



Purple Shoots Business Lending Ltd

Trustees Annual Report and Unaudited Financial Statements Year ended 31 July 2025

Charity registration - 1155385

Company number - 08603690



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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 2025
Professor Olga Biosca- Artinano	appointed 16 May 2025
Guto Davies	appointed 16 May 2025
Peter Elsworth	
Catherine Healey	appointed 7 February 2025
Paula Pridham	resigned 16 May 2025
Timothy Stumpff	
Samuel Williams	appointed 16 May 2025

Director

Karen Davies

Bank

Unity Trust Bank
Four Brindley Place
Birmingham
B1 2JB

Independent examiner

Enaid Accountancy Ltd
Platform 10
Engine Room
Hood Road
Barry
CF62 5QL

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 2025.

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 £228k in 52 loans across Wales and England, starting new businesses and supporting existing ones. This is even though we had four months during the year when we had no capital to lend and so had to suspend our lending activities. We could have done many more had we been more successful in raising funds. Most of the existing businesses we supported were businesses Purple Shoots has previously helped to start. 37% of the loans were to women and 21% were to people from black and ethnic minority groups. This has helped around 94 people out of unemployment. The graphics below are a summary of figures 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.

PURPLE SHOOTS IMPACT 2024-25: PLANTING HOPE, GROWING FUTURES



This Year at a Glance – August 2024 to July 2025

52

New Loans

£228,324

Total Loaned

68

New Jobs

£4,390.86

Average Loan Size

38

Self-Reliant Groups

184

People supported through SRGs

Lending split by gender



63.5%



36.5%

Prior to a Purple Shoots Loan

80% of borrowers had previously been in receipt of benefits.

26% of borrowers had previously been fully unemployed.

49% of borrowers had been in only informal self-employment.

Ethnicity of business owners supported

21.2% of businesses supported by Purple Shoots are operated by ethnically diverse owners.

