable Finance

Natural Capital

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

Greenway (BASEE)

£40,084, Funded by BEIS

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

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

Future Energy

Carbon Services

Sustainable Finance

5G New Thinking (5GNT)

£117,537, Funded by DCMS

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

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

Future Energy

Sustainable Finance

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Live R&D projects during the year continued

Rewire

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

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

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

Future Energy

Sustainable Finance

IoT Heat Meters (SPEN)

£10,517, Funded by Scottish Power Energy Networks

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

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

Future Energy

Sustainable Finance

Mersey Biochar

£3,467, Funded by BEIS

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

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

Future Energy

Carbon Services

Sustainable Finance

Natural Capital

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Live R&D projects during the year continued

Decent Homes

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

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

Future Energy

Sustainable Finance

Warrington Smart Grid (Leapfrog Lilypad)

£22,457, Funded by Cheshire and Warrington LEP

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

Future Energy

Leapfrog Launchpad

£25,912, Funded by Joseph Rowntree Charitable Trust

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

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

Future Energy

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Community Energy

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

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

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

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

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

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

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

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Financial review

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

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

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

Reserves

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

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

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

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

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

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The Impact of COVID-19 and the future

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

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

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

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

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

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

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

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

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

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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. We have secured grant income for a year ahead, and as per our reserves policy are planning to increase those. We have also had borrowing facilities in the past and would consider seeking them again if needed. Therefore, in the Trustees' judgement, the Charity continues to be a going concern.

Significant Events & Risk

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

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

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

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

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

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

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

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

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

YEAR ENDED 31 AUGUST 2021

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

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

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

Structure, governance and management

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

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

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

Chief Executive and Company Secretary

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

The Company Secretary is Barbara Sanderson.

The Team

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

Approved on behalf of the board on 24 August 2022 by



Mark Henderson

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2021

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group or charitable company will continue on operation.

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

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2021

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2021

[Other information](#)

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2021

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG
YEAR ENDED 31 AUGUST 2021

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

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

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

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

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

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

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

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

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

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

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE LEAPFROG

YEAR ENDED 31 AUGUST 2021

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

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

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

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

Use of our report

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



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

26 August 2022
Date.....

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2021

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

All of the above amounts relate to continuing activities.

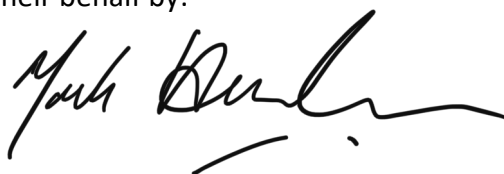
PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 AUGUST 2021

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

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



Company Registration Number: 0553439 Mark Henderson

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2021

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

All of the above amounts relate to continuing activities.

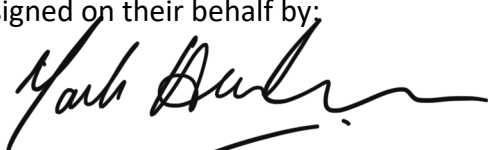
PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CHARITY BALANCE SHEET

YEAR ENDED 31 AUGUST 2021

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

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



Company Registration Number: 0553439 Mark Henderson

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CONSOLIDATED CASHFLOW STATEMENT

YEAR ENDED 31 AUGUST 2021

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

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

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

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

YEAR ENDED 31 AUGUST 2021

1. Accounting policies

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

General information and basis of preparation

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

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

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

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

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

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

YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Going concern

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

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

Charitable funds

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

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

Income recognition

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

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

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

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

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

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

YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Expenditure recognition

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

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

Support costs

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

Governance costs

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

Tangible fixed assets

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

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

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

Impairment of fixed assets

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

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

YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Investments

Investments in subsidiaries are measured at cost less impairment.

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

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Purchase of carbon credits

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

Pure Leapfrog supports and assists others in procuring high quality carbon credits. Where this is done, arrangements are made by ourselves with the market, and back to back contracts executed. For this we act as agent and receive a fee. All such fees are recognised as income in our financial statements.

