



# **Purple Shoots Business Lending Ltd**

## **Trustees Annual Report and Unaudited Financial Statements Year ended 31 July 2024**

Charity registration - 1155385

Company number - 08603690





## Contents

Legal and administrative information	4
Trustees annual report	5
Objectives and activities	5
Achievements and performance in the year	5
Plans for future periods	9
Financial review	9
Structure, governance and management	10
Statement of Board of Trustees' responsibilities	11
Independent examiner's report	13
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18

## Legal and administrative information

### Charity name

Purple Shoots Business Lending Ltd

### Charity registration no.

1155385

### Company registration no.

08603690

### Registered office and contact details

2 Le Sor Hill  
Peterston-Super-Ely  
Cardiff  
CF5 6LW

### Trustees

Tony Johnson	Chair - resigned 31 July 2024
Peter Elsworth	
Catherine Healey	appointed 7 February 2025
Paula Pridham	
Timothy Stumpff	

### Director

Karen Davies

### Bank

Unity Trust Bank  
Four Brindley Place  
Birmingham  
B1 2JB

### Independent examiner

Enaid Accountancy Ltd  
Units 24 & 25  
Goodsheds Container Village  
Hood Road  
Barry  
CF62 5QU

## Trustees annual report

The Board of Trustees, who are also directors of the Charity for the purposes of the Companies Act, and trustees for charity law purposes, submit their annual report and the financial statements of Purple Shoots Business Lending Ltd for the year ended 31 July 2024.

The Board of Trustees confirms that the annual report and financial statements of the Charity comply with current statutory requirements, including the Charity Act 2011, as well as the requirements of the Charity's governing document and the provisions of the 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

## Objectives and activities

Purple Shoots tackles poverty, unemployment, social isolation and financial exclusion through encouraging and building entrepreneurship and independence, enabling people to make positive changes in their lives and to solve problems for themselves, creating jobs and improving their standard of living and their well-being.

One of the tools we use to do this is microfinance which means we offer small, ethical loans to individuals who cannot raise funding from anywhere else to enable them to start or run a small business. Through this, they create their own pathway away from disadvantage, debt, low or no income and economic inactivity into independence and improved economic circumstances. The social and economic impact of lending to this client group is extremely high.

We also create roadmaps for those who haven't got as far as being ready for employment or self-employment through a range of initiatives, often with partner organizations such as churches or housing associations. The starting point is usually to invite them to be part of a small collective which we call a self-reliant group. These bring together often very isolated and left behind people and enable them to take positive steps forward, saving money together and usually doing something enterprising or community focussed. The groups become independent and can continue indefinitely, providing a support network for their members, improving their well-being and their financial circumstances. Some groups or individuals within groups go on to start their own business or enter training or employment. We provide training in business skills at a wide range of levels to facilitate this.

We believe that every individual is valuable and capable and should have an opportunity to be the best they can. Our support enables people to transform their lives in a sustainable way.

### Delivering Public Benefit

The Trustees have followed the guidance issued by the Charity Commission with regard to the public benefit arising from the activities undertaken by Purple Shoots Business Lending Ltd. The Trustees are satisfied that the services provided by Purple Shoots Business Lending Ltd fully meet the principles of public benefit as set out in the Charity Commission Guidance.

## Achievements and performance in the year

In the last 12 months we have loaned £289k in 68 loans across Wales and England, starting new businesses and supporting existing ones. Most of the existing businesses we supported were businesses Purple Shoots has previously helped to start. 37% of the loans were to women and 29% were to people from black and ethnic minority groups. This has helped around 104 people out of unemployment. The graphics below are taken from our impact report and also show the range of business sectors supported during the year, employment status of our borrowers and the benefits they were receiving.