BUILDING STRONGER ECONOMIES

~£960,000

Net Gain to HMT

£4.20

Net Gain to HMT for Every £1 Purple Shoots Invested

~£3,250,000

Total Local Economic Impact

£14.25

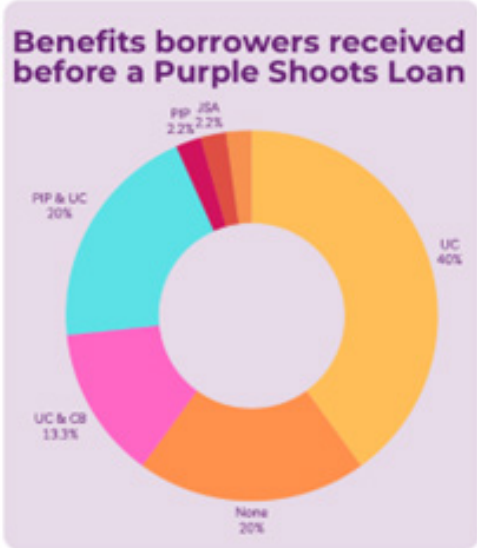
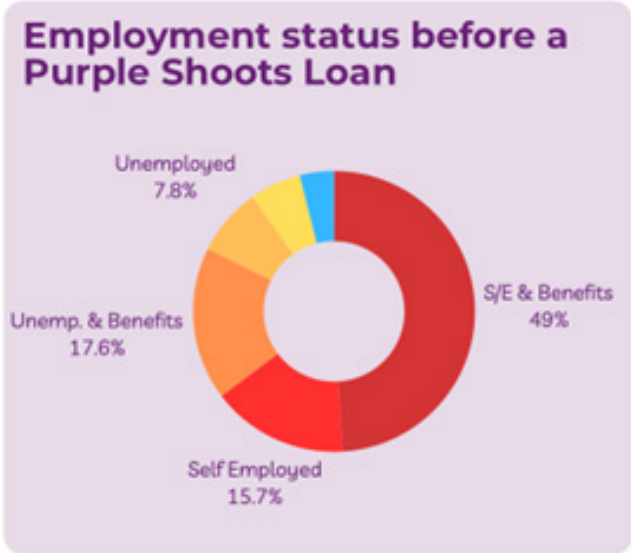
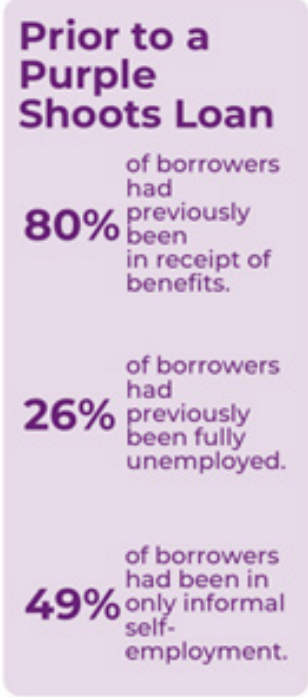
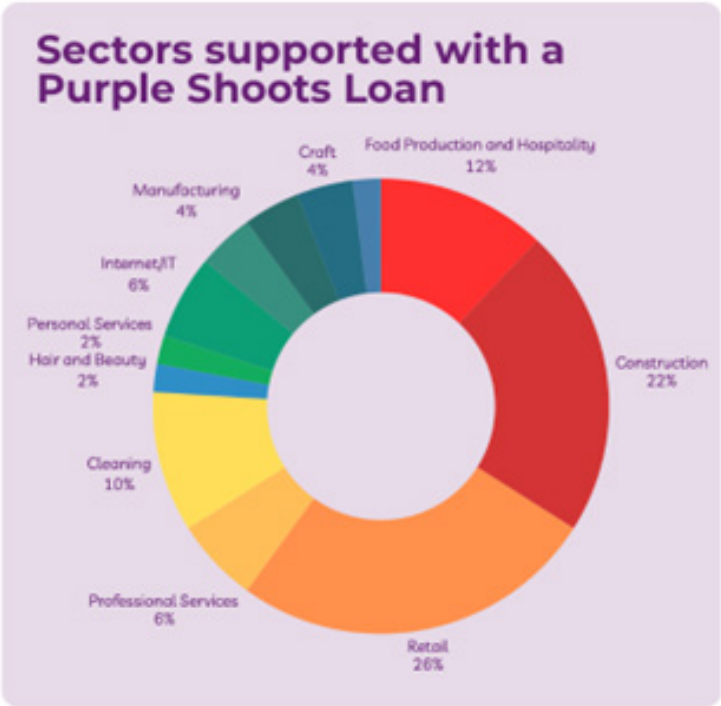
Local Economic Impact per £1 Invested

To read the full report scan our QR code, or [follow this link](#)

Support Purple Shoots purpleshoots.org/support

Contact us at enquiries@purpleshoots.co.uk





Each loan can be transformative and we have many stories on our website in case studies and videos. This year we have continued our involvement with 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.

Daniel's story

Daniel's journey is one of **renewal against the odds**. After serving time in prison, he was determined to turn his life around. Addiction in his past had taken a toll on his health, leaving him with a heart condition, but it also gave him a **new urgency to make the most of life**. Upon release, Daniel went **straight into work** with a lifelong friend, taking on building projects and earning an honest living.



What he lacked was tools of his own, the basics needed to establish himself independently. Purple Shoots stepped in with **a loan to equip him for the future**. Daniel's determination to work hard, rebuild his credit, and prove himself is inspiring. His story is proof that with support and second chances, **people can build not just houses and extensions, but new lives**.

Daniel's hope is grounded, quite literally, in the foundations he lays. His story reminds us that **no past mistake has to define the future** with the right help, new beginnings are always possible.

Nadine's story

Nadine **had always made waffles for her family and neighbours**. Before the pandemic, she worked as a childminder until lockdown rules forced her to close. With her livelihood gone, and two children to care for as a single mum, Nadine turned to baking. It began as a way to cope, but quickly became something more: **a spark of hope, a way forward**.