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A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Basic financial liabilities

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

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

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

PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

Provisions

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

Employee and retirement benefits

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

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

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

Tax

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the year because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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NOTES TO THE FINANCIAL STATEMENTS

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2. Judgements and key sources of estimation uncertainty

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

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

Critical Judgements and estimates - Programme related investments

The group makes assessments of the recoverable value of amounts provided in the form of programme related investments to external parties. When assessing the recoverability of these amounts owed, management considered factors such as the market value of certain assets held by the relevant entities. Provisions were made where there were indications that the outstanding loan balance may not be recoverable in full.

3. Income from other trading activities

Group	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£	£	£	£
Trading activities	5,520	-	5,520	391,082	1,156,160	1,547,242
Disposal of Leapfrog Bridge Finance Limited	4,988	-	4,988	-	-	-
	10,508	-	10,508	391,082	1,156,160	1,547,242

Charity	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£	£	£	£
Trading activities	-	-	-	19,360	-	19,360
Disposal of Leapfrog Bridge Finance Limited	4,988	-	4,988	-	-	-
	4,988	-	4,988	19,360	-	19,360

PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

4. Donations

Group	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Individual donations	4,785	817	5,603	16,167	29,727	45,894
Gift aid	(871)	-	(871)	1,375	-	1,375
Corporate donations	62,899	83,168	146,067	133,109	295,117	428,226
Government grants	-	90,224	90,224	-	41,321	41,321
Philanthropic grants	608	49,392	50,000	500	141,250	141,750
	67,421	223,601	291,022	151,151	507,415	658,566

Charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Individual donations	4,785	817	5,602	16,167	29,727	45,894
Gift aid	(871)	-	(871)	1,375	-	1,375
Corporate donations	63,527	83,168	146,695	133,109	295,117	428,226
Government grants	-	90,224	90,224	-	41,321	41,321
Philanthropic grants	608	49,392	50,000	500	141,250	141,750
	68,049	223,601	291,650	151,151	507,415	658,566

5. Income from charitable activities

Group	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Consultancy and events	10,737	188,210	198,947	21,500	35,021	56,521
Other income	27,726	22	27,748	27,513	-	27,513
	38,463	188,232	226,696	49,013	35,021	84,034

Charity	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Consultancy and events	2,194	188,210	190,404	21,500	35,021	56,521
Other income	27,726	22	27,748	27,513	-	27,513
	29,920	188,232	218,152	49,013	35,021	84,034

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

6. Income from investments

Group	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£	£	£	£
Bank interest	3	24	26	85	76	161
Loan interest	251	1,134	1,385	2,495	6,093	8,588
Gift aid	-	-	-	-	-	0
	<u>253</u>	<u>1,158</u>	<u>1,411</u>	<u>2,580</u>	<u>6,169</u>	<u>8,749</u>

Charity	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£	£	£	£
Bank interest	3	24	26	85	76	161
Loan interest	251	1,134	1,385	2,495	6,093	8,588
Gift aid	-	-	-	23,000	-	23,000
	<u>253</u>	<u>1,158</u>	<u>1,411</u>	<u>25,580</u>	<u>6,169</u>	<u>31,749</u>

7. Costs of raising funds

Group and charity	Unrestricted Funds	Restricted Funds	Total Funds 2021	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£	£	£	£
Trading subsidiary Costs	-	-	-	471,924	1,232,601	1,704,525

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8. Analysis of charitable activities

Group	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Purchase of carbon credits	-	984	984	35,309	59,716	95,025
Other operating costs	57	6	63	208	199	407
Grants and related projects	3,181	107,655	110,836	35,256	280,491	315,747
Support costs (note 9)	19,643	9,732	29,375	40,014	5,275	45,289
Loan interest	640	1,148	1,788	1,256	6,412	7,668
Staff and consultants	(561)	356,725	356,164	44,606	21,889	66,495
Governance costs (note 10)	29,580	-	29,580	36,663	375	37,038
Reversal of Loan write off	-	-	-	(373)	-	(373)
	<u>52,540</u>	<u>476,250</u>	<u>528,790</u>	<u>192,939</u>	<u>374,357</u>	<u>567,296</u>