# CELEBRATING BREAKTHROUGHS, INSPIRING PROGRESS

This Year at a Glance - August 2023 to July 2024

↑ **69**

Loans

↑ **£289,085**

Total Loaned

↑ **104**

New Jobs Created

↑ **£4262**

Average Loan Size

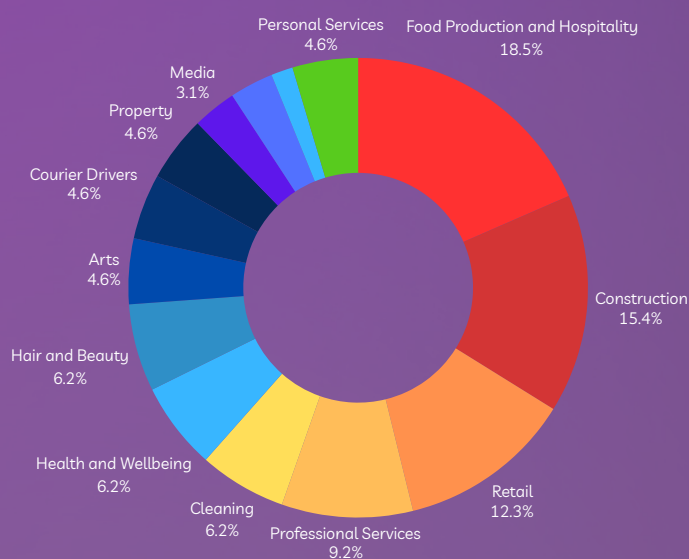
↑ **38**

Self Reliant Groups

↑ **181**

People supported through SRGs

## Sectors Supported with a Purple Shoots Loan



## Prior to Purple Shoots Loan

**71%** of borrowers had previously been in receipt of benefits.

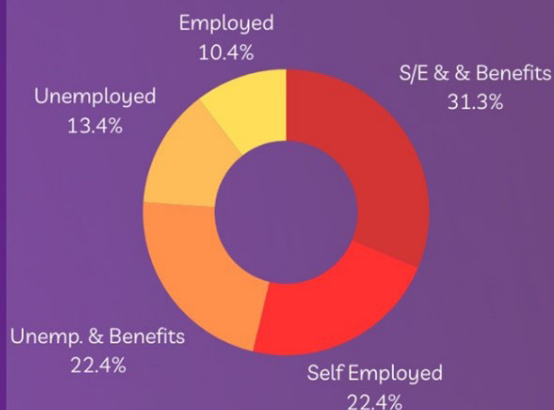
**35%** of borrowers had previously been fully unemployed.

**30%** of borrowers had been in only informal self-employment.

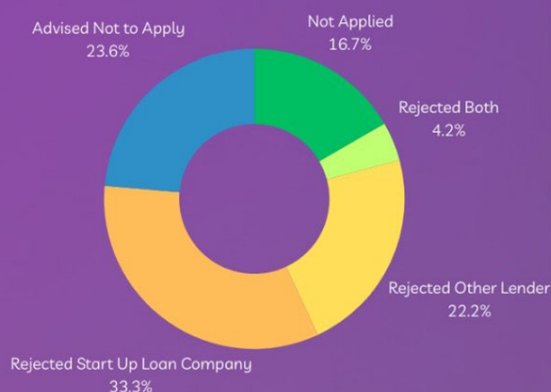
### Lending Split According to Gender



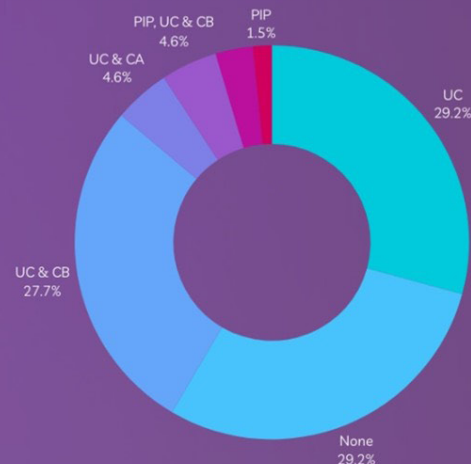
### Employment Status Before a Purple Shoots Loan



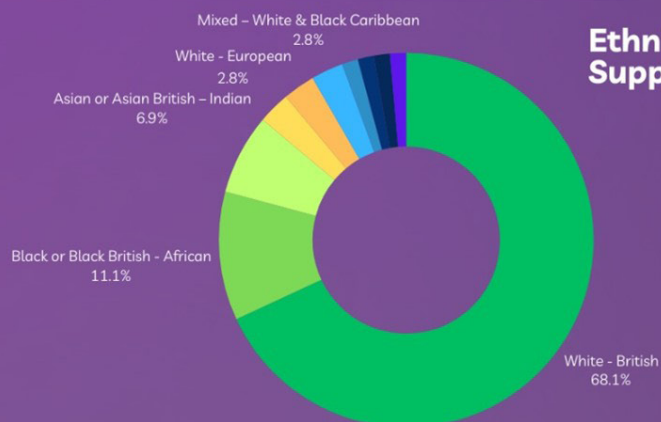
### Had our loan beneficiaries applied elsewhere for a loan?



### Benefits borrowers received before Purple Shoots Loan



### Ethnicity of Business Owners Supported



**29.1%** of Businesses Supported by Purple Shoots are operated by ethnically diverse business owners.

Each loan can be transformative and we have many stories on our website in case studies and videos. This year we have become involved on the Employability Board of a local Welsh prison and this has led to us offering our self-employment training and other support to offenders close to release and after they have been released. Our involvement gives them real hope that they can turn their lives around on the outside.

### Steve's Story

We first met Steve when he was still in Parc Prison in Bridgend. He was a prisoner representative on the Employability Advisory Board (where Purple Shoots is also represented) and he chatted with us at one of the regular job events that the Resettlement Team run for individuals nearing release. He was determined not to let one big mistake ruin his life and stop him from providing for his son. He hoped to restart his flooring business, which he had run successfully before his time inside. He already had all the skills to lay a wide range of floors and experience running a small business.



He got in touch in his first week out, and by the time we met with him, he had already registered as self-employed with HMRC, sorted out his benefits, got his car back on the road, found some work and booked for his CSCS card. He needed funds for a range of new tools and had already researched suppliers and prices. Our loan enabled him to break down that last barrier and get his business off the ground.

He said that without our loan, he couldn't have got his business back up and running. Running the business felt like a fresh start and like he'd had a second chance to build a good life for himself and his son.

