

PURE LEAPFROG

COMPANY LIMITED BY GUARANTEE

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

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

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A COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISORS

YEAR ENDED 31 AUGUST 2022

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

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

[Directors and Trustees of Pure Leapfrog during the 2021/22 year](#)

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

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

Simon Cordery

Dr Michael Jampel

Shelagh Kirkland (Treasurer)

Graeme Ludlow (Chair from 7th December 2022)

Sophie Pughe

[Senior management team](#)

Paul Gilligan, CEO

Barbara Sanderson, COO

[Registered Office](#)

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

[Auditors](#)

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

[Bankers](#)

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

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Chair's statement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Pure Leapfrog Group

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

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

Activities

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

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

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

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

Achievements and performance

Finance

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

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

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

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

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

Charitable Funds Management

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

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

Please see project details over the next two pages.

Pumlumen Project – Montgomery Wildlife Trust

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

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

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

Element One – Carbon Storage

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

Element Two – Reconnecting habitats

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

Element Three – Storing flood water

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

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

Element Four – Bringing back wildlife

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

Element Five – Changing grazing patterns

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

Element Six – Recreating habitats

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

Element Seven – Developing green tourism

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

Element Eight – Involving communities

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

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

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

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Carbon and Co-benefits by project type



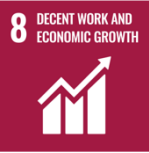


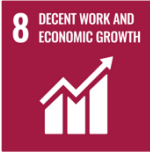















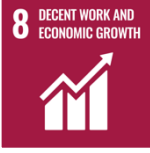




Type of project	Tonnes CO ₂ e avoided	Co-benefit SDGs covered
Land Use and Forestry	140,849	            
Renewables	3,370	    
Cookstoves	198,126	       
Total CO ₂ e avoided	342,345 tonnes	

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Carbon and SDGs by country



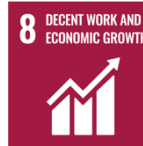























Country	Tonnes CO2e avoided	SDGs covered
Brazil	20,949	    
Cambodia	4,800	   
Darfur	4,520	       
DR Congo	106,000	        

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Carbon and SDGs by country continued

Country	Tonnes CO ₂ e avoided	SDGs covered
India	3,370	    
Malawi	134,454	  
Nicaragua	800	   
Nigeria	59,152	      
Peru	8,300	      
Total CO ₂ e avoided	342,345 tonnes	

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Research and Development

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

Each project encompasses at least one of the following themes:

Future Energy

Carbon Services

Sustainable Finance

Natural Capital

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

5G New Thinking (5GNT)

£58,859, Funded by DCMS

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

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

Future Energy

Sustainable Finance

Rewire

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

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

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

Future Energy

Sustainable Finance

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Live R&D projects during the year continued

Mersey Biochar

£49,409, Funded by BEIS (now DESNZ)

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

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

Future Energy

Carbon Services

Sustainable Finance

Natural Capital

Decent Homes

£262 plus In-kind Funded by Pure Leapfrog

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

Future Energy

Sustainable Finance

Leapfrog Launchpad

£7,032, Funded by Joseph Rowntree Charitable Trust

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

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

Future Energy

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Community Energy

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

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

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

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

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

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

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

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Financial review

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

Reserves

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

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

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

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Going concern

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

Significant Events & Risk

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

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

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

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

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

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

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

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

Structure, governance and management

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

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

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

Chief Executive and Company Secretary

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

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

The Team

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

Approved on behalf of the board on 19 April 2023 by



Graeme Ludlow

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2022

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

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

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

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

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

AUDITORS REPORT

YEAR ENDED 31 AUGUST 2022

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

AUDITORS REPORT

YEAR ENDED 31 AUGUST 2022

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

AUDITORS REPORT

YEAR ENDED 31 AUGUST 2022

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

AUDITORS REPORT

YEAR ENDED 31 AUGUST 2022

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

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

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

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

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

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

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

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

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

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

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

AUDITORS REPORT

YEAR ENDED 31 AUGUST 2022

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of 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

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

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2022

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

All of the above amounts relate to continuing activities.

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 AUGUST 2022

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

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



Company Registration Number: 05534395

PURE LEAPFROG

A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

General information and basis of preparation

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

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

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

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

Going concern

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

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

Charitable funds

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

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

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

YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

Income recognition

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

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

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

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

Expenditure recognition

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

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

Support costs

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

The analysis of these costs is included in note 9.

Governance costs

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

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

YEAR ENDED 31 AUGUST 2022

Tangible fixed assets

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

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

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

Impairment of fixed assets

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

Basic financial assets

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

Purchase of carbon credits

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

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

Impairment of financial assets

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

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

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

YEAR ENDED 31 AUGUST 2022

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

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

Derecognition of financial assets

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

Basic financial liabilities

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

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

Classification of financial liabilities

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

Derecognition of financial liabilities

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

Provisions

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

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

YEAR ENDED 31 AUGUST 2022

Employee and retirement benefits

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

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

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

Tax

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

2. Judgements and key sources of estimation uncertainty

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

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

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

3. Income from other trading activities

Group and Charity

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

4. Donations

Group and Charity

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

5. Income from charitable activities

Group and Charity

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

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

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

6. Income from investments

Group and Charity

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

7. Analysis of charitable activities

Group and Charity

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

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

8. Analysis of support costs
Group and Charity

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

9. Analysis of governance costs
Group and Charity

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

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

YEAR ENDED 31 AUGUST 2022

10. Net income / (expenditure) for the year

This is stated after charging:

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

11. Staff costs and emoluments

Total staff costs were as follows:

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

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

Particulars of employees:

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

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

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

Trustees' and key management personnel remuneration and expenses

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

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

PURE LEAPFROG
A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

12. Taxation

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

13. Tangible fixed assets

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

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

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14. Fixed asset investments

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

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

15. Debtors

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

16. Creditors

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

17. Creditors

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

18. Creditors – other loans

Creditors include loans which are due for repayment as follows:

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

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

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YEAR ENDED 31 AUGUST 2022

19. Restricted income funds

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

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

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British Airways Carbon Fund

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

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

Carbon Credits

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

Warrington Community Benefit Fund

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

BASEE

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

5G NT

A rural connectivity project in Orkney, funded by DCMS.

REWIRE

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

SPEN

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

Mersey Biochar

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

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Decent Homes

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

Leapfrog Lilypad

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

Leapfrog Launchpad

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

Big Society Capital Facility

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

Transfers in funds

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

20. Unrestricted income funds

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

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21. Analysis of net assets between funds

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

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

22. Company limited by guarantee

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

23. Related party transactions

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