Charity	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Purchase of carbon credits	-	984	984	35,309	59,716	95,025
Other operating costs	57	6	63	208	199	407
Grants and related projects	3,181	107,655	110,836	35,256	280,491	315,747
Support costs (note 9)	14,759	9,732	24,491	35,621	5,275	40,896
Loan interest	640	1,148	1,788	1,256	6,412	7,668
Staff and consultants	(6,772)	356,725	349,953	111,295	98,330	209,625
Governance costs (note 10)	18,900	-	18,900	20,868	375	21,243
Reversal of Loan write off	-	-	-	(373)	-	(373)
	<u>30,765</u>	<u>476,250</u>	<u>507,015</u>	<u>239,440</u>	<u>450,798</u>	<u>690,238</u>

Grants and related projects include payments to entities which fulfil the objectives of the charity per the Trustees' Report.

PURE LEAPFROG
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NOTES TO THE FINANCIAL STATEMENTS

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9. Analysis of charitable activities

Group	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Office costs	2,360	1,573	3,933	3,610	1,515	5,125
IT and infrastructure	2,258	1,331	3,589	1,116	95	1,211
Membership and subscriptions	3,787	2,768	6,555	2,860	-	2,860
Accounting fees	2,076	-	2,076	10,120	900	11,020
Travel and subsistence	48	3,024	3,072	3,890	88	3,978
Bank charges	1,067	107	1,174	915	648	1,563
Marketing/advertising	1,168	929	2,097	11,223	2,029	13,252
Depreciation	4,763	-	4,763	6,280	-	6,280
Loss on disposal of fixed assets	2,116	-	2,116	-	-	-
	19,643	9,732	29,375	40,014	5,275	45,289

Charity	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Office costs	1,785	1,573	3,358	3,610	1,515	5,125
IT and infrastructure	1,167	1,331	2,498	1,116	95	1,211
Membership and subscriptions	3,391	2,768	6,159	2,860	-	2,860
Accounting fees	1,566	-	1,566	7,170	900	8,070
Travel and subsistence	35	3,024	3,059	3,890	88	3,978
Bank charges	884	107	991	915	648	1,563
Marketing/advertising	1,168	929	2,097	11,223	2,029	13,252
Depreciation	4,763	-	4,763	4,837	-	4,837
	14,759	9,732	24,491	35,621	5,275	40,896

10. Analysis of governance costs

Group	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Audit fees	19,480	-	19,480	25,295	-	25,295
Insurance costs	7,091	-	7,091	2,928	-	2,928
Trustee expenses	-	-	-	-	-	-
Professional fees	3,010	-	3,010	8,440	375	8,815
	29,580	-	29,580	36,663	375	37,038

Charity	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Audit fees	12,000	-	12,000	9,500	-	9,500
Insurance costs	7,091	-	7,091	2,928	-	2,928
Trustee expenses	-	-	-	-	-	-
Professional fees	(190)	-	(190)	8,440	375	8,815
	18,900	-	18,900	20,868	375	21,243

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

11. Net income (expenditure) for the year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
This is stated after charging:				
Depreciation	4,763	6,280	4,763	4,837
Auditor's remuneration				
- audit of the financial statements	19,480	25,295	12,000	12,000
- corporate tax compliance	3,200	2,950	-	-

12. Staff costs and emoluments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Total staff costs were as follows:				
Wages and salaries – charitable activities	325,583	66,495	319,785	209,625
Wages and salaries – raising funds	-	320,678	-	-
Social security costs	25,603	28,030	25,199	-
Pension costs	4,977	4,256	4,969	-
	356,164	419,459	349,953	209,625

Included within wages and salaries is £57,375 (2020: £66,195) relating to consultant costs paid to companies which have a common director.

Staff costs from 2020 relate to recharges of staff time from a subsidiary company.

Particulars of employees:

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

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

	2021 Number	2020 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1

Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020: £nil).