### Ada's Story



At Purple Shoots, we're all about empowering individuals to pursue their dreams, and Ada's story with Homeland Delicacy is a prime example of that mission in action. Homeland Delicacy has quickly gained acclaim for its authentic West African cuisine and event catering services, making waves in Sheffield's culinary scene. As Ada prepared to transition from a home-based venture to a commercial space in the Cambridge Collective Food Hall, Purple Shoots stepped in to provide crucial support, ensuring Ada's dream could take flight.

Ada's ambition to establish Homeland Delicacy in Sheffield City Centre presented an exciting opportunity. Securing a spot in the Cambridge Collective Food Hall, a brand new 'Heart of The City' venue, was a pivotal moment, offering a platform to showcase West African flavours to a wider audience. With the backing of Business Sheffield and Ada's dedication, Purple Shoots recognised the potential for growth and impact within this vibrant setting.

Ada's journey embodies resilience and determination in the face of adversity. Following personal tragedy and professional challenges, Ada found solace in her passion for cooking, launching Homeland Delicacy to share the vibrant tastes of West Africa with others. Despite financial setbacks and the weight of existing debts, Ada's commitment to her vision remained steadfast, inspiring us at Purple Shoots to lend a helping hand.

Understanding Ada's financial landscape, including existing debts and her commitment to repaying them, Purple Shoots saw an opportunity to make a difference. Through careful assessment and consideration, we provided Ada with a loan of £6,000, tailored to her specific needs. This funding would enable Ada to fully equip her commercial kitchen, invest in branding, and seize the opportunity presented by the Cambridge Collective Food Hall. Because of her debts she had not been able to access that finance anywhere else.

With Purple Shoots' support, Ada is empowered to realise her entrepreneurial aspirations and propel Homeland Delicacy to new heights. Our belief in Ada's potential to succeed, coupled with her determination and passion for her craft, fuels our confidence in her ability to thrive within the competitive food industry landscape. Ada's success is not just her own—it's a shout out to the transformative power of support and collaboration.



Ada's journey with Homeland Delicacy serves as a testament to resilience, determination, and the transformative impact of support. At Purple Shoots, we're proud to have played a role in Ada's entrepreneurial journey, providing not just financial assistance, but also belief and encouragement every step of the way. As Ada prepares to embark on this exciting chapter, we stand alongside her, cheering her on as she brings the flavours of West Africa to Sheffield and beyond.

Our Self-reliant groups (SRGs) have also seen significant growth this year. We have continued to build partnerships with organisations such as churches and Housing Associations which has the dual aim of building our sustainability and spreading the model more widely. We have run our first successful group in partnership with the Warm Spaces network, which has led to interest from other warm spaces. Our established groups continue to flourish. Our group members report improvements in well-being and a wider support network as a result of being a part of one of our groups. One said "this group saves my life every week" and another said "when I moved here, I knew no one, now I have friends and people I can visit, and I'm volunteering."

### St Athan's SRG

Purple Shoots has been working in partnership with a church in St Athan, developing our self-reliant groups in their community space, called the Gathering Place. A number of groups run there now including one which runs a café one day per week, another one working some adjacent land to grow fruit and vegetables for the community, an "open-mic" group encouraging community singing, and another one focussed on community issues and seeking to take action on them. This group has been very concerned about a number of Afghan families who have been placed in their community with no support network around them. The groups has been contacting politicians and authorities to try to help them with things like bus passes, language lessons and other issues. Some of the Afghans have joined in the gardening group and one of them has found a job as a result of the support he found there. Some of the Afghan women have formed another SRG with the aim of using the skills they have to generate some income.

A new initiative that has sprung from one innovative individual, who has gathered a new group around him, is a food project. The group plan to buy wholesale food, and fruit and vegetables from a central market, in bulk on a weekly basis and then pass on the reduced prices to people in the community. We think they can do this under the Purple Shoots umbrella and the group are currently drawing up an agreement to ensure that they share the work of buying the food every week and ensure that it is distributed fairly. This will have a really positive impact on the families in the community, especially the Afghan ones, who are struggling to make ends meet, by providing affordable, quality food.

"Our church is now an open door welcoming all. A meeting place for the community, where they can over a cup of tea or coffee talk to others, make friends, help each other, share their load. A blessing."

H. (Cafe customer and church member) Feb 2024



## Plans for future periods

We know that what we do works to bring about positive changes in people's lives. Our clients are constantly telling us we need to do more. We have already expanded our microbusiness finance work into England with the opening of our Yorkshire office and with our lending in the West Country, but word has spread and we have completed loans this year from Scotland to London and demand is high. In the next few years we plan to expand our capital base so that our lending is widely available to our specific market. We also plan to grow our self-reliant groups through working in partnership with others, particularly churches and Housing Associations, and with others involved in similar work in Manchester, Leeds, Glasgow and in other parts of the world. We want to see a growing network of groups creating a rising tide of change for those on the margins of our economy and society, enabling them to become contributors and to make the positive changes they want to make.

We have offered our accredited course "Why not start a business" in a number of locations this year and plan to grow this aspect of what we do to try to contribute to our sustainability.

We are also lobbying in Government circles for the same level of support offered to all other, profit-making business lenders, and for a Fair Banking Act, along the lines of the US Community Reinvestment Act, which is the reason why the equivalent organizations to Purple Shoots in the US are much larger and stronger.

