

Launchpad Social Enterprise

England & Wales · Charity number 1162372

Details

Other names	WINCHESTER SOCIAL ENTERPRISE, WSE
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Status	Registered
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Legal form	Charitable company
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Company number	09166520
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Registered	2015-06-24
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Register	View on the Charity Commission register
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Contact

Address	Paint Pots Nursery 1 Spring Crescent Southampton SO17 2FZ
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Phone	01962737305
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Email	info@launchpads.org.uk
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Website	https://www.launchpads.org.uk
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Activities

Objects: 1.1 THE OBJECTS OF THE CHARITY ARE FOR THE PUBLIC BENEFIT:1.1.1 TO RELIEVE POVERTY, TO ADVANCE EDUCATION, AND TO RELIEVE NEED IN INDIVIDUALS ARISING FROM THEIR YOUTH, AGE INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL CIRCUMSTANCES, BY ANY CHARITABLE MEANS AND IN SUCH PLACES IN THE WORLD AS THE TRUSTEES FROM TIME TO TIME DECIDE; AND/OR1.1.2 THE PROMOTION OF RESEARCH INTO THE MORAL AND SOCIAL WELFARE NEEDS OF THE COMMUNITY AND THE PUBLICATION OF THE USEFUL RESULTS OF ALL SUCH RESEARCH; AND/OR1.1.3 THE PROMOTION FOR THE BENEFIT OF THE PUBLIC OF URBAN OR RURAL REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION BY ANY CHARITABLE MEANS AS THE TRUSTEES FROM TIME TO TIME DECIDE; AND/OR1.1.4 SUCH OTHER EXCLUSIVELY CHARITABLE MEANS AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE.

Activities: To relieve poverty, to advance education, and to relieve need in individuals arising from their youth, age infirmity or disability, financial hardship or social circumstances, by any charitable means and in such places in the world as the Trustees from time to time decide.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£4,936,285	£4,560,830	£234,189	174
2023-08-31	£3,935,774	£3,929,055	£371,971	172
2022-08-31	£2,340,899	£1,995,706	£327,252	166
2021-12-31	£301,552	£289,174	-	-
2020-12-31	£253,291	£255,603	-	-

Trustees

Name	Role	Appointed
The Right Reverend Philip Ian Mounstephen	Chair	2023-12-13
Colin John Hamilton Harbidge		2021-11-15
Jane Elizabeth Dyke		2019-11-01
Rev Philip Lewis Krinks		2022-02-15
Rev Theresa Lesley Parker		2025-01-22
Thomas Adam Ward		2024-09-24
WDBF		2015-02-12

Launchpad Social Enterprise

England & Wales - Charity number 1162372

Accounts



Incorporating



LAUNCHPAD SOCIAL ENTERPRISE

(A Company Limited by Guarantee)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 August 2024

Company Number: 9166520

Charity Number: 1162372

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TRUSTEE REPORT

The Trustees present their report, together with the financial statements, for the year ended 31 August 2024.

This combined report satisfies the legal requirements for:

- a Directors' Report of a charitable company; and
- a Trustees Annual Report under the Charities Act 2011.

Legal Objects

The principal objects of the charitable company are:

- To relieve poverty, to advance education, and to relieve need in individuals arising from their youth, age, infirmity or disability, financial hardship or social circumstances, by any charitable means and in such places in the world as the Trustees from time to time decide:
- The promotion of research into the moral and social welfare needs of the community and the publication of the useful results of all such research.
- The promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation by any charitable means as the Trustees from time to time decide
- Such other exclusively charitable means as the Trustees may from time to time determine.

The company was incorporated on 07 August 2014 and registered as a charity on 24 June 2015. The company commenced trading/activity in December 2017 as the Winchester Social Enterprise. This name was legally changed to Launchpad Social Enterprise ("LSE") on 25 November 2021.

Given that one of LSE's charitable objects is to advance education, the directors are confident (having had regard to Charity Commission guidance) that the Charity delivers public benefit through carrying out its aims and business strategies.

Strategic Aims

In general terms, the charity was set up with the aim of supporting social transformation for the common good by running some activities of its own as well as helping local churches to run their own activities, by providing training, and running a range of socially enterprising activities of its own that will sustain the organisation in the long term.

The LSE board agreed a long-term strategy in which the primary focus of its work was initially to develop nurseries and pre-schools. The Church of England has a great deal of experience in primary and secondary education, but the early years element is not significant. By making this a key focus, LSE has been able to offer expertise across a range of settings including in areas of disadvantage, as well as richer areas, and aim to work as a self-funding, trading, social enterprise with benefits for the people (children, parents, and staff), the planet (in terms of policies and activities which are environmentally and community friendly) while making a surplus which is reinvested back into work of the charity, and securing its own long-term sustainability. This is now operated through Paint Pots Pre-School & Nursery Limited which is a charity limited by shares owned 100% by LSE.

Strategic Risks and Uncertainties

The Directors are responsible for the identification, mitigation and management of risk. To achieve this, a register of the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is subject to review by the Directors on a regular basis with the responsibility for delivery of the mitigation strategies identified by it, being delegated to the Executive Director and through him, other responsible officers. The following areas are considered to be the current highest strategic risk areas for the charity and its subsidiary undertaking:

- Safeguarding
- Financial
- Legal
- Ofsted
- Reputation
- Operational
- People

Activities and Achievements in the year

Since LSE's acquisition of Paint Pots Pre-School & Nursery ("Paint Pots") as a wholly owned subsidiary company in February 2022, all 13 early years settings are now operating and run directly by Paint Pots.

Having established a positive culture and pattern of work across the whole group of settings, the LSE board took the significant decision to investigate turning Paint Pots as a charity in its own right while retaining its status as a company limited by shares and therefore with the same company number. The business risks and costs of converting to a CIO or company limited by guarantee were unnecessarily high. The process of getting legal advice on this and the application took most of the year and it was not in fact granted until after the year end on 16 October 2024, but it was accepted. The advantages of this charitable status are:

- the ability to have a clear social and charitable mission in which the organisation has a priority to work in areas of disadvantage while still working in other areas at the same time.
- the ability to save 88% on business rates.
- the lack of liability for Corporation Tax on profits so all surpluses can be reinvested back into the organisation to support children, families, and staff, as well as future expansion.
- the signal it sends to our stakeholders, families, cares, staff, professionals in local authorities and partner organisations about our purpose, intent and way of working.

There have been significant increases in funding levels from government over this financial year as they seek to extend the offer to younger children, 0 – 2s. Initially, 15 hours/week government funding was expanded to 2-year-olds in April 2024, (then to 9 month-olds from Sept 2024, and to 30 hours funding from 1st Sept 2025).

By far the largest proportion of costs for early years settings is cost of staff, and with a higher than inflation increase in the National Minimum wage but a much lower increase in funding for current children, many early years settings have struggled. Overall, however, and taking all the changes together, our surplus increased over the previous year by about 70% which is remarkable in the changing circumstances.

Staff may be the largest cost but they, along with the children we look after, are also our greatest assets. They work extremely diligently in challenging circumstances, and we are extremely grateful to

them for all they have done over the past year. There is a national crisis in recruitment and retention of staff in early years and there are more leaving the profession than joining. Some of the planned government changes might help but it is all the more challenging at a time when the aim is to expand early years provision. Despite this, we have seen staff returning to Paint Pots as they see it as a great place to work.

There has been significant investment in buildings and outdoor spaces, many of which were in need of an update. They are now in much better condition, and staff enjoy working in them as much as children enjoy playing in them. We have expanded the number of apprenticeships we can offer by accepting apprenticeship levy support from Virgin Media for which we are very grateful.

In the lead up to Christmas, children in all our settings were involved in nativities of one sort or another assisted by staff and performing in front of their parents and carers, in a tradition enjoyed by all. They always look absolutely angelic.

In March 2024 we entered into discussions about the possibility of taking over a pre-school setting in Bitterne Church of England Primary School. This was achieved within 3 weeks which was a huge achievement and a tribute to significant hard work by the central staff. The newly minted Paint Pots Bitterne was opened in April 2024 having been redecorated, refurbished, and fully staffed.

With the redevelopment of Southampton city centre, we had been looking for a new home for our preschool setting at Orchard Lane for some time and eventually found an opportunity in the church hall belonging to St Joseph's RC Church in Bugle Street. A lease was signed in June and the work was undertaken over the summer (they were not able to move in until after the period covered by this report in Nov 2024).

The annual training event was held in July with about 130 staff in the chapel at Victoria Country Park. A variety of outdoor and indoor training activities were undertaken, and staff appreciated the opportunity to meet people from other settings. David and Anna Wright, the founders and former owners of Paint Pots, continue to be involved as Paint Pots ambassadors and in delivering training to staff. This successful partnership with former owners has been noted and reported on in the early years press as an example for others.

Staff in all the settings and the central staff team all worked extremely hard over the year and, at times, under enormous pressure and special thanks and tribute must be paid to them for their hard work, loyalty and commitment.

Fundraising Statement

The charity does not undertake any formal or organised fundraising activities, either directly or through a professional fundraiser or commercial participator or any person acting on its behalf. The charity does not engage in cold calling, door-to-door or street fundraising. Therefore, it does not target any vulnerable people.

No complaints about fundraising activities have been received in either this or the preceding year. However, if a complaint were to be received, we would undertake to resolve it promptly and envisage that there would never be any need for any complaint to escalate to the stage of referral to the regulator.

Financial Review

In 2024, Paint Pots donated £121,889 (2023: £200,000) via Gift Aid to the parent charity LSE, thereby partly reducing its liability for corporation tax.

Total income for the year amounted to £4,936,285 (2023: £3,935,774) and total expenditure for the year amounted to £4,560,830 (2023: £3,929,055).

The Consolidated Statement of Financial Activities shows a surplus for the year of £375,455 (2023: £6,719). Trading income has increased over the previous year.

The total income of the Charity for the period was £121,889 (2023: £201,400) and the net result of the Charity was a deficit of £5,888 (2023: surplus £131,216).

At the year end, the Group holds funds of £747,426 (2023: £371,971) and the Charity holds total funds of £234,189 (2023: £240,077). All funds are unrestricted.

Reserves policy**Unrestricted funds:**

All of the charity's reserves are unrestricted, meaning that they are freely available to spend on any of the charity's purposes.

The Charity does not currently have a formal reserves policy in place but is working towards this with the aim of holding free reserves equivalent of three months expenditure, taking into consideration financial risk, liquidity requirement and the timing of cashflows. At 31 August 2024, the balance of free reserves for the Group was £376,184 (2023: £76,767). At 31 August 2024, the balance of free reserves for the Charity was £128,949 (2023: £124,393).

This balance represents the equivalent of less than one month of budgeted expenses for the charity and its subsidiary undertaking. The charity has been dependent upon the support of Winchester Diocesan Board of Finance in the past, but this should not be the case going forward due to as the financial commitments of the Charity are reducing and gradually being transferred to the subsidiary undertaking.

Structure, Governance and Management

Launchpad Social Enterprise is a company limited by guarantee, incorporated the 07 August 2014 and operating under a Memorandum and Articles of Association altered pursuant to Special Resolution on the 05 September 2019. (Company no. 09166520; Charity no. 1162372). The trustees, who served during the period are set out on page 6. Except for two ex officio trustees, and the Winchester Diocesan Board of Finance as a corporate trustee, the remaining majority of trustees, are independent and appointed by the current trustee body.

Decision making structure

Section 172 of the Companies Act requires trustees to act in a way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. In doing so the Board of Trustees delegates day to-day management and decision-making to the Executive Director and Management Team, who are required to act in furtherance of the Charity's strategy and to ensure that the Charity's activities are carried out in compliance with agreed plans and policies. The trustees receive updates on the Charity's performance and plans at each Board meeting.

Trustee recruitment, selection and induction

Trustees are selected on the basis of skills, knowledge and networks. They are given induction and provided with training as appropriate. All Trustees are required maintain their entry in the record of declarations of interest.

LSE staff

Canon Nick Ralph's role as Executive Director on a half time basis (shared with Portsmouth CSR) continues. All the LSE staff of the three Launchpad settings transferred to Paint Pots employment on 01 September 2022. LSE is grateful to many others who have given their time, support, and expertise to help move this work forward.

Remuneration Policy

The Board operates a set salary scale, and employees are placed on this and benchmarked where possible against comparable roles in other similar organisations. The salary scale is reviewed each year by the Board with reference to cost-of-living, movements in staff and national minimum wage.