Determined to **set an example for her son and daughter**, to show them the value of perseverance and self-belief, Nadine started sharing her cookies and waffles with neighbours. The feedback was electric. **Spurred on by their encouragement**, she launched Roibelle's Luxurious Treats and landed a mentor through Standard Guide. Her first event was at a dog show where she sold out in two hours. Next came corporate orders, including one from SnapFitness Gym Filton. She also began baking for charity, donating cookies to Patchway Police Station and Southmead Hospital over Christmas and Easter.

A grant from Bristol City Council could have helped her grow, but she was just outside the city boundary and ineligible. The Government's Start-Up Loan scheme turned her down too. But Nadine didn't give up. Through Black Southwest Network, she attended a seminar at NatWest Bank in Bristol and there, she met Purple Shoots.

We **helped her secure a small loan to finish refurbishing her venue** paying for electrical work and plastering bringing her one step closer to opening her own shop. Now, alongside running the store, she's been selling luxury cookies online, building a loyal customer base through Deliveroo (4.9 stars) and Google (5 stars). She's baked 500 cookies for a church event and has even been booked for her first wedding to supply cookies.



Nadine's story is a reminder that when someone believes in you, even with a small loan, incredible things can grow. **That's the hope we invest in every day.**

Self-reliant groups

Our Self-reliant groups 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 developed new groups in Cardiff, Bristol, the Forest of Dean, the Vale of Glamorgan, Swansea and Rhondda Cynon Taff. This year we asked some of our long-standing group members to tell us about the impact of being part of a group:

RECONNECT SRG started in 2015. They are a group that crafts together, sometimes teaching each other new skills, frequently supporting new members. They have specialized in building a safe harbour for each other and for any new members who come along, often at a particularly vulnerable time in their lives. One member says: "This group has made such a difference to my life and has given me purpose and put me on the right path after being lost for a while. Every time I make a sale, it still gives me a sense of pride that someone liked my product enough to take it home. My confidence in myself has grown". Another said: "This journey has helped me discover a new part of myself. I found hidden talents and passions, I never knew I had. My group has become a way for me to express myself, build confidence and grow as a person. It has been a truly transformational experience and I'm so glad I found it."

Dave's Story (in his words)



"It's been roughly 20 months since I first started going to the Gathering Place Community Centre in St Athan and I haven't looked back. My working life started with 12 years in the RAF and I had a great time with posting to Norfolk, Scotland and 2 postings to Germany, finally ending up at RAF St Athan. When I left the RAF I just carried on going into work as a civilian. Eventually, due to defence cuts that work finished, but I managed to get a job down in Hampshire for 10 years on Special Forces helicopters. That work finished when the Lynx helicopter went out of service, so I ended back in my home in St Athan.

I was just passing time for a while, when an old friend I had known for years volunteered me to be her carer. This was just before the Covid pandemic struck, so when it did happen, I became her live in carer. We both survived the Covid, but with her health gradually deteriorating, she gradually passed away. That meant me finally moving back into my house permanently.

I had lived in my house on and off, sometimes having lodgers in, but never really getting it sorted out. Now that I had finally moved back into my house, I didn't really have any incentive to get it sorted out. That's when my life changed for the better.

One morning I had a small paper flier come through the door reading 'The Gathering Place Community Café and Gardening Group'. Open every Wednesday from 9.30 to 1pm. We'd love to see you! If you are interested please drop in and ask.

I didn't do anything immediately, but I just put it to one side. After about 2 weeks though, I thought, "you know what, I can do this," gardening being one of my main passions. So I finally made the effort to go over and I had a very nice and warm welcome.

Being in the RAF, or any of the forces or any organisation for that matter, is just like being in one big family, and that's exactly what it's like at The Gathering Place. We've got people of all age groups, and from all backgrounds, with different skills. Since I've been going over to The Gathering Place, I've only missed the Community Café on the one occasion, and that's when I had man flu! Sometimes I can't get to sleep at night thinking about what I'm going to do in the garden the next day. At times, I'm itching to get in!

Through the work at The Gathering Place, I now have a couple of spin offs where I do 2 gardens in the local area on a weekly basis."