## Financial review

During the current financial year the Charity achieved a surplus of £37,735 (2023: surplus of £4,329). This resulted in total reserves increasing in the year to £137,253 (2023: £99,518).

The Trustees are satisfied with the financial performance of the Charity throughout the year.

Of the total reserves held at year end £137,253 (2023: £99,518) were unrestricted as to use.

### Reserves policy

Cash levels are monitored on a month by month basis to ensure that there is sufficient cash available for at least three months' activity, and that there is sufficient cash to pay the interest on loan investments from investors. If levels fall below this, then loan activity can be suspended until loan repayments (or fundraising) build the levels back up. This should only be necessary until the capital base for sustainability is achieved.

We are constantly reviewing and updating our forecasts which give us detailed information on our financial needs given various scenarios, and confirm funding needed to cover both operating costs and lending over the next 8 years. This gives us a focus for fund raising.

To protect our investors' money, the Trustees have adopted a policy which states that the total loan investments received should not exceed the total of the debtor book less 20% plus cash in the bank. At year end this policy was exceeded by £12,299 (1.5%) (2023 - exceeded by £26,613 - 3.4%) which was deemed within a suitable tolerance level.

In addition, free reserves are ideally kept at a level that allows for a minimum of three months operating costs and the above reserves of £137,253 are above this level.

## Structure, governance and management

The organisation is a charitable company limited by guarantee incorporated on 10 July 2013 and was registered as a charity on 20 January 2014. The company was established under Articles of Association which established the objects and powers of the charitable company and is the governing document. In the event of the company being wound up, the members are required to contribute an amount not exceeding £10.

Day to day decisions on the running of the charity are made by the director. Loan decisions are made by the

director in consultation with one of the members of the lending team to ensure consistency and fairness.

All strategic decision and decisions relating to expenditure beyond the day to day level are taken at Trustee meetings at which the director and at least two of the four Trustees must be present. This includes staff remuneration with the current policy benchmarking salaries against similar sized charities in the relevant locality.

There must be a minimum of three trustees and only Trustees can appoint new Trustees. New trustees are inducted by the director and current trustees.

The current board of Trustees comprises four members. The Chair resigned in July 2024. He was the original philanthropic donor who enabled Purple Shoots to start. The new Chair has been appointed, and he plus the remaining two bring a good range of skills to the board including HR, strategy, finance and detailed knowledge of microfinance. We have appointed a fourth since the end of the year and possibly recruiting a fifth board member. One board member takes specific responsibility and overview of the finances and accounts and is himself a former Financial Director and an accountant.

There is also a small advisory board who are available for specific input to the board of Trustees or the director when their expertise is needed. Members of this board are agreed by the Trustees and the director.

### Risk management

The key risk to Purple Shoots is the health of its loan portfolio. It is important that losses and defaults are no higher than budgeted or historically experienced or this will have an impact on our ability to repay borrowings when they become due. Our loan clients are extremely vulnerable to setbacks either in their businesses or in the wider economy because they are starting their businesses with nothing apart from our loan, and the benefits system ensures that they are unable to build up any reserves from money they make on their business because it claws it all back in reduced payments (an outrageously ridiculous system that is self-defeating in that it jeopardizes the chances of success for our borrowers which means that they will be back on benefits if their businesses fail!). We know this is our risk when we make our loans and our whole lending process is aimed at minimizing the risk that the business might fail. In order to mitigate this risk once the loan has been made, we monitor repayments very closely so that we are able to follow up a client as soon as a payment is missed. In addition, we offer mentoring to all our clients which they can take up at any point to help them get past obstacles or to rethink or take a new direction. In addition, we have “well-being checks” for all our clients – a regular phone call to check that they are doing well and to identify any problems or issues before they become serious for the business. We are also using this to help us with our impact evaluation. The detailed loan portfolio is reported to the Trustees at every meeting, and monthly bank reconciliations are sent to them which also detail repayments received so that patterns can be seen and action taken where possible (for example to limit lending in a particular sector if we are seeing higher defaults in it).

The second major risk is around systems failure and potential breaches of confidentiality with client data. We have continued with our system which is cloud based and heavily password protected so that no confidential information is stored on individual laptops or phones. Bank statements are only collected if the client is unable to connect to the new open banking system, which is again password protected and much more secure than sharing bank statements. All employee laptops which work on our borrowers are encrypted and are backed up securely every day.

## Statement of Board of Trustees’ responsibilities

The Trustees are responsible for preparing the Trustees’ Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the Trustees confirm that they are happy that the content of the annual review on pages 5 to 12 of this document, as well as the legal and administrative information on page 4, meet the requirements of both the Trustees' Annual Report under charity law and the Directors' Report under company law.

They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant information of which the Charity's independent examiner is unaware; and,
- each Trustee has taken all the steps that they should have taken as a Trustee/Director in order to make themselves aware of any relevant independent examination information and to establish that the Charity's independent examiner is aware of that information.

### Preparation of the report

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006, and the exemptions available for smaller charities under the Statement of Recommended Practice.