Related Parties

The Charity has been dependent on the financial support of Winchester Diocesan Board of Finance (WDBF) in previous years, but this should no longer be required going forward. This financial support was in the form of grant income and interest-free loans repayable over 10 years. LSE was set up by WDBF in 2015 in order to make use of a restricted fund in WDBF's accounts for social responsibility in ways which were socially enterprising and led to the money generating new sustainable sources of income through trading and delivering social benefit, rather than the more traditional route of simply using up the funds on central advisers. It was agreed that the first business should be in early years. LSE's objects allow for this, and this has led to the significant work now undertaken through Paint Pots, and which is putting the Church of England's engagement in education back into early years where it had been absent and accords with the national Vision for Education.

The Charity acquired 100% of the share capital of Paint Pots Pre-School & Nursery Ltd in 2022. The Charity received a donation from its subsidiary company during the year in the form of a distribution of profits under the gift aid arrangement.

Future plans

Post year-end, in Oct 2024, The Charity Commission confirmed charitable status for Paint Pots. Following this, the LSE board have carefully strengthened the Paint Pots board while respecting the need to manage any potential conflicts of interest. The intention of the LSE board is to allow the Paint Pots board to develop its own activities in support of families and children, while LSE focusses on other socially enterprising activities, working with parishes and the Winchester Diocesan Board of Finance.

Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the affairs of the LSE and of the surplus or deficit of the LSE for that period.

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the LSE and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the LSE and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the LSE's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

Administrative Details

None of the below listed Trustees had any beneficial interest in the charity. The following are the Trustees who served during the period and as at the date of this report:

The Right Reverend Deborah Sellin (resigned 12 December 2023)
The Right Reverend Philip Mounstephen (appointed 13 December 2023)
Colin Harbidge
Ms Gambol Beverley Parker (resigned 22 January 2025)
Mrs Jane Elizabeth Dyke
The Reverend Dr Philip Lewis Krinks
Mark Ward (appointed 01 January 2024)
Thomas Ward (appointed 24 September 2024)
Winchester Diocesan Board of Finance (WDBF) (corporate trustee)

Company Secretary: The Reverend Canon Nicholas Ralph (non-trustee)

Registered Office: Paint Pots House, 1 Spring Crescent, Southampton SO17 2FZ

Bankers: National Westminster Bank PLC, 105 High Street, Winchester, SO23 9AW

Solicitors: Blake Morgan LLP, New Kings Court, Tollgate, Chandlers Ford, SO53 3LG
Trethowans LLP, The Pavilion, Botleigh Grange Business Park, Hedge End, Southampton SO30 2AF

Auditors: HaysMac LLP, 10 Queen Street Place, London EC4R 1AG

WDBF Trustees as at the date of this report are set out below:

Mr A J L Barron
The Reverend A Micklefield
Mrs G Knight
The Right Revd D Williams
The Ven R Brand
The Very Revd C Ogle
Mrs E Mackeggie Gurney
Mr I Dighé
Mrs M Hedley
The Ven J Burgess
The Right Revd P Mounstephen
Dr R M Roope
Mr D R S Collier
The Reverend A Smith
The Reverend S E Yetman

Provision of information to auditors

In so far as the directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On 18 November 2024, the company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

This report has been prepared in accordance with the small companies' regime.

+Philip Winton

The Right Revd Philip Mounstephen
Chairman

Dated: 6 March 2025

Independent auditor's report to the members of Launchpad Social Enterprise

Opinion

We have audited the financial statements of Launchpad Social Enterprise for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to income recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Jane Askew (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor
Date: 12 March 2025

10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	2024	2023
Income		£	£
Voluntary Donations			
Other Grant		2,581,192	1,740,525
Charitable activities		<u>2,355,093</u>	<u>2,195,249</u>
Total Income		4,936,285	3,935,774
Total Expenditure	2	4,560,830	3,929,055
Net Income		<u>375,455</u>	<u>6,719</u>
Net movement in funds		<u>375,455</u>	<u>6,719</u>
Total funds brought forward		371,971	365,252
Total funds carried forward		<u>747,426</u>	<u>371,971</u>

All income and gains for the year are recognised on the statement of financial activities. All of the charity's activities are classified as continuing. The results for the year include those of the subsidiary undertaking for the year to 31 August 2024.

CONSOLIDATED BALANCE SHEET

	Note	2024 £	2023 £
Intangible Assets			
Goodwill	7	425,533	478,724
Tangible Assets			
Property, plant and equipment	6	386,230	295,204
Current Assets			
Debtors and Prepayments	8	46,700	28,368
Cash at Bank		694,277	487,341
		<u>740,977</u>	<u>515,709</u>
Creditors – amounts falling due within one year	9	284,389	337,230
Net Current Assets		<u>1,268,351</u>	<u>952,407</u>
Creditors: falling due after more than one year	9	520,925	580,436
Net Assets		<u>747,426</u>	<u>371,971</u>
Reserves			
Unrestricted Funds		747,426	371,971
		<u>747,426</u>	<u>371,971</u>

The notes on pages 16 to 24 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue and signed on behalf of the Board by:

+Philip Winton

The Right Revd Philip Mounstephen
Chairman

Dated: 6 March 2025

BALANCE SHEET

	Note	2024 £	2023 £
Fixed Assets			
Property, plant and equipment	6	105,239	115,684
Investments			
Investment in Subsidiary	3	1,424,406	1,424,406
Current Assets			
Debtors and Prepayments	8	420	323
Cash at Bank		14,782	90,171
		<u>15,202</u>	<u>90,494</u>
Creditors – amounts falling due within one year	9	114,001	119,350
Net Current Assets		<u>1,430,846</u>	<u>1,511,234</u>
Creditors: falling due after more than one year	9	1,196,657	1,271,157
Net Assets		<u>234,189</u>	<u>240,077</u>
Reserves			
Unrestricted Fund		234,189	240,077
		<u>234,189</u>	<u>240,077</u>

The net expenditure for the charitable company for the year to 31 August 2024 was £5,888 (2023: net income £131,216).

The notes on pages 16 to 24 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue and signed on behalf of the Board by:

+ Philip Winton

The Right Revd Philip Mounstephen
Chairman

Dated: 6 March 2025

CONSOLIDATED CASH FLOW STATEMENT

	2024	2023
	£	£
Net cash provided by operating activities	471,050	110,042
Cash flows from investing activities:		
Purchase of business combination	-	(68,544)
Purchase of tangible fixed assets	(185,425)	(71,315)
Net cash (used in) investing activities	(185,425)	(139,859)
Cash flows from financing activities:		
Cash inflows from new borrowing	-	31,360
Cash outflows from repayment of borrowings	(78,689)	(74,500)
Net cash (used in) financing activities	(78,689)	(43,140)
Change in cash and cash equivalents in the reporting period	206,936	(72,957)
Cash and cash equivalents at 01 September 2023	487,341	560,298
Cash and cash equivalents at 31 August 2024	694,277	487,341

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

	2024	2023
	£	£
Net income for the reporting period	375,455	6,719
Depreciation charges	94,399	66,800
Amortisation of goodwill on acquisition of subsidiary	53,191	53,191
(increase)/Decrease in debtors	(18,332)	14,318
(Decrease) in creditors	(33,663)	(30,986)
Net cash provided by operating activities	471,050	110,042

Analysis of Cash and Cash Equivalents

	Note	2023	2022
		£	£
Cash at bank and in hand	11	694,277	487,341

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Legal status of the charity

Launchpad Social Enterprise is a company limited by guarantee, registered in England and Wales. Launchpad Social Enterprise is a public benefit entity as defined by FRS102

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in October 2019, the Companies Act 2006, the Charities Act 2011 and applicable UK accounting standards, including FRS 102.

The financial statements have been prepared on a going concern basis under the historical cost convention. Under 'Going Concern' below, the trustees state that they have reasonable expectation that there are no material uncertainties that call into doubt the charitable company's ability to continue in operation and meet its liabilities as they fall due. Consequently, the trustees have a reasonable expectation that the Group will continue in existence for the next 18 months and, therefore, have adopted the going concern basis in preparing these financial statements.

Basis of consolidation

The consolidated statement of financial activities (SOFA), group balance sheet and consolidated statement of cash flows consolidate the financial statements of the Charity and its wholly owned subsidiary, Paint Pots Pre-School & Nursery Ltd. The financial statements of the subsidiary are consolidated with the Charity on a line-by-line basis. Transactions and balances between the entities are eliminated on consolidation. Details of the subsidiary undertaking are given in Note 3.

No separate SOFA has been presented for the Charity alone, as permitted by s408 of the Companies Act 2006. The total income of the Charity for the year was £121,889 (2023: £201,400) and the net result of the Charity was a deficit of £5,888 (2023: surplus of £131,216).

Going concern

The Trustees have a reasonable expectation that the charity has adequate resources to meet its liabilities as they fall due for the foreseeable future. The Trustees consider that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern and they therefore continue to prepare the financial statements on the going concern basis.

Income

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

Income from nursery fees are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the fees and any conditions for receipt are met.

1. ACCOUNTING POLICIES (continued)

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably. Grants are accounted for on a receivable basis.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on the accruals basis and the trading costs have been classified under headings that relate to the categories of trading income.

Charitable expenditure relates to the costs incurred in support of the day-to-day operations of each nursery setting.

Support costs are overhead costs necessarily incurred in the running of the charity.

Pensions*Defined contribution plans*

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible fixed assets

Fixed assets are capitalised at cost, where acquired or managements approximation valuation of cost where donated.

In the charitable company, depreciation is provided to write off the cost, less an estimated residual value, or all fixed assets evenly over their expected economic useful lives as follows: -

- | | |
|-------------------------|------------------------|
| • Property – Yurt | 15 years straight-line |
| • Fixtures and fittings | 20% reducing balance |

1. ACCOUNTING POLICIES (continued)

For the subsidiary undertaking, depreciation is provided to write off the cost, less an estimated residual value, or all fixed assets evenly over their expected economic useful lives as follows: -

• Land & Buildings	Any leasehold properties over life of the lease
• Fixtures and fittings	20% straight line
• Motor Vehicles	25% straight line
• Equipment	33% straight line

The need for any impairment of a fixed asset write-down is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation.

Amortisation for all intangible assets is calculated on a straight-line basis over their estimated useful lives as follows:

• Goodwill	10 years straight line
------------	------------------------

Critical judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The useful economic life of the goodwill is based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimate used to calculate amortisation, that charge is adjusted prospectively.

2. EXPENDITURE

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Support Costs	508,274	385,613	114,400	48,498
Depreciation	94,399	66,800	10,445	10,915
Amortisation of goodwill on subsidiary acquisition	53,191	53,191	-	-
Expenditure on charitable activities	3,895,126	3,421,188	2,932	10,772
Corporation Tax	9,840	2,263	-	-
	<u>4,560,830</u>	<u>3,929,055</u>	<u>127,777</u>	<u>70,185</u>

	Group		Company	
	2024	2023	2024	2023
Net income is stated after charging:				
Services provided by the Charity's auditors:				
Audit fees	19,620	18,060	11,220	10,710
Accountancy services	-	1,500	-	-
Depreciation	94,399	66,800	10,445	10,915
Operating lease rentals – buildings	228,167	219,965	-	-

3. INVESTMENT IN SUBSIDIARY

On 1 February 2022, the company purchased 100% of the share capital of Paint Pots Pre-School & Nursery Limited to expand its work in early years provision. The total cost of acquisition was £1,424,406 split as follows:

	1 Feb 2022 acquisition £
Completion Payment	1,320,157
Capitalised Costs of Acquisition	104,249
	<u>1,424,406</u>

Fair value of Net Assets Acquired:

Tangible Fixed Assets	169,720
Intangible Fixed Assets	7,509
Cash at bank and in hand	999,667
Debtors and Prepayments	59,443
Creditors and accruals	<u>(343,848)</u>
	<u>892,491</u>
Goodwill arising on acquisition	531,915
	<u>1,424,406</u>

Paint Pots Pre-School & Nursery Ltd (company number 03895659) is a UK Registered company with registered office at Paint Pots House, 1 Spring Crescent, Southampton, England, SO17 2FZ.

The aggregate of the subsidiary company's assets, liabilities and funds at 31 August 2024 was £1,511,955 (2023: £1,077,425). The gross income for the year to 31 August 2023 was £4,936,284 (2023: £3,934,373) and the surplus for the year was £434,533 (2023: deficit £71,307).

Goodwill on acquisition is amortised over 10 years commencing in the year to 31 August 2023.

The Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Consolidated Cash Flow Statement include the company's share of the subsidiary's results for the year.

Following the acquisition, the company changed its financial year end from 31 December to 31 August.

4. STAFF COSTS

All staff are employed by Launchpad Social Enterprise or its subsidiary undertaking, except for Nick Ralph, whose stipend charge is recharged via Portsmouth Diocese Board of Finance.