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. This year we have begun working in the West Midlands, thanks to a grant from a local business there, BCRS Business Loans. We continue to work across Wales, in the West Country and Yorkshire, although we have completed loans outside this area too. In the coming year, we plan to start lending in Sussex and Scotland and it is still our ambition to be able to meet the demand that there is right across the UK. 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 still 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 incurred a deficit of £112,714 (2024: surplus of £37,735). This resulted in total reserves decreasing in the year to £24,539 (2024: £137,253).

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

Of the total reserves held at year end £24,539 (2024: £137,253) 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 £214,545 (22.9%) (2024 - exceeded by £12,299 - 1.5%), however large proportion of the loans are unlikely to be redeemed as investors have made clear they do not intend to request their funds back and so the Trustees are happy with this position. The Trustees also note that the situation corrected itself shortly after year end, with additional funds coming in, supporting their satisfaction with the year end position.

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 six members. We had one long-standing trustee retire during the year and we have appointed three new ones during the year. This has brought in fresh talent and approaches and complemented the skills of the other three trustees. 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 expenditure over income 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 15 April 2026 and signed on its behalf by:

Peter Elsworth

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 2025 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.



ANDREW PHILIP NASH FCA

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

DATED: 16 APRIL 2026

Enaid Accountancy Ltd
Platform 10
Engine Room
Hood Road
Barry
CF62 5QL

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

For the year ended 31 July 2025

		Unrestricted funds	Restricted funds	Total funds	Total funds
		Year ended	Year ended	Year ended	Year ended
		31-Jul-25	31-Jul-25	31-Jul-25	31-Jul-24
	Notes	£	£	£	£
Income from:					
Donations & legacies	3	268,794	70,500	339,294	586,844
Charitable activities	4	109,802	-	109,802	112,732
Other trading activities	5	1,242	-	1,242	2,974
Total income		379,838	70,500	450,338	702,550
Expenditure on:					
Raising funds	6 & 7	58,831	-	58,831	70,337
Charitable activities	6 & 8	443,721	60,500	504,221	594,478
Total expenditure		502,552	60,500	563,052	664,815
Net income/(expenditure)		(122,714)	10,000	(112,714)	37,735
Transfer between funds	13	10,000	(10,000)	-	-
Net movement in funds		(112,714)	-	(112,714)	37,735
Reconciliation of fund					
Funds brought forward	13 & 14	137,253	-	137,253	99,518
Funds carried forward	13 & 14	24,539	-	24,539	137,253

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

Balance sheet

As at 31 July 2025

	Notes	£	Total funds 31-Jul-25 £	Total funds 31-Jul-24 £
Fixed assets				
Tangible fixed assets	10		1,674	498
Client loans due in more than 12 months			152,040	232,926
			<u>153,714</u>	<u>233,424</u>
Current assets				
Debtors	11	796,133		565,664
Cash at bank and in hand		25,736		194,470
		<u>821,869</u>		<u>760,134</u>
Creditors				
Amounts falling due within one year	12	(90,197)		(95,700)
		<u></u>	<u>731,672</u>	<u>664,434</u>
Net current assets				
Creditors				
Amounts falling due within more than one year			(860,847)	(760,605)
			<u>24,539</u>	<u>137,253</u>
Net assets				
Funds of the charity				
Unrestricted	13 & 14		24,539	137,253
			<u>24,539</u>	<u>137,253</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 2025, and the members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 July 2025 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 15 April 2026 and signed on their behalf by:

Peter Elsworth

PETER ELSWORTH

TRUSTEE

Statement of cash flows

For year ended 31 July 2025

		Total funds 31-Jul-25	Total funds 31-Jul-24
	£	£	£
Cash flows from operating activities			
Net income/(expenditure) for the year	(112,714)		37,735
Adjustments for:			
Depreciation	125		166
Interest paid on loans	14,004		18,889
(Increase)/decrease in client loans	(76,914)		(123,615)
(Increase)/decrease in prepayments	2,763		(3,547)
(Increase)/decrease in accrued income	(75,432)		-
Increase/(decrease) in creditors	(305)		4,683
Net cash flows from operating activities		(248,473)	(65,689)
Cash flows from investment activities			
Purchase of equipment	(1,301)		-
Net cash flows from investment activities		(1,301)	-
Cash flows from financing activities			
Interest paid on loans	(14,004)		(18,889)
Increase/(decrease) in loans	95,044		55,451
Net cash flows from financing activities		81,040	36,562
Net movement in cash and cash equivalents		(168,734)	(29,127)
Cash and cash equivalents at 1 August 2024		194,470	223,597
Cash and cash equivalents at 31 July 2025		25,736	194,470