This report was approved and authorised for issue by the Board of Trustees on 16 April 2025 and signed on its behalf by:



Peter Elsworth (Apr 19, 2025 13:13 GMT+1)

**PETER ELSWORTH**

**TRUSTEE**

## Independent examiner's report

I report to the Trustees on my examination of the accounts of Purple Shoots Business Lending Ltd (charity number 1155385, company number 08603690) for the year ended 31 July 2024 which are set out on pages 15 to 30.

### Respective responsibilities of trustees and examiner

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'). The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ('the 2011 Act') nor under Part 16 of the 2006 Act, and that an independent examination is needed.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and,
- to state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the Charity's Trustees as a body. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body for my examination work, for this report, or for the statements I have made.

### Basis of independent examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or,
- the accounts do not accord with those records; or,
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or,
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities



preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

A handwritten signature in black ink, appearing to read 'APNash', with a stylized flourish at the end.

**ANDREW PHILIP NASH FCA**

**MEMBER OF THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES – 2461833**

**DATED: 17 APRIL 2025**

Enaid Accountancy Ltd  
Units 24 & 25  
Goodsheds Container Village  
Hood Road  
Barry  
CF62 5QU

**Statement of financial activities****Incorporating the Income and Expenditure Account & Statement of Realised Gains and Losses**

For the year ended 31 July 2024

		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>	Total funds
		<b>Year ended 31-Jul-24</b>	<b>Year ended 31-Jul-24</b>	<b>Year ended 31-Jul-24</b>	Year ended 31-Jul-23
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income from:</b>					
Donations & legacies	3	351,772	235,072	<b>586,844</b>	553,204
Charitable activities	4	112,732	-	<b>112,732</b>	90,775
Other trading activities	5	2,974	-	<b>2,974</b>	3,446
<b>Total income</b>		<b>467,478</b>	<b>235,072</b>	<b>702,550</b>	647,425
<b>Expenditure on:</b>					
Raising funds	6 & 7	70,337	-	<b>70,337</b>	57,924
Charitable activities	6 & 8	559,406	35,072	<b>594,478</b>	585,172
<b>Total expenditure</b>		<b>629,743</b>	<b>35,072</b>	<b>664,815</b>	643,096
<b>Net income/(expenditure)</b>		<b>(162,265)</b>	<b>200,000</b>	<b>37,735</b>	4,329
Transfer between funds	13	200,000	(200,000)	-	-
<b>Net movement in funds</b>		<b>37,735</b>	<b>-</b>	<b>37,735</b>	4,329
<b>Reconciliation of fund</b>					
Funds brought forward	13 & 14	99,518	-	<b>99,518</b>	95,189
Funds carried forward	13 & 14	<b>137,253</b>	<b>-</b>	<b>137,253</b>	99,518

The notes on pages 18 to 30 form part of the financial statements.

## Balance sheet

As at 31 July 2024

	Notes	£	Total funds 31-Jul-24 £	Total funds 31-Jul-23 £
<b>Fixed assets</b>				
Tangible fixed assets	10		498	664
Client loans due in more than 12 months			232,926	241,297
			<u>233,424</u>	<u>241,961</u>
<b>Current assets</b>				
Debtors	11	565,664		430,131
Cash at bank and in hand		194,470		223,597
		<u>760,134</u>		<u>653,728</u>
<b>Creditors</b>				
Amounts falling due within one year	12	(95,700)		(38,819)
		<u></u>	<u>664,434</u>	<u>614,909</u>
<b>Net current assets</b>				
<b>Creditors</b>				
Amounts falling due within more than one year			(760,605)	(757,352)
			<u>137,253</u>	<u>99,518</u>
<b>Net assets</b>				
<b>Funds of the charity</b>				
Unrestricted	13 & 14		137,253	99,518
			<u>137,253</u>	<u>99,518</u>

The notes on pages 18 to 30 form part of the financial statements.

The financial statements have been prepared in accordance with section 415A of the Companies Act 2006 relating to small companies and FRS 102 Section 1A. The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 July 2024, and the members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 July 2024 under section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

They were approved and authorised for issue by the Board of Trustees on 16 April 2025 and signed on their behalf by:

  
Peter Elsworth (Apr 19, 2025 13:13 GMT+1)

**PETER ELSWORTH**

**TRUSTEE**



**Statement of cash flows**

For year ended 31 July 2024

		<b>Total funds 31-Jul-24</b>	<b>Total funds 31-Jul-23</b>
	£	£	£
<b>Cash flows from operating activities</b>			
Net income/(expenditure) for the year	37,735		4,329
Adjustments for:			
Depreciation	166		221
Interest paid on loans	18,889		22,535
(Increase)/decrease in client loans	(123,615)		(120,380)
(Increase)/decrease in prepayments	(3,547)		-
Increase/(decrease) in creditors	4,683		(1,406)
<b>Net cash flows from operating activities</b>		<b>(65,689)</b>	<b>(94,701)</b>
<b>Cash flows from financing activities</b>			
Interest paid on loans	(18,889)		(22,535)
Increase/(decrease) in loans	55,451		202,000
<b>Net cash flows from financing activities</b>		<b>36,562</b>	<b>179,465</b>
<b>Net movement in cash and cash equivalents</b>		<b>(29,127)</b>	<b>84,764</b>
<b>Cash and cash equivalents at 1 August 2023</b>		<b>223,597</b>	<b>138,833</b>
<b>Cash and cash equivalents at 31 July 2024</b>		<b>194,470</b>	<b>223,597</b>

The notes on pages 18 to 30 form part of the financial statements.