Staff costs for the period were as follows:

	Consolidated		Company	
	2024	2023	2024	2023
	£	£	£	£
Wages and salaries	2,940,813	2,617,823	-	-
Other	29,998	16,310	29,998	16,310
National insurance contributions	176,723	143,697	-	-
Pension costs	50,010	44,973	-	-
	3,197,544	2,822,803	29,998	16,310

The average monthly number of employees, including directors, during the year was 174 (2023: 172) across the charitable company and its subsidiary undertaking, working a mixture of part time and full-time term hours.

During the year, redundancy payments totalling £2,278 were made to one individual (2023: £1,499 paid to one individual).

Trustee expenses reimbursed during the period amounted to £60 (2023: £47).

No employee earned more than £60,000 per annum (2023: nil)

Remuneration of Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility delegated to them by the trustees, for planning, directing, and controlling the activities of the organisation.

For the year ended 31 August 2024 this covered Executive Director – The Revd Canon Nick Ralph

	2024	2023
	£	£
The Revd Canon Nick Ralph - salary, pension & expenses	31,770	31,828
	31,770	31,828

5. SUPPORT COST ANALYSIS

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Office support costs	214,741	97,174	73,111	1,328
Office Rent	228,167	219,965	-	-
Salaries, HR & recruitment (overhead)	30,034	36,470	30,034	36,419
Subscriptions & publications	1,231	41	35	41
Audit, accountancy and taxation services	34,101	31,963	11,220	10,710
	508,274	385,613	114,400	48,498

6. TANGIBLE FIXED ASSETS**Consolidated**

	Freehold Land & Buildings	Leasehold Improvements	Motor Vehicles	Computer & Other Equipment	Fixture & Fittings	Total
	£	£	£	£	£	£
Valuation as at:						
01 September 2023	129,083	446,607	30,514	304,796	17,093	928,093
Additions	-	69,726	-	115,699	-	185,425
31 August 2024	<u>129,083</u>	<u>516,333</u>	<u>30,514</u>	<u>420,495</u>	<u>17,093</u>	<u>1,113,518</u>
Depreciation						
01 September 2023	22,829	351,659	-	250,738	7,663	632,889
Charge for the year	8,561	30,323	7,628	46,003	1,884	94,399
At 31 August 2024	<u>31,390</u>	<u>381,982</u>	<u>7,628</u>	<u>296,741</u>	<u>9,547</u>	<u>727,288</u>
Net Book Value						
At 31 August 2024	<u>97,693</u>	<u>134,351</u>	<u>22,886</u>	<u>123,754</u>	<u>7,546</u>	<u>386,230</u>
At 31 August 2023	<u>106,254</u>	<u>94,948</u>	<u>30,514</u>	<u>54,058</u>	<u>9,430</u>	<u>295,204</u>

Company

	Freehold Land & Buildings	Fixture & Fittings	Total
	£	£	£
Valuation as at:			
01 September 2023	129,083	17,093	146,176
31 August 2024	<u>129,083</u>	<u>17,093</u>	<u>146,176</u>
Depreciation			
At 01 September 2023	22,829	7,663	30,492
Charge for the year	8,561	1,884	10,445
At 31 August 2024	<u>31,390</u>	<u>9,547</u>	<u>40,937</u>
Net Book Value			
At 31 August 2024	<u>97,693</u>	<u>7,546</u>	<u>105,239</u>
At 31 August 2023	<u>106,254</u>	<u>9,430</u>	<u>115,684</u>

7. INTANGIBLE FIXED ASSETS**Consolidated**

	Goodwill	Total
	£	£
Cost:		
01 September 2023	645,119	645,119
31 August 2024	645,119	645,119
Amortisation:		
At 01 September 2023	166,395	166,395
Charge for the year	53,191	53,191
At 31 August 2024	219,586	219,586
Net Book Value:		
At 31 August 2024	425,533	425,533
At 31 August 2023	478,724	478,724

8. DEBTORS AND PREPAYMENTS

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade Debtors	7,564	8,602	-	-
Prepayments	36,792	17,422	420	323
Other Debtors	2,344	2,344	-	-
	46,700	28,368	420	323

9. CREDITORS**Creditors: Amounts falling due within one year**

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Loans Payable	74,500	74,500	74,500	74,500
Obligations under finance lease contracts	17,171	21,359	-	-
Accrued Expenses	42,344	46,792	36,812	42,289
Pension, taxes and social security	57,094	48,435	-	-
Other Creditors	93,280	146,144	2,689	2,561
	284,389	337,230	114,001	119,350

Creditors: Amounts falling due after more than one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Loans Payable	501,500	576,000	501,500	576,000
Amount owed to subsidiary undertaking	-	-	695,157	695,157
Deferred Tax	19,425	4,436	-	-
	520,925	580,436	1,196,657	1,271,157

Loans Payable includes £576,000 (2023: £650,500) repayable to Winchester Diocesan Board of Finance (WDBF). These loans are unsecured, interest free and repayable as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Repayable within 1 year	74,500	74,500	74,500	74,500
Repayable between 2-5 years	298,000	298,000	298,000	298,000
Repayable over more than 5 years	203,500	278,000	203,500	278,000
	576,000	650,500	576,000	650,500

10. LEASE COMMITMENTS

Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Within one year	211,566	202,666	-	-
Two to five years	823,027	561,960	-	-
Over five years	475,949	360,315	-	-
	1,510,542	1,124,941	-	-

11. RECONCILIATION OF MOVEMENT IN NET DEBT

	At 01 September 2023	Cash Flows	New Financing	Other non- cash changes	At 31 August 2024
	£	£	£	£	£
Cash at bank and in hand	487,341	206,936	-	-	694,277
Debt due within 1 year	(74,500)	74,500	-	(74,500) -	74,500
Debt due after more than 1 year	(576,000)	-	-	74,500 -	501,500
Finance leases	(21,360)	4,189	-	- -	17,171
	(184,519)	285,625	-	-	101,106

12. RELATED PARTY TRANSACTIONS

During the year, the company did not require a support grant (2023: £nil) from Winchester Diocesan Board of Finance (WDBF). LSE was set up by WDBF in 2015 in order to make use of a restricted fund in WDBF's accounts for social responsibility. WDBF is also a trustee of the Charity.

At 31 August 2024, loans totalling £576,000 (2023: £650,500) were owed to Winchester Diocesan Board of Finance.

None of the trustees received any remuneration from the charity.

During the year, travel expenses of £60 (2023: £48) were reimbursed to one trustee.

Launchpad Social Enterprise

England & Wales - Charity number 1162372

Accounts



Incorporating



LAUNCHPAD SOCIAL ENTERPRISE
(A Company Limited by Guarantee)

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 August 2023**

Company Number: 9166520
Charity Number: 1162372

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TRUSTEE REPORT

The Trustees present their report, together with the financial statements, for the year ended 31 August 2023.

Following the acquisition of the subsidiary company Paint Pots Pre-School and Nursery Ltd in February 2022, in accordance with the Memorandum and Articles of Association, the company passed a resolution to change its financial year-end from 31 December 2022 to 31 August 2022, to align with that of the subsidiary company. As a result of this, the previous financial period covers 8 months with the current year from 01 September 2022 to 31 August 2023 covering a full calendar year.

This combined report satisfies the legal requirements for:

- a Directors' Report of a charitable company; and
- a Trustees Annual Report under the Charities Act 2011.

Legal Objects

The principal objects of the charitable company are:

- To relieve poverty, to advance education, and to relieve need in individuals arising from their youth, age, infirmity or disability, financial hardship or social circumstances, by any charitable means and in such places in the world as the Trustees from time to time decide:
- The promotion of research into the moral and social welfare needs of the community and the publication of the useful results of all such research.
- The promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation by any charitable means as the Trustees from time to time decide
- Such other exclusively charitable means as the Trustees may from time to time determine.

The company was incorporated on 07 August 2014 and registered as a charity on 24 June 2015. The company commenced trading/activity in December 2017 as the Winchester Social Enterprise. This name was legally changed to Launchpad Social Enterprise ("LSE") on 25 November 2021.

Given that one of LSE's charitable objects is to advance education, the directors are confident (having had regard to Charity Commission guidance) that the Charity delivers public benefit through carrying out its aims and business strategies.

Strategic Aims

In general terms, the charity was set up with the aim of supporting social transformation for the common good by running some activities of its own as well as helping local churches to run their own activities, by providing training, and running a range of socially enterprising activities of its own that will sustain the organisation in the long term.

The LSE board has agreed a long-term strategy in which the primary focus of its work is on developing an early years' offer (nurseries and pre-schools). The Church of England has a great deal of experience in primary and secondary education, but the early years element is not consistent. By making this a

key focus, LSE can offer expertise across a range of settings including in areas of disadvantage, as well as richer areas, and aim to work as a self-funding, trading, social enterprise with benefits for the people (children, parents, and staff), the planet (in terms of policies and activities which are environmentally and community friendly) while making a surplus which is reinvested back into work of the charity, and securing its own long-term sustainability.

Strategic Risks and Uncertainties

The Directors are responsible for the identification, mitigation and management of risk. To achieve this, a register of the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is subject to review by the Directors on a regular basis with the responsibility for delivery of the mitigation strategies identified by it, being delegated to the Executive Director and through him, other responsible officers. The following areas are considered to be the current highest strategic risk areas for the charity and its subsidiary undertaking:

- Safeguarding
- Financial
- Legal
- Ofsted
- Reputation
- Operational
- People

Activities and Achievements in the period

Following LSE's acquisition of Paint Pots Pre-School & Nursery ("Paint Pots") as a wholly owned subsidiary company in February 2022 with nine early years' settings, mainly in the Southampton area, the three Launchpad preschools were transferred into Paint Pots from 01 September 2022. The financial year for LSE was also moved in the prior year to match that of Paint Pots. Our entire early years work, therefore, including all staff, is now within Paint Pots. LSE is the holding charitable company which currently has no employed staff. It is managed by the LSE board and the executive director, who together oversee the work of Paint Pots and its board meetings. Four LSE board meetings took place in the period.

This financial year has been one in which consolidation and stabilisation under the new arrangements has continued. Paint Pots is continuing to work well and thrive despite the many challenges being faced by the sector as a whole and felt most acutely in the recruitment and retention of early years staff and in the funding rates received from government via local authorities. Paint Pots has a good reputation and staff enjoy working in it. Pay scales are in the middle of the range. The greatest challenge in 2022/23 was the way the government increased the National Minimum Wage, which led to an overall pay rise for some staff of 9.8%. This was a statutory change and we had no choice but to increase our pay scales. We have two sources of funding to contribute towards covering the costs of this, local authority funding, which only increased by 4.6%, and parental fees which, given the areas we serve and the cost of living challenges faced by everyone, were increased by 8%. This inevitably meant that a proportion of the increased salary costs would impact profit this year and it is duly lower than in the very good year after COVID in 2021/22. In essence, it is the scale of our work that makes us resilient.

During the year, the updated branding for Paint Pots was cascaded out to more of the settings. We were delighted to open a new pre-school setting at St Mark's new School in Southampton. In fact,

there had been a Paint Pots setting there previously, which moved to Testwood Road, while the school was rebuilt as an all through school. This proved quickly popular and is already almost full.

The decision was taken to close the pre-school in the village of Appleshaw near Andover as numbers were consistently lower and key staff were leaving. We therefore now have six nurseries (0-5s, 51 weeks/year) and six preschools (3-5s term time only).

Fundraising Statement

The charity does not undertake any formal or organised fundraising activities, either directly or through a professional fundraiser or commercial participator or any person acting on its behalf. The charity does not engage in cold calling, door-to-door or street fundraising. Therefore, it does not target any vulnerable people.

No complaints about fundraising activities have been received in either this or the preceding year. However, if a complaint were to be received, we would undertake to resolve it promptly and envisage that there would never be any need for any complaint to escalate to the stage of referral to the regulator.

Financial Review

Launchpad Social Enterprise did not require a support grant from Winchester DBF's Social Responsibility Fund in 2023 (2022: £100,000). For 2023, the Launchpad settings and activities were transferred to the subsidiary company.

Paint Pots donated £200,000 via Gift Aid to the parent charity LSE thereby partly reducing its liability for corporation tax.

Total income for the year amounted to £3,935,774 (8 months to 31 August 2022: £2,340,899) and total expenditure for the year amounted to £3,929,055 (8 months to 31 August 2022: £2,011,392).

The Consolidated Statement of Financial Activities shows a surplus for the year of £6,719 (8 months to 31 August 2022: £329,507). Trading income has increased over the previous period.