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 2025, 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 2025 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
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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-24 £	Restricted funds Year ended 31-Jul-24 £	Total funds Year ended 31-Jul-24 £
	Notes			
Income from:				
Donations & legacies	3	351,772	235,072	586,844
Charitable activities	4	112,732	-	112,732
Other trading activities	5	2,974	-	2,974
Total income		467,478	235,072	702,550
Expenditure on:				
Raising funds	6 & 7	70,337	-	70,337
Charitable activities	6 & 8	559,406	35,072	594,478
Total expenditure		629,743	35,072	664,815
Net income/(expenditure)		(162,265)	200,000	37,735
Transfer between funds	13	200,000	(200,000)	-
Net movement in funds		37,735	-	37,735
Reconciliation of fund				
Funds brought forward	13 & 14	99,518	-	99,518
Funds carried forward	13 & 14	137,253	-	137,253

3. Income from donations and legacies

	Unrestricted funds Year ended 31-Jul-25 £	Restricted funds Year ended 31-Jul-25 £	Total funds Year ended 31-Jul-25 £
Donations and grants	268,794	70,500	339,294
	268,794	70,500	339,294

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

4. Income from charitable activities

	Unrestricted funds Year ended 31-Jul-25 £	Restricted funds Year ended 31-Jul-25 £	Total funds Year ended 31-Jul-25 £
Interest on client loans	70,780	-	70,780
Loans recovered previously written off	1,283	-	1,283
Sales of beneficiary goods	13,016	-	13,016
Consultancy	24,723	-	24,723
	109,802	-	109,802

	Unrestricted funds Year ended 31-Jul-24 £	Restricted funds Year ended 31-Jul-24 £	Total funds Year ended 31-Jul-24 £
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
	112,732	-	112,732

5. Income from other trading activities

	Unrestricted funds Year ended 31-Jul-25 £	Restricted funds Year ended 31-Jul-25 £	Total funds Year ended 31-Jul-25 £
Café sales	1,242	-	1,242
	1,242	-	1,242

	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
	2,974	-	2,974

6. Total expenditure

	Direct staff costs	Direct other costs	Indirect costs	Total costs
	Year ended 31-Jul-25	Year ended 31-Jul-25	Year ended 31-Jul-25	Year ended 31-Jul-25
	£	£	£	£
Raising funds	37,220	10,254	11,357	58,831
Charitable activities	257,222	149,664	97,335	504,221
	294,442	159,918	108,692	563,052

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

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:

	Total costs	Total costs
	Year ended 31-Jul-25	Year ended 31-Jul-24
	£	£
Indirect staff costs	62,755	62,580
Administration	31,335	30,496
Premises	7,398	10,484
Professional services	5,596	6,872
Independent examination	1,608	1,584
	108,692	112,016

7. Expenditure on raising funds

	Unrestricted funds	Restricted funds	Total funds
	Year ended 31-Jul-25	Year ended 31-Jul-25	Year ended 31-Jul-25
	£	£	£
Direct staff costs	37,220	-	37,220
Direct other costs	10,254	-	10,254
Indirect costs	11,357	-	11,357
	58,831	-	58,831

	Unrestricted funds	Restricted funds	Total funds
	Year ended 31-Jul-24	Year ended 31-Jul-24	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
	70,337	-	70,337

8. Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total funds
	Year ended 31-Jul-25	Year ended 31-Jul-25	Year ended 31-Jul-25
	£	£	£
Direct staff costs	206,722	50,500	257,222
Direct other costs	139,664	10,000	149,664
Indirect costs	97,335	-	97,335
	443,721	60,500	504,221

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

9. Staff costs

	Total costs	Total costs
	Year ended 31-Jul-25	Year ended 31-Jul-24
	£	£
Gross salaries	334,104	313,887
Employers national insurance	17,258	17,615
Employers pension	5,835	5,495
	357,197	336,997

The average headcount during the period was 18 persons (2024: 17 persons).