## Notes to the financial statements

### 1. Accounting policies

#### Basis of preparation of the financial statements

The financial statements have been prepared in accordance with 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), including Update Bulletin 2, and the Companies Act 2006.

The effect of any event relating to the year ended 31 July 2024, which occurred before the date of approval of the financial statements by the Board of Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 July 2024 and the results for the year ended on that date.

The functional currency of the Charity is sterling and amounts in the financial statements are rounded to the nearest pound.

The significant 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.

#### Going concern

The financial statements have been prepared on the going concern basis as the Board of Trustees is confident that future reserves and future income is more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment, and the ongoing global economic uncertainties and wider environment have had no material impact on this assessment.

#### Legal status

Purple Shoots Business Lending Ltd is a charitable company registered in England & Wales and meets the definition of a public benefit entity. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member. The registered address is 2 Le Sor Hill, Peterston-Super-Ely, Cardiff, CF5 6LW.

#### Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds which have been designated for a specific purpose by the Trustees. The aim and use of each designated fund is set out in note 13 of the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 13 of the financial statements.

#### Income

Income is recognised when the Charity has entitlement to the funds, any performance indicators attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised in full in the Statement of Financial Activities when entitled, receipt is probable and when the amount can be quantified with reasonable accuracy. Gift aid receivable is included when claimable.

## 1. Accounting policies (continued from previous page)

### Income (continued from previous page)

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless the grant relates to a future period, in which case it is deferred.

Income from charitable activities, including contract income and client fees, is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it relates to a specific future period or event, in which case it is deferred.

Interest is recorded when it is receivable.

### Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Indirect costs, including governance costs, which cannot be directly attributed to activities, are allocated proportionate to total direct costs allocated to each project area, as outlined in note 6 of the financial statements.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

### Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their useful life, on the following basis:

Office equipment	25% reducing balance
------------------	----------------------

### Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values but are not held for investment purposes.

### Debtors and prepayments

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

### Creditors and accruals

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

### Critical estimates and judgements

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The annual depreciation charge for tangible fixed assets is sensitive to changes in useful economic lives and residual values of assets. In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

## 1. Accounting policies (continued from previous page)

### Financial instruments

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

### Pensions

The Charity operates a defined contribution pension scheme which is administered by an external independent pension provider. Contributions are recognised in the Statement of Financial Activities as they fall due.

## 2. Comparative statement of financial activities

		Unrestricted funds Year ended 31-Jul-23 £	Restricted funds Year ended 31-Jul-23 £	Total funds Year ended 31-Jul-23 £
	Notes			
Income from:				
Donations & legacies	3	58,299	494,905	553,204
Charitable activities	4	90,775	-	90,775
Other trading activities	5	3,446	-	3,446
Total income		152,520	494,905	647,425
Expenditure on:				
Raising funds	6 & 7	57,924	-	57,924
Charitable activities	6 & 8	430,267	154,905	585,172
Total expenditure		488,191	154,905	643,096
Net income/(expenditure)		(335,671)	340,000	4,329
Transfer between funds	13	340,000	(340,000)	-
Net movement in funds		4,329	-	4,329
Reconciliation of fund				
Funds brought forward	13 & 14	95,189	-	95,189
Funds carried forward	13 & 14	99,518	-	99,518

3. Income from donations and legacies

	<b>Unrestricted funds Year ended 31-Jul-24 £</b>	<b>Restricted funds Year ended 31-Jul-24 £</b>	<b>Total funds Year ended 31-Jul-24 £</b>
Donations and grants	351,772	235,072	586,844
	<b>351,772</b>	<b>235,072</b>	<b>586,844</b>

	<b>Unrestricted funds Year ended 31-Jul-23 £</b>	<b>Restricted funds Year ended 31-Jul-23 £</b>	<b>Total funds Year ended 31-Jul-23 £</b>
Donations and grants	58,299	494,905	553,204
	<b>58,299</b>	<b>494,905</b>	<b>553,204</b>

4. Income from charitable activities

	<b>Unrestricted funds Year ended 31-Jul-24 £</b>	<b>Restricted funds Year ended 31-Jul-24 £</b>	<b>Total funds Year ended 31-Jul-24 £</b>
Interest on client loans	80,265	-	80,265
Loans recovered previously written off	3,634	-	3,634
Sales of beneficiary goods	9,365	-	9,365
Consultancy	19,468	-	19,468
	<b>112,732</b>	<b>-</b>	<b>112,732</b>

	<b>Unrestricted funds Year ended 31-Jul-23 £</b>	<b>Restricted funds Year ended 31-Jul-23 £</b>	<b>Total funds Year ended 31-Jul-23 £</b>
Interest on client loans	53,597	-	53,597
Loans recovered previously written off	3,028	-	3,028
Sales of beneficiary goods	9,144	-	9,144
Consultancy	25,006	-	25,006
	<b>90,775</b>	<b>-</b>	<b>90,775</b>