The total compensation cost of key management personnel is £148,692 (2020: £91,976) which includes employers' national insurance costs and pension contributions. The trustees consider key management personnel to comprise the senior management team, as well as themselves.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

13. Taxation

Group	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	120	(992)
Deferred tax		
Origination and reversal of timing differences	-	(354)
	<u>120</u>	<u>(1,346)</u>

14. Tangible fixed asset group

Group	Energy Generating Assets £	Computer Equipment £	Total £
Cost or valuation			
At 1 September 2020	49,999	9,059	59,058
Additions	-	-	-
Disposals	-	(4,080)	(4,080)
At 31 August 2021	<u>49,999</u>	<u>4,979</u>	<u>54,978</u>
Depreciation and impairment			
At 1 September 2020	5,627	4,083	9,710
Depreciation charge in the year	3,333	1,429	4,763
Disposals	-	(1,964)	(1,964)
At 31 August 2021	<u>8,960</u>	<u>3,548</u>	<u>12,509</u>
Net book value			
At 31 August 2021	<u>41,039</u>	<u>1,431</u>	<u>42,470</u>
At 31 August 2020	<u>44,372</u>	<u>4,977</u>	<u>49,349</u>
Tangible fixed asset Charity			
Cost or valuation			
At 1 September 2020	49,999	4,979	54,978
Additions	-	-	-
Disposals	-	-	-
At 31 August 2021	<u>49,999</u>	<u>4,979</u>	<u>54,978</u>
Depreciation and impairment			
At 1 September 2020	5,627	2,119	7,746
Depreciation charge in the year	3,333	1,429	4,763
Disposals	-	-	-
At 31 August 2021	<u>8,960</u>	<u>3,548</u>	<u>12,509</u>
Net book value			
At 31 August 2021	<u>41,039</u>	<u>1,431</u>	<u>42,470</u>
At 31 August 2020	<u>44,372</u>	<u>2,860</u>	<u>47,232</u>

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As noted in the previous year, in 2018 the charity took in lieu of settlement of an outstanding loan, energy generating assets secured against that loan. The fair value of these, based on the net present value of the future income stream, is considered to be £135,934. The assets have not been valued to this amount, as income is not virtually certain because it is dependent on a number of variables. Under FRS102, unless the income is deemed to be virtually certain, the assets cannot be restated. However, the trustees believe that the valuation of this asset net of depreciation, and outstanding loan repayments (two remaining at time of writing), would result in £80,000 of unrestricted funds, which has not been included in these financial statements.

15. Fixed asset investments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
		£		£
Programme related investments	-	33,642	-	33,642
Shares in subsidiary company	1	1	1	1
Shares in joint ventures	100	100	100	100
	<u>101</u>	<u>33,743</u>	<u>101</u>	<u>33,743</u>

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

On 30 June 2020, Pure Leapfrog Lilypad CIC was incorporated. Pure Leapfrog is the parent entity. The investment is being carried at £nil value. This CIC has not been consolidated into these financial statements as it falls beneath the threshold that would necessitate it.

16. Current asset investments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Programme related investments	-	16,794,184	-	35,273
	<u>-</u>	<u>16,794,184</u>	<u>-</u>	<u>35,273</u>

Programme related investments are amounts which the charity has lent to third parties in line with its charitable objectives. These investments are repayable in less than one year.

	Capital & funds	Profit/(loss) for the year
	£	£
The company owned 100% of the £1 ordinary share capital of: Leapfrog Finance Limited, a company incorporated in England and Wales. (Company Number 07038343)	<u>-</u>	<u>(6,323)</u>
Leapfrog Bridge Finance Limited (indirect) (09726408)	<u>-</u>	<u>-</u>

The principal activity of Leapfrog Finance Limited was that of Fund Management Activities. It stopped trading in October 2020 and was liquidated in January 2022.

Leapfrog Finance Limited, owned 100% of the 1 £1 ordinary share of Leapfrog Bridge Finance Limited, a financial intermediation company incorporated in England and Wales. On 25 September 2020 100% of its shareholding in Leapfrog Bridge Finance Limited was sold for a cash consideration of £5,000.