The total income of the Charity for the period was £201,400 (2022: £335,050) and the net result of the Charity was a surplus of £131,216 (2022: surplus £73,116).

At the year end, the Group holds funds of £371,971 (2022: £365,252) and the Charity holds total funds of £240,077 (2022: £108,861). All funds are unrestricted.

Reserves policy

Unrestricted funds:

All of the charity's reserves are unrestricted, meaning that they are freely available to spend on any of the charity's purposes.

The Charity does not currently have a formal reserves policy in place but is working towards this with the aim of holding free reserves equivalent of three months expenditure, taking into consideration financial risk, liquidity requirement and the timing of cashflows. At 31 August 2023, the balance of free reserves for the Group was £76,767 (2022: £74,563). At 31 August 2023, the balance of free reserves for the Charity was £124,393 (2022: nil).

This balance represents the equivalent of less than one month of budgeted expenses for the charity and its subsidiary undertaking. The charity has been dependent upon the support of Winchester Diocesan Board of Finance in the past, but this should not be the case going forward due to as the financial commitments of the Charity are reducing and gradually being transferred to the subsidiary undertaking.

Structure, Governance and Management

Launchpad Social Enterprise is a company limited by guarantee, incorporated the 07 August 2014 and operating under a Memorandum and Articles of Association altered pursuant to Special Resolution on the 05 September 2019. (Company no. 09166520; Charity no. 1162372). The board agreed to change the name of the company from Winchester Social Enterprise to Launchpad Social Enterprise in October 2021. The trustees, who served during the period are set out on page 5. Except for two ex officio trustees, and the Winchester Diocesan Board of Finance as a corporate trustee, the remaining majority of trustees, are independent and appointed by the current trustee body.

Decision making structure

Section 172 of the Companies Act requires trustees to act in a way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. In doing so the Board of Trustees delegates day to-day management and decision-making to the Executive Director and Management Team, who are required to act in furtherance of the Charity's strategy and to ensure that the Charity's activities are carried out in compliance with agreed plans and policies. The trustees receive updates on the Charity's performance and plans at each Board meeting.

Trustee recruitment, selection and induction

Trustees are selected on the basis of skills, knowledge and networks. They are given induction and provided with training as appropriate. All Trustees are required maintain their entry in the record of declarations of interest.

LSE staff

Canon Nick Ralph's role as Executive Director on a half time basis (shared with Portsmouth CSR) continues. Liz McCarthy, Operations Manager, and all the other LSE staff of the three Launchpad settings transferred to Paint Pots employment on 01 September 2022. LSE is grateful to many others who have given their time, support, and expertise to help move this work forward.

Remuneration Policy

The Board operates a set salary scale and employees are placed on this and benchmarked where possible against comparable roles in other similar organisations. The salary scale is reviewed each year by the Board with reference to cost-of-living, movements in staff and national minimum wage.

Related Parties

The Charity has been dependent on the financial support of Winchester Diocesan Board of Finance (WDBF) during previous years, but this should no longer be required going forward. This financial support was in the form of grant income and interest-free loans repayable over 10 years. LSE was set up by WDBF in 2015 in order to make use of a restricted fund in WDBF's accounts for social responsibility in ways which were socially enterprising and led to the money generating new sustainable sources of income through trading and delivering social benefit, rather than the more traditional route of simply using up the funds on central advisers. It was agreed that the first business should be in early years. LSE's objects allow for this and this has led to the significant work now undertaken through Paint Pots, and which is putting the Church of England's engagement in education back into early years where it had been absent and accords with the national Vision for Education.

The Charity acquired 100% of the share capital of Paint Pots Pre-School & Nursery Ltd in 2022. The Charity received a donation from its subsidiary company during the year in the form of a distribution of profits under the gift aid arrangement.

Future plans

We continue to consider new opportunities as they arise but with major government changes in provision coming in in 2024, for 2 year olds in April and 0-2s from September, we need to manage the current provision and consider how we will meet the increased demand that will inevitably arise from it. The board is aware of the issues and working on it.

It has become clear over the year that while there have been some advantages to being part of a charitable set-up, Paint Pots does not benefit from it as much as it would were it a charity in its own right. The LSE board is therefore taking advice and considering whether Paint Pots should be a charity in its own right. We expect to have greater clarity on this in 2024.

Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the affairs of the LSE and of the surplus or deficit of the LSE for that period.

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the LSE and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the LSE and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the LSE's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

Administrative Details

None of the below listed Trustees' had any beneficial interest in the charity. The following are the Trustees who served during the period and as at the date of this report:

The Right Reverend Deborah Sellin (resigned 12 December 2023)
The Right Reverend Philip Mounstephen (appointed 13 December 2023)
Colin Harbidge
Ms Gambol Beverley Parker
Mrs Jane Elizabeth Dyke
The Reverend Andrew Mark Micklefield (resigned 18 July 2023)
The Reverend Dr Philip Lewis Krinks
Mark Ward (appointed 01 January 2024)
Winchester Diocesan Board of Finance (WDBF) (corporate trustee)

Company Secretary: The Reverend Canon Nicholas Ralph (non-trustee)

Registered Office: Bishop of Winchester, Wolvesey Palace, Winchester, Hampshire SO23 9ND

Bankers: National Westminster Bank PLC, 105 High Street, Winchester, SO23 9AW

Solicitors: Blake Morgan LLP, New Kings Court, Tollgate, Chandlers Ford, Eastleigh, SO53 3LG

Auditors: Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

WDBF Trustees as at the date of this report are set out below:

Mr A J L Barron
Mrs E Clift
The Reverend A Micklefield
Mr I Newman
The Revd Dr T Matthews
The Revd R Noel
Mrs G Knight
The Right Revd D Sellin
The Right Revd D Williams
The Ven R Brand
The Very Revd C Ogle
Mrs E Mackeggie Gurney
Mr I Dighé
Mrs M Hedley
Mr N May
The Ven J Burgess
The Right Revd P Mountstephen

Provision of information to auditors

In so far as the directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

This report has been prepared in accordance with the small companies' regime.

+ Philip Winton

The Right Revd Philip Mounstephen
Chairman

Dated: 29 January 2024

Independent auditor's report to the members of Launchpad Social Enterprise

Opinion

We have audited the financial statements of Launchpad Social Enterprise for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Jane Askew (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 8 May 2024

10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	2023 12 months £	2022 8 months £
Income			
Voluntary Donations			
Grant from Winchester DBF		-	100,000
Other Grant		1,740,525	953,795
Charitable activities		<u>2,195,249</u>	<u>1,287,104</u>
Total Income		3,935,774	2,340,899
Total Expenditure	2	3,929,055	2,011,392
Net Income		<u>6,719</u>	<u>329,507</u>
Net movement in funds		<u>6,719</u>	<u>329,507</u>
Total funds brought forward		365,252	35,745
Total funds carried forward		<u>371,971</u>	<u>365,252</u>

All income and gains for the year are recognised on the statement of financial activities. All of the charity's activities are classified as continuing. The results for the year include those of the subsidiary undertaking for the year to 31 August 2023.

CONSOLIDATED BALANCE SHEET

	Note	2023 £	2022 £
Intangible Assets			
Goodwill	7	478,724	463,371
Tangible Assets			
Property, plant and equipment	6	295,204	290,689
Current Assets			
Debtors and Prepayments	8	28,368	42,686
Cash at Bank		<u>487,341</u>	<u>560,298</u>
		<u>515,709</u>	<u>602,984</u>
Creditors – amounts falling due within one year	9	337,230	346,856
Net Current Assets		<u>952,407</u>	<u>1,010,188</u>
Creditors: falling due after more than one year	9	580,436	644,936
Net Assets		<u>371,971</u>	<u>365,252</u>
Reserves			
Unrestricted Funds		371,971	365,252
		<u>371,971</u>	<u>365,252</u>

The notes on pages 16 to 24 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue and signed on behalf of the Board by:

+ Philip Winton

The Right Revd Philip Mounstephen
Chairman

Dated: 29 January 2024

BALANCE SHEET

	Note	2023 £	2022 £
Fixed Assets			
Property, plant and equipment	6	115,684	126,599
Investments			
Investment in Subsidiary	3	1,424,406	1,351,112
Current Assets			
Debtors and Prepayments	8	323	2,847
Cash at Bank		90,171	12,388
		<u>90,494</u>	<u>15,235</u>
Creditors – amounts falling due within one year	9	119,350	118,122
Net Current Assets		<u>1,511,234</u>	<u>1,374,824</u>
Creditors: falling due after more than one year	9	1,271,157	1,265,963
Net Assets		<u>240,077</u>	<u>108,861</u>
Reserves			
Unrestricted Fund		240,077	108,861
		<u>240,077</u>	<u>108,861</u>

The net income for the charitable company for the year to 31 August 2023 was £131,216

The notes on pages 16 to 24 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue and signed on behalf of the Board by:

+ Philip Winton

The Right Revd Philip Mountstephen
Chairman

Dated: 29 January 2024

CONSOLIDATED CASH FLOW STATEMENT

	2023 12 months £	2022 8 months £
Net cash provided by operating activities	110,042	588,681
Cash flows from investing activities:		
Purchase of business combination	(68,544)	(463,371)
Purchase of tangible fixed assets	(71,315)	(197,262)
Net cash provided by/(used in) investing activities	<u>(139,859)</u>	<u>(660,633)</u>
Cash flows from financing activities:		
Cash inflows from new borrowing	31,360	625,000
Cash outflows from repayment of borrowings	(74,500)	-
Net cash provided by/(used in) financing activities	<u>(43,140)</u>	<u>625,000</u>
Change in cash and cash equivalents in the reporting period	(72,957)	553,048
Cash and cash equivalents at 01 September 2022	560,298	7,250
Cash and cash equivalents at 31 August 2023	<u>487,341</u>	<u>560,298</u>

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

	2023 £	2022 £
Net income for the reporting period	6,719	329,507
Depreciation charges	66,800	40,769
Amortisation of goodwill on acquisition of subsidiary	53,191	-
Decrease/(increase) in debtors	14,318	(12,015)
Increase/(decrease) in creditors	(30,986)	230,420
Net cash used in operating activities	<u>110,042</u>	<u>588,681</u>

Analysis of Cash and Cash Equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>487,341</u>	<u>560,298</u>

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Legal status of the charity

Launchpad Social Enterprise is a company limited by guarantee, registered in England and Wales. Launchpad Social Enterprise is a public benefit entity as defined by FRS102

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in October 2019, the Companies Act 2006, the Charities Act 2011 and applicable UK accounting standards, including FRS 102.

The financial statements have been prepared on a going concern basis under the historical cost convention. Under 'Going Concern' below, the trustees state that they have reasonable expectation that there are no material uncertainties that call into doubt the charitable company's ability to continue in operation and meet its liabilities as they fall due. Consequently, the trustees have a reasonable expectation that the Group will continue in existence for the next 18 months and, therefore, have adopted the going concern basis in preparing these financial statements.

Basis of consolidation

The consolidated statement of financial activities (SOFA), group balance sheet and consolidated statement of cash flows consolidate the financial statements of the Charity and its wholly-owned subsidiary, Paint Pots Pre-School & Nursery Ltd. The financial statements of the subsidiary are consolidated with the Charity on a line-by-line basis. Transactions and balances between the entities are eliminated on consolidation. Details of the subsidiary undertaking are given in Note 3.

No separate SOFA has been presented for the Charity alone, as permitted by s408 of the Companies Act 2006. The total income of the Charity for the period was £201,400 (2022: £335,050) and the net result of the Charity was a surplus of £131,216 (2022: surplus of £73,116).

Going concern

The Trustees have a reasonable expectation that the charity has adequate resources to meet its liabilities as they fall due for the foreseeable future. The Trustees consider that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern and they therefore continue to prepare the financial statements on the going concern basis.

The charity is supported by the Corporate Social Responsibility funding from the Winchester Diocesan Board of Finance. The WDBF restricted fund has sufficient reserves to support the continued operations of the charity and has been designated for that purpose.

Income

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

Income from nursery fees are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the fees and any conditions for receipt are met.

1. ACCOUNTING POLICIES (continued)

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Grants are accounted for on a receivable basis.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on the accruals basis and the trading costs have been classified under headings that relate to the categories of trading income.

Charitable expenditure relates to the costs incurred in support of the day to day operations of each nursery setting.

Support costs are overhead costs necessarily incurred in the running of the charity.

Pensions

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible fixed assets

Fixed assets are capitalised at cost, where acquired or managements approximation valuation of cost where donated.