5. Income from other trading activities

	Unrestricted funds Year ended 31-Jul-24 £	Restricted funds Year ended 31-Jul-24 £	Total funds Year ended 31-Jul-24 £
Café sales	2,974	-	2,974
	<b>2,974</b>	<b>-</b>	<b>2,974</b>
	Unrestricted funds Year ended 31-Jul-23 £	Restricted funds Year ended 31-Jul-23 £	Total funds Year ended 31-Jul-23 £
Café sales	3,446	-	3,446
	<b>3,446</b>	<b>-</b>	<b>3,446</b>

6. Total expenditure

	<b>Direct staff costs</b>	<b>Direct other costs</b>	<b>Indirect costs</b>	<b>Total costs</b>
	<b>Year ended 31-Jul-24</b>	<b>Year ended 31-Jul-24</b>	<b>Year ended 31-Jul-24</b>	<b>Year ended 31-Jul-24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raising funds	34,961	23,525	11,851	<b>70,337</b>
Charitable activities	239,456	254,857	100,165	<b>594,478</b>
	<b>274,417</b>	<b>278,382</b>	<b>112,016</b>	<b>664,815</b>

	<b>Direct staff costs</b>	<b>Direct other costs</b>	<b>Indirect costs</b>	<b>Total costs</b>
	<b>Year ended 31-Jul-23</b>	<b>Year ended 31-Jul-23</b>	<b>Year ended 31-Jul-23</b>	<b>Year ended 31-Jul-23</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raising funds	30,149	18,028	9,747	57,924
Charitable activities	194,848	291,856	98,468	585,172
	224,997	309,884	108,215	643,096

Indirect costs, including governance costs, which cannot be directly attributed to activities, were allocated between cost centres proportionate to the direct staff and other costs allocated to those activities.

An analysis of costs of raising funds split between restricted and unrestricted funds can be found in note 7.

An analysis of charitable activities split between restricted and unrestricted funds can be found in note 8.

An analysis of staff costs can be found in note 9.

Indirect costs includes:

	<b>Total costs</b>	<b>Total costs</b>
	<b>Year ended 31-Jul-24</b>	<b>Year ended 31-Jul-23</b>
	<b>£</b>	<b>£</b>
Indirect staff costs	<b>62,580</b>	61,293
Administration	<b>30,496</b>	31,050
Premises	<b>10,484</b>	8,972
Professional services	<b>6,872</b>	5,364
Independent examination	<b>1,584</b>	1,536
	<b>112,016</b>	108,215

## 7. Expenditure on raising funds

	Unrestricted funds Year ended 31-Jul-24 £	Restricted funds Year ended 31-Jul-24 £	Total funds Year ended 31-Jul-24 £
Direct staff costs	34,961	-	34,961
Direct other costs	23,525	-	23,525
Indirect costs	11,851	-	11,851
	<b>70,337</b>	<b>-</b>	<b>70,337</b>

	Unrestricted funds Year ended 31-Jul-23 £	Restricted funds Year ended 31-Jul-23 £	Total funds Year ended 31-Jul-23 £
Direct staff costs	30,149	-	30,149
Direct other costs	18,028	-	18,028
Indirect costs	9,747	-	9,747
	<b>57,924</b>	<b>-</b>	<b>57,924</b>



8. Expenditure on charitable activities

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>Year ended 31-Jul-24</b>	<b>Year ended 31-Jul-24</b>	<b>Year ended 31-Jul-24</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Direct staff costs	210,884	28,572	<b>239,456</b>
Direct other costs	248,357	6,500	<b>254,857</b>
Indirect costs	100,165	-	<b>100,165</b>
	<b>559,406</b>	<b>35,072</b>	<b>594,478</b>

	Unrestricted funds	Restricted funds	Total funds
	Year ended 31-Jul-23	Year ended 31-Jul-23	Year ended 31-Jul-23
	£	£	£
Direct staff costs	139,943	54,905	194,848
Direct other costs	191,856	100,000	291,856
Indirect costs	98,468	-	98,468
	430,267	154,905	585,172

9. Staff costs

	<b>Total costs</b>	Total costs
	<b>Year ended 31-Jul-24</b>	Year ended 31-Jul-23
	<b>£</b>	£
Gross salaries	<b>313,887</b>	267,577
Employers national insurance	<b>17,615</b>	14,129
Employers pension	<b>5,495</b>	4,584
	<b>336,997</b>	286,290

The average headcount during the period was 17 persons (2023: 14 persons).

No employee received employee benefits of greater than £60,000 (2023: Nil).

The total employee benefits paid to key management personnel during the year was £43,093 (2023: £43,118).

## 10. Tangible fixed assets

	Office equipment £	Total £
<b>Cost</b>		
At 1 August 2023	3,105	3,105
At 31 July 2024	3,105	3,105
<b>Accumulated depreciation</b>		
At 1 August 2023	2,441	2,441
Charge for the year	166	166
At 31 July 2024	2,607	2,607
<b>Net book value</b>		
At 1 August 2023	664	664
At 31 July 2024	498	498

## 11. Debtors and prepayments

	Total 31-Jul-24 £	Total 31-Jul-23 £
Client loans receivable within twelve months	562,117	430,131
Prepayments	3,547	-
	565,664	430,131

In addition to the amounts above there was £232,926 recoverable from clients in greater than 12 months at the end of the year (2023: £241,297).