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17. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	137,336	84,494	137,336	54,407
Gift Aid recoverable	1,348	2,696	1,348	2,696
Other Debtors	-	9,060	-	-
Amounts owed by group undertakings	-	-	-	4,863
Prepayments and accrued income	117,249	18,809	117,249	18,809
	<u>255,933</u>	<u>115,059</u>	<u>255,933</u>	<u>80,775</u>

18. Creditors

	Group		Charity	
Amounts falling due within one year	2021	2020	2021	2020
	£	£	£	£
Other loans (note 20)	22,480	16,599,198	22,480	40,523
Trade creditors	18,881	34,749	18,881	27,727
Corporation Tax	-	3,414	-	-
Taxation and social security	9,201	56,294	9,201	-
Other creditors	18,511	320,886	18,511	76,905
	<u>69,073</u>	<u>17,014,541</u>	<u>69,073</u>	<u>145,155</u>

19. Creditors

	Group		Charity	
Amounts falling due after more than one year	2021	2020	2021	2020
	£	£	£	£
Other loans (note 20)	50,000	34,481	50,000	34,481

20. Creditors – other loans

	Group		Charity	
Creditors include loans which are due for repayment as follows:	2021	2020	2021	2020
Amounts repayable:	£	£	£	£
In one year or less	22,480	16,599,198	22,480	40,523
In more than one year but not more than two years	10,000	34,481	10,000	34,481
In more than two years but not more than five years	40,000	-	40,000	-
In more than five years	-	-	-	-
	<u>72,480</u>	<u>16,633,679</u>	<u>72,480</u>	<u>75,004</u>

The Loan in 2021 is a COVID-19 Bounce Back loan of £50,000 repayable over 5 years with an interest rate of 2.5%. The loan of £22,480 is from Big Society Capital and has been used to fund small loan book payments which are all due to be repaid in the following financial year. Of the loan liability for the group in 2020: £16,558,675 was secured by fixed and floating charges over the assets of SASC Bridge Finance Limited (formerly Leapfrog Bridge Finance Limited). The £16.5m liability moved with Leapfrog Bridge Finance to SASC upon the sale of this company.

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21. Restricted income funds

Group	Balance at 1 September 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
2020/21	£	£	£	£	£
British Airways Carbon Fund	190,221	81,688	(57,006)	-	214,903
Carbon credit purchase	2,933	2,320	(1,097)	-	4,156
Warrington Community Benefit Fund	88,049	24	(50,000)	5,000	43,073
BASEE	-	47,189	(40,084)	(7,105)	-
5G NT	-	116,443	(117,537)	1,094	-
REWIRE	5,183	74,360	(122,564)	43,021	-
SPEN	-	11,114	(10,517)	(597)	-
Mersey Biochar	-	12,885	(3,467)	-	9,418
Decent Homes	-	24,392	(24,461)	69	-
Leapfrog Lilypad	-	16,442	(22,457)	6,014	-
Leapfrog Launchpad	2,946	25,000	(25,912)	-	2,034
Big Society Capital facility	7,370	1,134	(1,148)	(1)	7,355
	296,702	412,991	(476,250)	47,494	280,938

Charity	Balance at 1 September 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
2020/21	£	£	£	£	£
British Airways Carbon Fund	190,221	81,688	(57,006)	-	214,903
Carbon credit purchase	2,933	2,320	(1,097)	-	4,156
Warrington Community Benefit Fund	93,049	24	(50,000)	-	43,073
BASEE	-	47,189	(40,084)	(7,105)	-
5G NT	-	116,443	(117,537)	1,094	-
REWIRE	5,183	74,360	(122,564)	43,021	-
SPEN	-	11,114	(10,517)	(597)	-
Mersey Biochar	-	12,885	(3,467)	-	9,418
Decent Homes	-	24,392	(24,461)	69	-
Leapfrog Lilypad	-	16,442	(22,457)	6,014	-
Leapfrog Launchpad	2,946	25,000	(25,912)	-	2,034
Big Society Capital facility	7,370	1,134	(1,148)	(1)	7,355
	301,702	412,991	(476,250)	42,494	280,938