In the charitable company, depreciation is provided to write off the cost, less an estimated residual value, or all fixed assets evenly over their expected economic useful lives as follows: -

- | | |
|-------------------------|------------------------|
| • Property – Yurt | 15 years straight-line |
| • Fixtures and fittings | 20% reducing balance |

For the subsidiary undertaking, depreciation is provided to write off the cost, less an estimated residual value, or all fixed assets evenly over their expected economic useful lives as follows: -

• Land & Buildings	Any leasehold properties over life of the lease
• Fixtures and fittings	20% straight line
• Motor Vehicles	25% straight line
• Equipment	33% straight line

The need for any impairment of a fixed asset write-down is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation.

Amortisation for all intangible assets is calculated on a straight-line basis over their estimated useful lives as follows:

• Goodwill	10 years straight line
------------	------------------------

Critical judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The useful economic life of the goodwill is based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimate used to calculate amortisation, that charge is adjusted prospectively.

2. EXPENDITURE

	Group		Company	
	2023	2022	2023	2022
	(12 months)	(8 months)	(12 months)	(8 months)
	£	£	£	£
Support Costs	385,613	302,603	48,498	117,850
Depreciation	66,800	40,769	10,915	7,597
Amortisation of goodwill on subsidiary acquisition	53,191	-	-	-
Expenditure on charitable activities	3,421,188	1,652,334	10,771	136,487
Corporation Tax	2,263	15,686	-	-
	3,929,055	2,011,392	70,184	261,934

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Notes to the Financial Statements for the year ended 31 August 2023

	Group		Company	
	2023	2022	2023	2022
	(12 months)	(8 months)	(12 months)	(8 months)
Net income is stated after charging:				
Services provided by the Charity's auditors:				
Audit fees	18,060	17,946	10,710	10,200
Accountancy services	1,500	-	-	-
Independent Examination fees	-	120	-	120
Depreciation	66,800	40,769	10,915	7,597
Operating lease rentals – buildings	219,965	171,125	-	48,167

3. INVESTMENT IN SUBSIDIARY

On 1 February 2022, the company purchased 100% of the share capital of Paint Pots Pre-School & Nursery Limited to expand its work in early years provision. The total cost of acquisition was £1,424,406 split as follows:

	2023	2022
	£	£
Completion Payment	1,320,157	1,250,463
Capitalised Costs of Acquisition	104,249	100,649
	<u>1,424,406</u>	<u>1,351,112</u>

Fair value of Net Assets Acquired:

Tangible Fixed Assets	169,720	169,720
Intangible Fixed Assets	7,509	7,509
Cash at bank and in hand	999,667	999,667
Debtors and Prepayments	59,443	59,443
Creditors and accruals	<u>(343,848)</u>	<u>(343,848)</u>
	<u>892,491</u>	<u>892,491</u>
Goodwill arising on acquisition	531,915	458,621
	<u>1,424,406</u>	<u>1,351,112</u>

Paint Pots Pre-School & Nursery Ltd (company number 03895659) is a UK Registered company with registered office at Paint Pots House, 1 Spring Crescent, Southampton, England, SO17 2FZ.

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Notes to the Financial Statements for the year ended 31 August 2023

The aggregate of the subsidiary company's assets, liabilities and funds at 31 August 2023 was £1,077,425. The gross income for the year to 31 August 2023 was £3,934,373 (8 months to 31 August 2022: £2,080,349) and the deficit for the year was £71,307 (8 months to 31 August 2022: surplus £256,391).

Goodwill on acquisition is amortised over 10 years commencing in the year to 31 August 2023.

The Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Consolidated Cash Flow Statement include the company's share of the subsidiary's results for the year.

Following the acquisition, the company changed its financial year end from 31 December to 31 August, meaning that the figures for 2023 cover a full 12 months and the comparative figures for 2022 are for an 8-month period.

4. STAFF COSTS

All staff are employed by Launchpad Social Enterprise or its subsidiary undertaking, except for Nick Ralph, whose stipend charge is recharged via Portsmouth Diocese Board of Finance.

Staff costs for the period were as follows:

	Consolidated		Company	
	2023	2022	2023	2022
	(12 months)	(8 months)	(12 months)	(8 months)
	£	£	£	£
Wages and salaries	2,634,133	1,363,512	16,310	121,540
National insurance contributions	143,697	69,242	-	8,444
Pension costs	44,973	27,234	-	9,320
	2,822,803	1,459,988	16,310	139,304

The average monthly number of employees, including directors, during the year was 172 (2022: 166) across the charitable company and its subsidiary undertaking, working a mixture of part time and full-time term hours. In September 2022 the employment contracts of the staff were transferred by TUPE to Paint Pots Pre-School and Nursery Ltd, a wholly owned subsidiary of the company.

During the year, redundancy payments totalling £1,499 (2022: £nil) were paid to one individual (2022: none).

Trustee expenses reimbursed during the period amounted to £47 (2022: £nil).

No employee earned more than £60,000 per annum (2022: £nil)

Remuneration of Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility delegated to them by the trustees, for planning, directing, and controlling the activities of the organisation.

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Notes to the Financial Statements for the year ended 31 August 2023

For the year ended 31 August 2023 this covered Executive Director – The Revd Canon Nick Ralph

	2023 (12 months)	2022 (8 months)
	£	£
The Revd Canon Nick Ralph - salary, pension & expenses	31,828	20,788
	31,828	20,788

5. SUPPORT COST ANALYSIS

	Group		Company	
	2023 (12 months)	2022 (8 months)	2023 (12 months)	2022 (8 months)
	£	£	£	£
Office support costs	97,174	53,553	1,328	11,495
Office Rent	219,965	171,125	-	48,167
Salaries, HR & recruitment (overhead)	36,470	59,491	36,419	47,500
Subscriptions & publications	41	368	41	368
Independent examination	-	120	-	120
Audit, accountancy and taxation services	31,963	17,946	10,710	10,200
	385,613	302,603	48,498	117,850

6. TANGIBLE FIXED ASSETS

Consolidated

	Freehold Land & Buildings	Leasehold Improvements	Motor Vehicles	Computer & Other Equipment	Fixture & Fittings	Total
	£	£	£	£	£	£
Valuation as at:						
1 September 2022	129,083	446,608	3,450	263,995	17,093	860,229
Additions	-	-	30,514	40,801	-	71,314
Disposals	-	-	(3,450)	-	-	(3,450)
31 August 2023	129,083	446,608	30,514	304,796	17,093	928,094
Depreciation						
At 1 September 2022	14,268	320,590	3,450	225,923	5,309	569,540
Charge for the year	8,561	31,069	-	24,815	2,354	66,799
Disposals	-	-	(3,450)	-	-	(3,450)
At 31 August 2023	22,829	351,659	-	250,738	7,663	632,890
Net Book Value						
At 31 August 2023	106,254	94,949	30,514	54,058	9,430	295,204
At 31 August 2022	114,815	126,018	-	38,072	11,784	290,689

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Notes to the Financial Statements for the year ended 31 August 2023

6. TANGIBLE FIXED ASSETS (continued)

Company

	Freehold Land & Buildings	Leasehold Improvements	Motor Vehicles	Computer & Other Equipment	Fixture & Fittings	Total
	£	£	£	£	£	£
Valuation as at:						
1 September 2022	129,083	-	-	-	17,093	146,176
31 August 2023	129,083	-	-	-	17,093	146,176
Depreciation						
At 1 January 2022	14,268	-	-	-	5,309	19,577
Charge for the year	8,561	-	-	-	2,354	10,915
At 31 August 2022	22,829	-	-	-	7,663	30,492
Net Book Value						
At 31 August 2023	106,254	-	-	-	9,430	115,684
At 31 August 2022	114,815	-	-	-	11,784	126,599

7. INTANGIBLE FIXED ASSETS

Consolidated

	Goodwill	Total
	£	£
Cost:		
1 September 2022	571,825	571,825
Additions	73,294	73,294
Disposals	-	-
Revaluation	-	-
31 August 2023	645,119	645,119
Amortisation:		
At 1 September 2022	108,454	108,454
Disposals	-	-
Charge for the year	57,941	57,941
At 31 August 2023	166,395	166,395
Net Book Value:		
At 31 August 2023	478,724	478,724
At 31 August 2022	463,371	463,371

8. DEBTORS AND PREPAYMENTS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade Debtors	8,602	11,365	-	77
Prepayments	17,422	20,096	323	2,770
Other Debtors	2,344	11,225	-	-
	28,368	42,686	323	2,847

9. CREDITORS

Creditors: Amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Loans Payable	74,500	74,500	74,500	74,500
Obligations under finance lease contracts	21,359	-	-	-
Corporation Tax	-	81,195	-	-
Accrued Expenses	46,792	20,663	42,289	16,530
Pension, taxes and social security	48,435	32,143	-	1,178
Other Creditors	146,144	138,355	2,561	25,914
	337,230	346,856	119,350	118,122

Creditors: Amounts falling due after more than one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Loans Payable	576,000	640,500	576,000	640,500
Amount owed to subsidiary undertaking	-	-	695,157	625,463
Deferred Tax	4,436	4,436	-	-
	580,436	644,936	1,271,157	1,265,963

Loans Payable includes £650,500 (2022: £715,000) repayable to Winchester Diocesan Board of Finance (WDBF). These loans are interest free and repayable as follows:

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Notes to the Financial Statements for the year ended 31 August 2023

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Repayable between 1-2 years	159,000	149,000	159,000	149,000
Repayable between 2-5 years	223,500	223,500	223,500	223,500
Repayable over more than 5 years	268,000	342,500	268,000	342,500
	<u>650,500</u>	<u>715,000</u>	<u>650,500</u>	<u>715,000</u>

10. LEASE COMMITMENTS

Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Within one year	202,666	203,523	-	-
Two to five years	561,960	635,412	-	-
Over five years	360,315	493,777	-	-
	<u>1,124,941</u>	<u>1,332,712</u>	<u>-</u>	<u>-</u>

11. RECONCILIATION OF MOVEMENT IN NET DEBT

	At 01 September 2022	Cash Flows	New Financing	Other non- cash changes	At 31 August 2023
	£	£	£	£	£
Cash at bank and in hand	560,298	(72,957)	-	-	487,341
Debt due within 1 year	(74,500)	74,500	-	(74,500)	(74,500)
Debt due after more than 1 year	(640,500)	-	(10,000)	74,500	(576,000)
Finance leases	0	-	(21,360)	-	(21,360)
	<u>(154,702)</u>	<u>1,543</u>	<u>31,360</u>	<u>-</u>	<u>(184,520)</u>

12. RELATED PARTY TRANSACTIONS

During the year, the company did not require a support grant (2022: £100,000) from Winchester Diocesan Board of Finance (WDBF). LSE was set up by WDBF in 2015 in order to make use of a restricted fund in WDBF's accounts for social responsibility. WDBF is also a trustee of the Charity.

At 31 August 2023, loans totalling £650,500 (2022: £715,000) were owed to Winchester Diocesan Board of Finance.

None of the trustees received any remuneration from the charity.

During the year, travel expenses of £48 were reimbursed to one trustee.

Launchpad Social Enterprise

England & Wales - Charity number 1162372

Accounts



Incorporating



LAUNCHPAD SOCIAL ENTERPRISE

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 August 2022

Company Number: 9166520

Charity Number: 1162372

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TRUSTEE REPORT

The Trustees present their report, together with the financial statements, for the period ended 31 August 2022.

Following the acquisition of the subsidiary company Paint Pots Pre-School and Nursery Ltd in February 2022, in accordance with the Memorandum and Articles of Association, the company passed a resolution to change its financial year-end from 31 December to 31 August, to better align with that of the subsidiary company. As a result of this, the current financial period covers 8 months with the comparative period for 2021 covering a full calendar year.

This combined report satisfies the legal requirements for:

- a Directors Report of a charitable company;
- a Strategic Report under the Companies Act 2006; and
- a Trustees Annual Report under the Charities Act 2011

Legal Objects

The principal objects of the charitable company are:

- To relieve poverty, to advance education, and to relieve need in individuals arising from their youth, age, infirmity or disability, financial hardship or social circumstances, by any charitable means and in such places in the world as the Trustees from time to time decide:
- The promotion of research into the moral and social welfare needs of the community and the publication of the useful results of all such research.
- The promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation by any charitable means as the Trustees from time to time decide
- Such other exclusively charitable means as the Trustees may from time to time determine.

The company was incorporated on 7th August 2014 and registered as a charity on 24th June 2015. The company commenced trading/activity in December 2017 as the Winchester Social Enterprise. This name was legally changed to Launchpad Social Enterprise on 25th Nov 2021.

Given that one of LSE's charitable objects is to advance education, the directors are confident (having had regard to Charity Commission guidance) that the Charity delivers public benefit through carrying out its aims and business strategies.