No employee received employee benefits of greater than £60,000 (2024: Nil).

The total employee benefits paid to key management personnel during the year was £43,329 (2024: £43,093).

10. Tangible fixed assets

	Office equipments	Total
	£	£
Cost		
At 1 August 2024	3,105	3,105
Additions	1,301	1,301
At 31 July 2025	4,406	4,406
Accumulated depreciation		
At 1 August 2024	2,607	2,607
Charge for the year	125	125
At 31 July 2025	2,732	2,732
Net book value		
At 1 August 2024	498	498
At 31 July 2025	1,674	1,674

11. Debtors and prepayments

	Total 31-Jul-25	Total 31-Jul-24
	£	£
Client loans receivable within twelve months	719,917	562,117
Prepayments	784	3,547
Accrued income	75,432	-
	796,133	565,664

In addition to the amounts above there was £152,040 recoverable from clients in greater than 12 months at the end of the year (2024: £232,926).

12. Creditors: amounts falling due within one year

	Total	Total
	31-Jul-25	31-Jul-24
	£	£
Accounts payable	5,640	4,966
Accruals	1,608	2,284
Loans repayable within twelve months	77,000	82,198
HMRC payable	4,493	4,997
Pension payable	1,456	1,255
	90,197	95,700

In addition to the amounts above there was £860,847 payable to investors in greater than 12 months at the end of the year (2024: £760,605). 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-25 £	Income in the period Year ended 31-Jul-25 £	Expenditure in the period Year ended 31-Jul-25 £	Transfers between funds Year ended 31-Jul-25 £	Balance carried forward Year ended 31-Jul-25 £
Restricted funds					
Lending - Wales		10,000	-	(10,000)	-
SRGs	-	60,500	(60,500)	-	-
Total restricted funds	-	70,500	(60,500)	(10,000)	-
Unrestricted funds	137,253	379,838	(502,552)	10,000	24,539
Total funds	137,253	450,338	(563,052)	-	24,539

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-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 £
Restricted funds					
Lending - Wales		200,000	-	(200,000)	-
SRGs	-	35,072	(35,072)	-	-
Total restricted funds	-	235,072	(35,072)	(200,000)	-
Unrestricted funds	99,518	467,478	(629,743)	200,000	137,253
Total funds	99,518	702,550	(664,815)	-	137,253

14. Analysis of net assets

	Unrestricted funds	Restricted funds	Total funds
	Year ended	Year ended	Year ended
	31-Jul-25	31-Jul-25	31-Jul-25
	£	£	£
Fixed assets	153,714	-	153,714
Current assets	821,869	-	821,869
Current liabilities	(90,197)	-	(90,197)
Non-current liabilities	(860,847)	-	(860,847)
	24,539	-	24,539

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

15. Analysis of net debt

	As at 1-Aug-24	Cash flows	Other movements	At at 31-Jul-25
	£	£	£	£
Cash and cash equivalents	194,470	(168,734)	-	25,736
Loans	(842,803)	(95,044)	-	(937,847)
Net debt	(648,333)	(263,778)	-	(912,111)

	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)
Net debt	(563,755)	(84,578)	-	(648,333)

16. Trustee remuneration

During the year, no trustee received any remuneration (2024: £Nil). No members of the Board of Trustees received reimbursement of expenses (2024: £Nil).

17. Related party transactions

During the year there were no related party transactions (2024: £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 £9,198 were made during the year (2024: £7,665) and £Nil was outstanding and due within one year at the end of the period (2024: £9,198).










PUR001 - Final Accounts - 31 July 2025

Final Audit Report

2026-04-20

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