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YEAR ENDED 31 AUGUST 2021

Restricted income funds Group	Balance at 1 September 2019	Income	Expenditure	Transfers	Balance at 31 August 2020
2019/20	£	£	£	£	£
British Airways Carbon Fund	188,243	261,862	(259,884)	-	190,221
Carbon Credits	-	65,260	(62,326)	-	2,934
Warrington Community Benefit Fund	-	100,049	(12,000)	-	88,049
BASEE	-	11,107	(11,115)	8	-
5G NT	-	12,063	(12,063)	-	-
REWIRE	-	43,543	(38,360)	-	5,183
SPEN	-	4,682	(4,682)	-	-
LBF Loan Interest	-	1,156,160	(1,156,160)	-	-
Leapfrog Lilypad	-	2,714	(2,714)	-	-
Leapfrog Launchpad	2,938	41,250	(41,242)	-	2,946
Big Society Capital facility	7,706	6,075	(6,412)	-	7,369
	198,887	1,704,765	(1,606,958)	8	296,702

Restricted income funds Charity	Balance at 1 September 2019	Income	Expenditure	Transfers	Balance at 31 August 2020
2019/20	£	£	£	£	£
British Airways Carbon Fund	188,243	261,862	(259,884)	-	190,221
Carbon Credits	-	65,260	(62,326)	-	2,934
Warrington Community Benefit Fund	5,000	100,049	(12,000)	-	93,049
BASEE	-	11,107	(11,115)	8	-
5G NT	-	12,063	(12,063)	-	-
REWIRE	-	43,543	(38,360)	-	5,183
SPEN	-	4,682	(4,682)	-	-
Leapfrog Lilypad	-	2,714	(2,714)	-	-
Leapfrog Launchpad	2,938	41,250	(41,242)	-	2,946
Big Society Capital facility	7,706	6,075	(6,412)	-	7,369
	203,887	548,605	(450,798)	8	301,702

British Airways Carbon Fund

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

Carbon Credits

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

Warrington Community Benefit Fund

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

BASEE

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

5G NT

A rural connectivity project in Orkney, funded by DCMS.

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REWIRE

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

SPEN

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

Mersey Biochar

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

Decent Homes

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

LBF Loan Interest

Loan interest from the activities of Leapfrog Bridge Finance

Leapfrog Lilypad

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

Leapfrog Launchpad

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

Big Society Capital facility

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

22. Unrestricted income funds

Group	Balance at 1 September 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
	£	£	£	£	£
2020/21					
General Funds	21,577	116,645	(52,660)	(47,495)	38,067
	Balance at 1 September 2019	Income	Expenditure	Transfers	Balance at 31 August 2020
	£	£	£	£	£
2019/20					
General Funds	91,276	593,826	(664,863)	1,338	21,577
	Balance at 1 September 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
	£	£	£	£	£
2020/21					
General Funds	8,117	103,210	(30,765)	(42,495)	38,067
	Balance at 1 September 2019	Income	Expenditure	Transfers	Balance at 31 August 2020
	£	£	£	£	£
2019/20					
General Funds	2,461	245,104	(239,440)	(8)	8,117

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23. Analysis of net assets between funds

	Investments	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£	£
2020/21					
Restricted funds	-	-	280,938	-	280,938
General unrestricted funds	101	42,470	45,496	(50,000)	38,067
	101	42,470	326,434	(50,000)	319,005
	Investments	Tangible fixed assets	Net current assets	Long term liabilities	Total
	£	£	£	£	£
2019/20					
Restricted funds	33,642	-	302,541	(34,481)	301,702
Designated Funds	-	-	-	-	-
General unrestricted funds	101	47,230	(39,214)	-	8,117
	33,743	47,230	263,327	(34,481)	309,819

24. Company limited by guarantee

The company is limited by guarantee and there is therefore no share capital. Members' liability is limited to £1 per member. At 31 August 2021, there were 5 members.

25. Related party transactions

The company has taken advantage of exemptions under Financial Reporting Standard 102 s.33.1A not to disclose transactions with group undertakings.

There were no related party transactions relating to trustees in 2021 or 2020 (note 12).