Strategic Aims

In general terms, the charity was set up with the aim of supporting social transformation for the common good by running some activities of its own as well as helping local churches to run their own activities, by providing training, and running a range of socially enterprising activities of its own that will sustain the organisation in the long term.

The LSE board has agreed a long-term strategy in which the primary focus of its work is on developing an early years' offer (nurseries and pre-schools). The Church of England has a great deal of experience in primary and secondary education, but the early years element is not consistent. By making this a

key focus, LSE can offer expertise across a range of settings including in areas of disadvantage, as well as richer areas, and aim to work as a self-funding, trading, social enterprise with benefits for the people (children, parents, and staff), the planet (in terms of policies which are environmentally and community friendly) while making a surplus which is reinvested back into work of the charity, and securing its own long-term sustainability.

Strategic Risks and Uncertainties

The Directors are responsible for the identification, mitigation and management of risk. To achieve this, a register of the risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is subject to review by the Directors on a regular basis with the responsibility for delivery of the mitigation strategies identified by it, being delegated to the Executive Director and through him, other responsible officers. The following areas are considered to be the current highest strategic risk areas for the charity and its subsidiary undertaking.

Safeguarding
Financial
Legal
Ofsted
Reputation
Operational
People

Activities and Achievements in the period

The first three Launchpad pre-schools were opened in 2019, with the expectation that it would take them three academic years to reach full scale. This was due to children in pre-schools largely being ages 2-5 and parents not usually changing settings once they have found somewhere. This development path was interrupted to a significant degree in 2020 and then in 2021 by Covid which meant that it would take longer than originally envisaged to reach full scale.

While Covid has presented huge challenges for staff and settings coping with the virus in staff, parents and children, the impact on children's development and their mental health has continued to emerge. Staff have worked hard to mitigate the effects and help children who have missed out on learning and socialisation to catch up and continue their progress into their school years.

Following a period of consolidation, the board recognised the need to expand. An opportunity arose in the last half of 2021 to take over a group of nine settings in Southampton. Following six months detailed due diligence, the board agreed to take over Paint Pots Pre-School and Nursery Ltd on 1 February 2022. This was a bigger group, with a dedicated central support which made a profit and was invested in areas of disadvantage as well as other areas. It therefore met all the criteria for LSE. The owners were keen to pass on the group they had started and developed to an organisation and people with similar values, and it was a positive collaboration for both parties. They continue to be involved as Paint Pots ambassadors which has also been a model of how a take-over can work positively.

In bringing Paint Pots under the umbrella of LSE, it became a wholly owned subsidiary. As there were only 12 staff in LSE, working in early years, it was simpler and cheaper to move them across to Paint Pots than to move 165 Paint Pots staff the other way. There are now therefore 13 settings, six nurseries and seven pre-schools, all of which sit within the Paint Pots subsidiary. LSE now does no direct delivery except what is done by the Executive Director in terms of training and support to parishes.

LAUNCHPAD SOCIAL ENTERPRISE

Annual Report and Financial Statements for the period ended 31 August 2022

Paint Pots had a year-end of 31 August and it was simpler to align LSE's year end with that, hence this report is for less than one year as the two become aligned. This report therefore covers:

- For LSE from 1 January 2022 to 31 August 2022 (8 months)
- For Paint Pots, the consolidated accounts are from: 1 February 2022 – 31 August 2022.

The LSE board met four times during the year.

Fundraising Statement

The charity does not undertake any formal or organised fundraising activities, either directly or through a professional fundraiser or commercial participator or any person acting on its behalf. The charity does not engage in cold calling, door-to-door or street fundraising. Therefore, it does not target any vulnerable people.

No complaints about fundraising activities have been received in either this or the preceding year. However, if a complaint were to be received, we would undertake to resolve it promptly and envisage that there would never be any need for any complaint to escalate to the stage of referral to the regulator.

Financial Review

Launchpad Social Enterprise was supported in 2022 by the grant of £100,000 (2021: £95,000) received from Winchester DBF's Social Responsibility Fund. Each Launchpad setting has introduced a new income stream to LSE partly from direct local authority payments for the free 30 hours for 3-4-year olds and some 2 year olds, and partly from parental fees for those not qualifying or buying extra hours. For 2022 the total income was achieved for each of the three settings combined, £160,550 (2021: £110,715).

On 1 February 2022, Launchpad Social Enterprise purchased 100% of the share capital of Paint Pots Pre-School & Nursery Limited to expand its work in early years provision. The results of this subsidiary company are consolidated into those of the charity. The acquisition was funded in part by a loan from Winchester Diocesan Board of Finance, Social Responsibility Fund. The loan is interest free and is repayable over 10 years. The company also received grants of £74,500 from its subsidiary company during the period.

The Consolidated Statement of Financial Activities shows a surplus for the 8-month period of £329,507 (2021: £12,378). Trading income has increased over the previous year, but the company was still dependent upon support from Winchester Diocesan Board of Finance to cover the day-to-day operational costs from their Social Responsibility Fund. As the Launchpad settings were transferred into the Paint Pots subsidiary on 1 September 2022 (and will be rebranded), there should be a reducing need for further subsidy in future years.

Reserves policy

Unrestricted funds:

All of the charity's reserves are unrestricted, meaning that they are freely available to spend on any of the charity's purposes.

The Charity does not currently have a formal reserves policy in place but is working towards this with the aim of holding free reserves equivalent of three months expenditure, taking into consideration

financial risk, liquidity requirement and the timing of cashflows. At 31 August 2022, the balance of free reserves was £74,563 (2021: nil). This balance represents the equivalent of less than one months of budgeted expenses for the charity and its subsidiary undertaking. The charity has been dependent upon the support of Winchester Diocesan Board of Finance during the period, but this should not be the case going forward.

Structure, Governance and Management

Launchpad Social Enterprise is a company limited by guarantee, incorporated the 7th August 2014 and operating under a Memorandum and Articles of Association altered pursuant to Special Resolution on the 5th September 2019. (Company no. 09166520; Charity no. 1162372). The board agreed to change the name of the company from Winchester Social Enterprise to Launchpad Social Enterprise in October 2021. The trustees, who served during the period are set out on page 6. Except for two ex officio trustees, and the Winchester Diocesan Board of Finance as a corporate trustee, the remaining, majority of trustees, are appointed by the current trustee body.

Decision making structure

Section 172 of the Companies Act requires trustees to act in a way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. In doing so the Board of Trustees delegates day to-day management and decision-making to the Executive Director and Management Team, who are required to act in furtherance of the Charity's strategy and to ensure that the Charity's activities are carried out in compliance with agreed plans and policies. The trustees receive updates on the Charity's performance and plans at each Board meeting.

Trustee recruitment, selection and induction

Trustees are selected on the basis of skills, knowledge and networks. They are given induction and provided with training as appropriate. All Trustees are required maintain their entry in the record of declarations of interest.

LSE staff

Canon Nick Ralph's role as Executive Director on a half time basis (shared with Portsmouth CSR) continues. Liz McCarthy continued in her role as Operations Manager. There are also staff across the three settings, including a manager, deputy manager, and practitioner(s) at each one. All, apart from Nick Ralph, transferred to Paint Pots on 1 September 2022. LSE is grateful to many others who have given their time, support, and expertise to help move this work forward.

Remuneration Policy

The Board operates a set salary scale and employees are placed on this and benchmarked where possible against comparable roles in other similar organisations. The salary scale is reviewed each year by the Board with reference to cost-of-living, movements in staff and national minimum wage. Emoluments of higher-paid employees are determined in consultation between the Bishop of Portsmouth and the Diocesan Secretary.

Related Parties

The Charity has been dependent on the continuing financial support of Winchester Diocesan Board of Finance (WDBF) during the period, but this should no longer be the case going forward. This financial support was in the form of grant income and an interest-free loan repayable over 10 years. During the period, the Charity acquired 100% of the share capital of Paint Pots Pre-School & Nursery Ltd. The Charity received a grant from its subsidiary company during the period.

Future plans

Having taken over Paint Pots on 1 February 2022, the priority has been to consolidate the current work and establish the necessary professional working protocols and staffing complement for a much larger early years operation and get to know the new business and new area well before contemplating further work. That said, there was an existing agreement to open a new pre-school setting in Southampton on the site of the new through school at St Mark's and this was duly opened on 1 September 2022 – the first new setting under our ownership.

Early years is a challenging area of work, and there are well-rehearsed issues nationally, to do with levels of funding, recruitment, and staff ratios all of which are under active review and discussion by and with central government. Over 4,000 settings have closed in the last year alone (according to the Early Years Alliance), but Paint Pots is working well. We will take a view on other new opportunities as they come up bearing in mind their location and impact on our current staffing, especially the work of the central staff who supervise, and manage finances, HR, and other elements.

Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the affairs of the LSE and of the surplus or deficit of the LSE for that period.

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the LSE and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the LSE and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the LSE's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

Administrative Details

None of the below listed Trustees' had any beneficial interest in the charity. The following are the Trustees who served during the period and as at the date of this report:

The Right Reverend Deborah Sellin
Mrs Victoria Louise James (resigned on 8th Aug 2022)
Colin Harbidge
Ms Gambol Beverley Parker
Mrs Jane Annabelle Boyes (resigned on 21st July 2022)
Mrs Jane Elizabeth Dyke
The Reverend Andrew Mark Micklefield
The Reverend Dr Philip Lewis Krinks (with effect from 15th Feb 2022)
Winchester Diocesan Board of Finance (WDBF) (corporate trustee)

Company Secretary: The Reverend Canon Nicholas Ralph (non-trustee)

Registered Office: Bishop of Winchester, Wolvesey Palace, Winchester, Hampshire SO23 9ND

Bankers: National Westminster Bank PLC, 105 High Street, Winchester, SO23 9AW

Solicitors: Blake Morgan LLP, New Kings Court, Tollgate, Chandlers Ford, Eastleigh, SO53 3LG

Auditors: Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

WDBF Trustees as at the date of this report are set out below:

Mr A J L Barron
Mrs E Clift
Mrs A Coulter
The Reverend A Micklefield
Mr I Newman
The Revd Dr T Matthews
The Revd R Noel
Mrs G Knight
The Right Revd D Sellin
The Right Revd D Williams
The Ven R Brand
The Very Revd C Ogle
Mrs E Mackeggie Gurney
Mr I Dighé

In so far as the directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

This report has been prepared in accordance with the small companies' regime.

+Deborah Southamptoi

The Right Revd Deborah Sellin
Chairman

Dated: 18 July 2023

Independent auditor's report to the members of Launchpad Social Enterprise

Opinion

We have audited the financial statements of Launchpad Social Enterprise for the period ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Other matters

The financial statements prepared for the prior year were not subject to an audit, therefore the comparative figures presented in these financial statements are unaudited.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to income recognition. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Jane Askew (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 26.07.2023

10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	2022 8 months £	2021 12 months £
Income			
Voluntary Donations			
Grant from Winchester DBF		100,000	95,000
Other Grant		953,795	95,082
Furlough		-	755
Charitable activities		<u>1,287,104</u>	<u>110,715</u>
Total Income		2,340,899	301,552
Expenditure			
Support costs	5	302,603	68,299
Depreciation		40,769	11,979
Charitable activities		<u>1,652,334</u>	<u>208,896</u>
Total Expenditure	2	1,995,706	289,174
Net Income before tax		345,193	12,378
Tax Payable		15,686	-
Net Income after tax		329,507	12,378
Net movement in funds		<u>329,507</u>	<u>12,378</u>
Total funds brought forward		35,745	23,367
Total funds carried forward		<u>365,252</u>	<u>35,745</u>

All income and gains for the period are recognised on the statement of financial activities. All of the charity's activities are classified as continuing. The results for the period include those of the subsidiary undertaking for the period 01 February 2022 to 31 August 2022.