12. Creditors: amounts falling due within one year

	<b>Total</b>	Total
	<b>31-Jul-24</b>	31-Jul-23
	<b>£</b>	£
Accounts payable	<b>4,966</b>	-
Accruals	<b>2,284</b>	2,536
Loans repayable within twelve months	<b>82,198</b>	30,000
HMRC payable	<b>4,997</b>	5,099
Pension payable	<b>1,255</b>	1,184
	<b>95,700</b>	38,819

In addition to the amounts above there was £760,605 payable to investors in greater than 12 months at the end of the year (2023: £757,352). These are a mixture of interest bearing and non-interest bearing loans and are from a variety of individuals and organisations.

### 13. Analysis of charity funds

	Balance brought forward Year ended 31-Jul-24 £	Income in the period Year ended 31-Jul-24 £	Expenditure in the period Year ended 31-Jul-24 £	Transfers between funds Year ended 31-Jul-24 £	Balance carried forward Year ended 31-Jul-24 £
<b>Restricted funds</b>					
Lending - Wales		200,000	-	(200,000)	-
SRGs	-	35,072	(35,072)	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>235,072</b>	<b>(35,072)</b>	<b>(200,000)</b>	<b>-</b>
<b>Unrestricted funds</b>	99,518	467,478	(629,743)	200,000	<b>137,253</b>
<b>Total funds</b>	<b>99,518</b>	<b>702,550</b>	<b>(664,815)</b>	<b>-</b>	<b>137,253</b>

#### Lending

This relates to funding provided to support lending in a number of geographical locations. As the loans provided are recognised as liabilities as opposed to expenditure, the restricted funds are released to unrestricted funds at the point that each loan is made.

#### SRGs

These are funds from a number of sources to support the work with self-reliant groups in a number of localities.

	Balance brought forward Year ended 31-Jul-23 £	Income in the period Year ended 31-Jul-23 £	Expenditure in the period Year ended 31-Jul-23 £	Transfers between funds Year ended 31-Jul-23 £	Balance carried forward Year ended 31-Jul-23 £
<b>Restricted funds</b>					
Lending - England	-	100,000	-	(100,000)	-
Lending - Wales		240,000	-	(240,000)	-
Provisions	-	100,000	(100,000)	-	-
SRGs	-	54,905	(54,905)	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>494,905</b>	<b>(154,905)</b>	<b>(340,000)</b>	<b>-</b>
<b>Unrestricted funds</b>	95,189	152,520	(488,191)	340,000	99,518
<b>Total funds</b>	<b>95,189</b>	<b>647,425</b>	<b>(643,096)</b>	<b>-</b>	<b>99,518</b>

#### Provisions

This relates to funding provide to support the Charity in writing off loans that were now deemed irrecoverable.

14. Analysis of net assets

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31-Jul-24</b>	<b>31-Jul-24</b>	<b>31-Jul-24</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	233,424	-	<b>233,424</b>
Current assets	760,134	-	<b>760,134</b>
Current liabilities	(95,700)	-	<b>(95,700)</b>
Non-current liabilities	(760,605)	-	<b>(760,605)</b>
	<b>137,253</b>	<b>-</b>	<b>137,253</b>

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31-Jul-23</b>	<b>31-Jul-23</b>	<b>31-Jul-23</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	241,961	-	241,961
Current assets	653,728	-	653,728
Current liabilities	(38,819)	-	(38,819)
Non-current liabilities	(757,352)	-	(757,352)
	99,518	-	99,518

## 15. Analysis of net debt

	As at 1-Aug-23 £	Cash flows £	Other movements £	At at 31-Jul-24 £
Cash and cash equivalents	223,597	(29,127)	-	194,470
Loans	(787,352)	(55,451)	-	(842,803)
<b>Net debt</b>	<b>(563,755)</b>	<b>(84,578)</b>	<b>-</b>	<b>(648,333)</b>

	As at 1-Aug-22 £	Cash flows £	Other movements £	At at 31-Jul-23 £
Cash and cash equivalents	138,833	84,764	-	223,597
Loans	(585,352)	(202,000)	-	(787,352)
<b>Net debt</b>	<b>(446,519)</b>	<b>(117,236)</b>	<b>-</b>	<b>(563,755)</b>

## 16. Trustee remuneration

During the year, no trustee received any remuneration (2023: £Nil). No members of the Board of Trustees received reimbursement of expenses (2023: £Nil).

## 17. Related party transactions

During the year there were no related party transactions (2023: £Nil) other than an interest bearing investment loan from one trustee (Timothy Stumpff) to the charity to facilitate additional loan payments to beneficiaries. This was on similar terms to other interest bearing investment loans and the relevant trustee was not involved in the decision making process. Total repayments of £7,665 were made during the year (2023: £Nil) and £9,198 was outstanding and due within one year at the end of the period (2023: £Nil).