CONSOLIDATED BALANCE SHEET

	Note	2022 £	2021 £
Intangible Assets			
Goodwill	7	463,371	-
Tangible Assets			
Property, plant and equipment	6	290,689	134,197
Current Assets			
Debtors and Prepayments	8	42,686	30,671
Cash at Bank		560,298	7,250
		<u>602,984</u>	<u>37,921</u>
Creditors – amounts falling due within one year	9	346,856	58,373
Net Current Assets		<u>1,010,188</u>	<u>113,745</u>
Creditors: falling due after more than one year	9	644,936	78,000
Net Assets		<u>365,252</u>	<u>35,745</u>
Reserves			
Unrestricted Funds		365,252	35,745
		<u>365,252</u>	<u>35,745</u>

The notes on pages 16 to 24 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 18th July 2023 and signed on behalf of the Board by:

+Deborah Southampto,

The Right Revd Deborah Sellin
Chairman

Dated: 18 July 2023

BALANCE SHEET

	Note	2022	2021
		£	£
Fixed Assets			
Property, plant and equipment	6	126,599	134,197
Investments			
Investment in Subsidiary	3	1,351,112	-
Current Assets			
Debtors and Prepayments	8	2,847	30,671
Cash at Bank		12,388	7,250
		<u>15,235</u>	<u>37,921</u>
Creditors – amounts falling due within one year	9	118,122	58,373
Net Current Assets		<u>1,374,824</u>	<u>113,745</u>
Creditors: falling due after more than one year	9	1,265,963	78,000
Net Assets		<u>108,861</u>	<u>35,745</u>
Reserves			
Unrestricted Fund		108,861	35,745
		<u>108,861</u>	<u>35,745</u>

The net income for the charitable company for the 8 month period to 31 August 2022 was £73,116

The notes on pages 16 to 24 form part of these financial statements. The financial statements were approved by the Board of Trustees and authorised for issue on 18th July 2023 and signed on behalf of the Board by:

+Deborah Southampto

The Rt Revd Deborah Sellin
Chairman

Dated: 18 July 2023

CONSOLIDATED CASH FLOW STATEMENT

	2022 8 months £	2021 12 months £
Net cash provided by operating activities	588,681	(4,147)
Cash flows from investing activities:		
Purchase of business combination	(463,371)	-
Purchase of tangible fixed assets	(197,262)	(7,931)
Net cash provided by/(used in) investing activities	<u>(660,633)</u>	<u>(7,931)</u>
Cash flows from financing activities:		
Cash inflows from new borrowing	625,000	-
Net cash provided by/(used in) financing activities	<u>625,000</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period	553,048	(12,078)
Cash and cash equivalents at 01 January 2022	7,250	19,328
Cash and cash equivalents at 31 August 2022	<u>560,298</u>	<u>7,250</u>

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

	2022 £	2021 £
Net income for the reporting period	329,507	12,378
Depreciation charges	40,769	11,979
Decrease/(increase) in debtors	(12,015)	(29,671)
Increase/(decrease) in creditors	230,420	1,167
Net cash used in operating activities	<u>588,681</u>	<u>(4,147)</u>

Analysis of Cash and Cash Equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>560,298</u>	<u>7,250</u>

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Legal status of the charity

Launchpad Social Enterprise is a company limited by guarantee, registered in England and Wales. Launchpad Social Enterprise is a public benefit entity as defined by FRS102

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in October 2019, the Companies Act 2006, the Charities Act 2011 and applicable UK accounting standards, including FRS 102.

The financial statements have been prepared on a going concern basis under the historical cost convention. Under 'Going Concern' below, the trustees state that they have reasonable expectation that there are no material uncertainties that call into doubt the charitable company's ability to continue in operation and meet its liabilities as they fall due. Consequently, the trustees have a reasonable expectation that the Group will continue in existence for the next 18 months and, therefore, have adopted the going concern basis in preparing these financial statements.

Basis of consolidation

The consolidated statement of financial activities (SOFA), group balance sheet and consolidated statement of cash flows consolidate the financial statements of the Charity and its wholly-owned subsidiary, Paint Pots Pre-School & Nursery Ltd. The financial statements of the subsidiary are consolidated with the Charity on a line-by-line basis. Transactions and balances between the entities are eliminated on consolidation. Details of the subsidiary undertaking are given in Note 3.

No separate SOFA has been presented for the Charity alone, as permitted by s408 of the Companies Act 2006. The total income of the Charity for the period was £335,050 (2021: £301,552) and the net result of the Charity was a surplus of £73,116 (2021: surplus of £12,378).

Going concern

The Trustees have a reasonable expectation that the charity has adequate resources to meet its liabilities as they fall due for the foreseeable future. The Trustees consider that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern and they therefore continue to prepare the financial statements on the going concern basis.

The charity is supported by the Corporate Social Responsibility funding from the Winchester Diocesan Board of Finance. The WDBF restricted fund has sufficient reserves to support the continued operations of the charity and has been designated for that purpose.

Income

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

Income from nursery fees are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the fees and any conditions for receipt are met.

1. ACCOUNTING POLICIES (continued)

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Grants are accounted for on a receivable basis.

Furlough grant income is recognised in the same period as the staff costs to which it relates.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on the accruals basis and the trading costs have been classified under headings that relate to the categories of trading income.

Charitable expenditure relates to the costs incurred in support of the day to day operations of each nursery setting.

Support costs are overhead costs necessarily incurred in the running of the charity.

Tangible fixed assets

Fixed assets are capitalised at cost, where acquired or managements approximation valuation of cost where donated.

In the charitable company, depreciation is provided to write off the cost, less an estimated residual value, or all fixed assets evenly over their expected economic useful lives as follows: -

- | | |
|-------------------------|------------------------|
| • Property – Yurt | 15 years straight-line |
| • Fixtures and fittings | 20% reducing balance |

For the subsidiary undertaking, depreciation is provided to write off the cost, less an estimated residual value, or all fixed assets evenly over their expected economic useful lives as follows: -

- | | |
|-------------------------|---|
| • Land & Buildings | Any leasehold properties over life of the lease |
| • Fixtures and fittings | 20% straight line |
| • Motor Vehicles | 25% straight line |
| • Equipment | 33% straight line |

The need for any impairment of a fixed asset write-down is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

1. ACCOUNTING POLICIES (continued)

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation.

Amortisation for all intangible assets is calculated on a straight-line basis over their estimated useful lives as follows:

- Goodwill 10 years straight line

Unrestricted funds

As no restrictions were placed upon the grant received from Winchester DBF, all activities relate to a single general fund.

2. EXPENDITURE

	Group		Company	
	2022	2021	2022	2021
	(8 months)	(12 months)	(8 months)	(12 months)
	£	£	£	£
Support Costs	302,603	68,299	117,850	68,299
Depreciation	40,769	11,979	7,597	11,979
Expenditure on charitable activities	1,652,334	208,896	136,487	208,896
	1,995,706	289,174	261,934	289,174

	Group		Company	
	2022	2021	2022	2021
	(8 months)	(12 months)	(8 months)	(12 months)
Net income is stated after charging:				
Services provided by the Charity's auditors:				
Audit fees	17,946	-	10,200	-
Independent Examination fees	120	2,369	120	2,369
Depreciation	40,769	11,979	7,597	11,979
Operating lease rentals – buildings	171,125	-	48,167	-

3. INVESTMENT IN SUBSIDIARY

On 1 February 2022, the company purchased 100% of the share capital of Paint Pots Pre-School & Nursery Limited to expand its work in early years provision. The total cost of acquisition was £1,351,112 split as follows:

	2022	2021
	£	£
Completion Payment	1,250,463	-
Capitalised Costs of Acquisition	100,649	-
	1,351,112	-

Fair value of Net Assets Acquired:

Tangible Fixed Assets	169,720	-
Intangible Fixed Assets	7,509	-
Cash at bank and in hand	999,667	-
Debtors and Prepayments	59,443	-
Creditors and accruals	(343,848)	-
	892,491	-
Goodwill arising on acquisition	458,621	-
	1,351,112	-

Paint Pots Pre-School & Nursery Ltd (company number 03895659) is a UK Registered company with registered office at Paint Pots House, 1 Spring Crescent, Southampton, England, SO17 2FZ. The aggregate of the subsidiary company's assets, liabilities and funds at 31 August 2022 was £1,148,882. The gross income for the 8 months to 31 August 2022 was £2,080,349 and the surplus for the period was £256,391.

Goodwill on acquisition will be amortised over 10 years commencing in the year to 31 August 2023.

The Consolidated Statement of Financial Activities, Consolidated Balance Sheet and Consolidated Cash Flow Statement include the company's share of the subsidiary's results for the period 1 February 2022 to 31 August 2022.

Following the acquisition, the company changed its financial year end from 31 December to 31 August, meaning that the figures for 2022 are for an 8-month period and the comparative figures for 2021 cover a full 12 months. The 2021 comparative figures are for the company only.

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Notes to the Financial Statements for the period ended 31 August 2022

4. STAFF COSTS

All staff are employed by Launchpad Social Enterprise or its subsidiary undertaking, except for Nick Ralph, whose stipend charge is recharged via Portsmouth Diocese Board of Finance.

Staff costs for the period were as follows:

	Consolidated		Company	
	2022	2021	2022	2021
	(8 months)	(12 months)	(8 months)	(12 months)
	£	£	£	£
Wages and salaries	1,363,512	169,441	121,540	169,441
National insurance contributions	69,242	6,446	8,444	6,446
Pension costs	27,234	12,825	9,320	12,825
	<u>1,459,988</u>	<u>188,711</u>	<u>139,304</u>	<u>188,711</u>

At the end of August 2022 there were an average of 166 employees (2021: 12) across the charitable company and its subsidiary undertaking, working a mixture of part time and full-time term hours. In September 2022 the employment contracts of the staff were transferred by TUPE to Paint Pots Pre-School and Nursery Ltd, a wholly owned subsidiary of the company.

The trustees were not paid or reimbursed for expenses during the period (2021: £nil).

No employee earned more than £60,000 per annum (2021: £nil)

Remuneration of Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility delegated to them by the trustees, for planning, directing, and controlling the activities of the organisation.

For the period 31 August 2022 this covered Executive Director – The Revd Canon Nick Ralph

	2022	2021
	(8 months)	(12 months)
	£	£
The Revd Canon Nick Ralph - salary, pension & expenses	<u>20,788</u>	<u>30,283</u>
	<u>20,788</u>	<u>30,283</u>

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Notes to the Financial Statements for the period ended 31 August 2022

5. SUPPORT COST ANALYSIS

	Group		Company	
	2022	2021	2022	2021
	(8 months)	(12 months)	(8 months)	(12 months)
	£	£	£	£
Office support costs	53,553	10,361	11,495	10,361
Office Rent	171,125	-	48,167	-
Salaries, HR & recruitment (overhead)	59,491	54,297	47,500	54,297
Subscriptions & publications	368	1,272	368	1,272
Independent examination	120	2,369	120	2,369
Audit Fees	17,946	-	10,200	-
	302,603	68,299	117,850	68,299

6. TANGIBLE FIXED ASSETS

Consolidated

	Freehold Land & Buildings	Leasehold Improvements	Motor Vehicles	Computer & Other Equipment	Fixture & Fittings	Total
	£	£	£	£	£	£
Valuation as at:						
1 January 2022	129,083	-	-	-	17,093	146,176
Additions	-	11,127	-	16,414	-	27,541
Transfer on acquisition	-	435,481	3,450	247,581	-	686,512
31 August 2022	129,083	446,608	3,450	263,995	17,093	860,229
Depreciation						
At 1 January 2022	8,561	-	-	-	3,419	11,980
Charge for the year	5,707	19,901	-	13,271	1,890	40,769
Transfer on acquisition	-	300,689	3,450	212,652	-	516,791
At 31 August 2022	14,268	320,590	3,450	225,923	5,309	569,540
Net Book Value						
At 31 August 2022	114,815	126,018	-	38,072	11,784	290,689
At 31 December 2021	120,522	-	-	-	13,674	134,197

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Notes to the Financial Statements for the period ended 31 August 2022

6. TANGIBLE FIXED ASSETS (continued)

Company

	Freehold Land & Buildings	Leasehold Improvements	Motor Vehicles	Computer & Other Equipment	Fixture & Fittings	Total
	£	£	£	£	£	£
Valuation as at:						
1 January 2022	129,083	-	-	-	17,093	146,176
31 August 2022	129,083	-	-	-	17,093	146,176
Depreciation						
At 1 January 2022	8,561	-	-	-	3,419	11,980
Charge for the year	5,707	-	-	-	1,890	7,597
At 31 August 2022	14,268	-	-	-	5,309	19,577
Net Book Value						
At 31 August 2022	114,815	-	-	-	11,784	126,599
At 31 December 2021	120,522	-	-	-	13,674	134,197

7. INTANGIBLE FIXED ASSETS

Consolidated

	Goodwill	Total
	£	£
Valuation as at:		
1 January 2022	113,204	113,204
Goodwill on acquisition of subsidiary	458,621	458,621
31 August 2022	571,825	571,825
Amortisation		
At 1 January 2022	105,695	105,695
Charge for the period	2,759	2,759
At 31 August 2022	108,454	108,454
Net Book Value		
At 31 August 2022	463,371	463,371

8. DEBTORS AND PREPAYMENTS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade Debtors	11,365	77	77	77
Prepayments	20,096	30,594	2,770	30,594
Other Debtors	11,225	-	-	-
	42,686	30,671	2,847	30,671

9. CREDITORS

Creditors: Amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Loans Payable	74,500	12,000	74,500	12,000
Corporation Tax	81,195	-	-	-
Accrued Expenses	20,663	10,651	16,530	10,651
Pension, taxes and social security	32,143	1,127	1,178	1,127
Other Creditors	138,355	34,595	25,914	34,595
	346,856	58,373	118,122	58,373

Creditors: Amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Loans Payable	640,500	78,000	640,500	78,000
Amount owed to subsidiary undertaking	-	-	625,463	-
Deferred Tax	4,436	-	-	-
	644,936	78,000	1,265,963	78,000

Loans Payable comprise two loans of £90,000 and £625,000 received from Winchester Diocesan Board of Finance (WDBF). These loans are interest free and repayable over 7.5 years and 10 years, respectively.

10. LEASE COMMITMENTS

Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	203,523	114,523	-	-
Two to five years	635,412	348,762	-	-
Over five years	493,777	145,867	-	-
	1,332,712	609,152	-	-

11. RELATED PARTY TRANSACTIONS

During 2022 a grant of £100,000 (2021: £95,000) was received from Winchester Diocesan Board of Finance.

At 31 August 2022, loans totalling £715,000 were owed to Winchester Diocesan Board of Finance.

None of the trustees received any remuneration from the charity.

None of the trustees received any reimbursement of expenses from the charity

Launchpad Social Enterprise

England & Wales - Charity number 1162372

Accounts



Launchpad
Social Enterprise

LAUNCHPAD SOCIAL ENTERPRISE

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 December 2021

Company Number: 9166520
Charity Number: 1162372

Contents

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ANNUAL REPORT

The Trustees present their annual report, together with the financial statements, for the year ended 31 December 2021.

This combined report satisfies the legal requirements for:

- a Directors Report of a charitable company,
- a Strategic Report under the Companies Act 2006 and
- a Trustees Annual Report under the Charities Act 2011

Legal Objects

The principal objects of the charitable company are:

- To relieve poverty, to advance education, and to relieve need in individuals arising from their youth, age, infirmity or disability, financial hardship or social circumstances, by any charitable means and in such places in the world as the Trustees from time to time decide:
- The promotion of research into the moral and social welfare needs of the community and the publication of the useful results of all such research.
- The promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation by any charitable means as the Trustees from time to time decide
- Such other exclusively charitable means as the Trustees may from time to time determine.

The company was incorporated on 7th August 2014 and registered as a charity on 24th June 2015. The company commenced trading/activity in December 2017 as the Winchester Social Enterprise. This name was legally changed to Launchpad Social Enterprise on 25th Nov 2021.

Given that one of LSE's charitable objects is to advance education, the directors are confident (having had regard to Charity Commission guidance) that the Charity delivers public benefit through carrying out its aims and business strategies.

Strategic Aims

In general terms, the charity aims to support social transformation for the common good by running some activities of its own as well as helping local churches to run their own activities, by providing training, and running a range of socially enterprising activities that will sustain the organisation in the long term.

The LSE board has agreed a long-term strategy in which the primary focus is currently on developing the charity's own long-term sustainability and doing this by setting up and running its own pre-school and nursery settings.

Activities and Achievements in the year

The first three Launchpad pre-schools were opened in 2019, with the expectation that it would take them three academic years to reach full scale. This is due to children in pre-schools largely being ages 2-5 and parents not usually changing settings once they have found somewhere. This development

path was interrupted to a significant degree in 2020 and then in 2021 by Covid which has meant that it will take longer to reach full scale than originally envisaged but the settings are developing well.

While Covid has presented huge challenges for staff and settings coping with the virus in staff, parents and children, the impact on children's development and their mental health has continued to emerge. Staff have worked hard to mitigate the effects and help children who have missed out on learning and socialisation to catch up and continue their progress into their school years.

In 2021, therefore, there were two areas which needed focus, firstly recovery from covid and consolidation, and secondly the need to scale up the early years business with at least one good sized nursery to become completely self-sustaining.

The LSE board met 7 times during the year, all on Zoom/Teams except for one meeting (as required by governing document). The board was made aware confidentially of an opportunity to take over a set of settings in Southampton in August and agreed to explore this further. The last half of the year was dominated by significant due diligence work assisted by professional advisers. While the substantive preparation work was done in 2021, this did not result in an agreement to transfer until 1st Feb 2022 after the year end. As this was a profitable private business with 9 settings, and 150 staff, it was a significant decision for the charity and required careful consideration and approval. Once completed, this should remove entirely the need for continued support from the Winchester Diocesan Board of Finance. The change of name to Launchpad Social Enterprise was done in order to rationalise the company's branding and to facilitate the takeover process of another brand.

Financial Review

Launchpad Social Enterprise was supported in 2021 by the grant of £95,000 (2020: £90,000) received from Winchester DBF's Social Responsibility fund. Each Launchpad setting has introduced a new income stream to LSE partly from direct local authority payments for the free 30 hours for 3-4 year olds and some 2 year olds, and partly from parental fees for those not qualifying or buying extra hours. For 2021 the total income was achieved for each of the three settings combined, £110,715 (2020: £146,758). Appleshaw and Boldre were operational for a full year during 2021, being established in late 2019.

The results for the year show a surplus of £12,378 (2020: deficit £2,312). Trading income has increased by 19% over the previous year, but the company is still dependent upon the support from Winchester Diocese Board of Finance to fully cover the day to day operational costs from their Social Responsibility Fund. As the settings continue to grow, they will cover more of these costs and the clear intention is that it should cover all the costs as soon as possible.

Reserves policy

Unrestricted funds

As no restrictions were placed upon the grant received from the Winchester DBF all activities relate to a single general unrestricted fund.

Structure, Governance and Management

Launchpad Social Enterprise is a company limited by guarantee, incorporated the 7th August 2014 and operating under a Memorandum and Articles of Association altered pursuant to Special Resolution on the 5th September 2019. (Company no. 09166520; Charity no. 1162372). The board agreed to change the name of the company from Winchester Social Enterprise to Launchpad Social Enterprise in October 2021. The trustees, who served during the year are set out on page 4. With the exception of

two ex officio trustees, and the Winchester Diocesan Board of Finance as a corporate trustee, the remaining, majority of trustees, are appointed by the current trustee body.

LSE staff

Canon Nick Ralph's role as Executive Director on a half time basis (shared with Portsmouth CSR) continues. Liz McCarthy continued in her role as Operations Manager. There are also staff across the three settings, including a manager, deputy manager, and practitioner(s) at each one. LSE is grateful to many others who have given their time, support, and expertise to help move this work forward.

Covid Statement

Covid-19 continued to have a major impact in 2021. Settings occasionally had to close for a day or two when infections were particularly affecting staff or children, but there were no closures enforced by government for long periods as happened in 2020. The government helpfully ensured that all early years' settings received in grants, the income they would have expected to receive had Covid not taken place and that continued until July 2021.

Future plans

The LSE board identified the need to establish a further setting, preferably a nursery, to establish enduring sustainability and growth. In February 2022 the company entered into an agreement to purchase 100% of the share capital of a local nursery group to expand its work in early years provision. This purchase was partly funded by a loan from Winchester Diocese Board of Finance. The loan is interest free and is repayable over 10 years.

Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the affairs of the LSE and of the surplus or deficit of the LSE for that period.

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the LSE and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the LSE and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Annual Report and Financial Statements for the year ended 31 December 2021

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the LSE's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

Administrative Details

None of the below listed Trustees' had any beneficial interest in the charity. The following are the Trustees who served during the year and as at the date of this report:

The Right Reverend Timothy John Dakin (until 14 Oct 2021)
The Right Reverend Deborah Sellin (from 15 Oct 2021)
Mrs Victoria Louise James
Canon Andrew Robinson (until 31 Oct 2021)
Colin Harbidge (from 15 Nov 2021)
Ms Gambol Beverley Parker
Mrs Jane Annabelle Boyes
Mrs Jane Elizabeth Dyke
The Reverend Andrew Mark Micklefield
Winchester Diocesan Board of Finance (WDBF) (corporate trustee)

Company Secretary: The Reverend Canon Nicholas Ralph (non-trustee)

Registered Office: Diocesan Office, Old Alresford Place, Old Alresford, Hampshire SO24 9DH

WDBF Trustees as at the date of this report are set out below:

Mr A J L Barron
Mrs E Clift
Mrs A Coulter
The Right Reverend Dr T Dakin (retired 27 Sep 2021)
The Reverend Canon R Harlow (retired 31 Dec 2021)
The Reverend A Micklefield
Mr I Newman
The Reverend Canon C Stewart (retired 31 Jan 2021)
Mr M Ward (retired 31 Dec 2021)

For the year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

This report has been prepared in accordance with the small companies' regime.



The Rt Revd Deborah Sellin
Chairman

Dated: 21.7.22

INDEPENDENT EXAMINER'S REPORT

I report on the accounts of the company for the year ended 31 December 2021 which are set out on pages 6 to 11.

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. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

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

Basis of independent examiner's report

My examination was carried out in accordance with the 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 you as 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

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
- 2 to which, in my opinion, attention should be drawn to enable a proper understanding of the accounts to be reached.



Tom Brain FCA
Haysmacintyre LLP
10 Queen Street Place,
London EC4R 1AG

Dated: 29/07/2022

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Statement of Financial Activities for the year ended 31 December 2021

STATEMENT OF FINANCIAL ACTIVITIES

	Note	2021 £	2020 £
Income			
Voluntary Donations			
Grant from Winchester DBF		95,000	90,000
Other Grant		95,082	10,183
Furlough		755	6,350
Charitable activities		<u>110,715</u>	<u>146,758</u>
Total Income		301,552	253,291
Expenditure			
Support costs	3	68,299	57,598
Depreciation		11,979	0
Charitable activities		<u>208,896</u>	<u>198,005</u>
Total Expenditure		289,174	255,603
Net movement in funds		12,378	-2,312
Balance b/f 01/01/2021		<u>23,367</u>	<u>25,679</u>
Balance c/f 31/12/2021		<u>35,745</u>	<u>23,367</u>

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Balance Sheet as at 31 December 2021

BALANCE SHEET

Company No: 9166520

	Note	2021	2020
		£	£
Fixed Assets			
Property, plant and equipment	4	134,197	138,245
Current Assets			
Debtors and Prepayments		30,671	1,000
Cash at Bank		<u>7,250</u>	<u>19,328</u>
		37,921	20,328
Creditors – amounts falling due within one year			
Loans payable		12,000	6,000
Accrued Expenses		10,651	16,583
Other Creditors		<u>35,722</u>	<u>28,623</u>
		58,373	51,206
Net Current Assets		<u>113,745</u>	<u>107,367</u>
Creditors: falling due after more than one year	5	78,000	84,000
Net Assets		<u>35,745</u>	<u>23,367</u>
Reserves			
Unrestricted Fund		<u>35,745</u>	<u>23,367</u>

For the year ending 31st December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.



The Rt Revd Deborah Sellin
Chairman

Dated: 21.7.22

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Legal status of the charity

Launchpad Social Enterprise is a company limited by guarantee, registered in England and Wales. Launchpad Social Enterprise is a public benefit entity as defined by FRS102

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost conventions. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities SORP (FRS 102) (Second edition, effective 1 January 2019), the Companies Act 2006 and FRS102 Section 1A.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in sterling which is the functional currency of the charity.

Going concern

The Trustees have a reasonable expectation that the charity has adequate resources to meet its liabilities as they fall due for the foreseeable future. The Trustees consider that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern and they therefore continue to prepare the financial statements on the going concern basis.

The charity is supported by the Corporate Social Responsibility funding from the Winchester Diocesan Board of Finance. The WDBF restricted fund has sufficient reserves to support the continued operations of the charity and has been designated for that purpose.

Income

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

Income from nursery fees are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the fees and any conditions for receipt are met.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Grants are accounted for on a receivable basis.

Furlough grant income is recognised in the same period as the staff costs to which it relates.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on the accruals basis and the trading costs have been classified under headings that relate to the categories of trading income.

Charitable expenditure relates to the costs incurred in support of the day to day operations of each nursery setting.

Support costs are overhead costs necessarily incurred in the running of the charity.

Tangible fixed assets

Fixed assets are capitalised at cost, where acquired or managements approximation valuation of cost where donated.

Depreciation is provided to write off the cost, less an estimated residual value, or all fixed assets evenly over their expected economic useful lives on a reducing balance basis as follows: -

Property; Yurt – 15 years straight line

Fixtures and fittings – 20% reducing balance

The need for any impairment of a fixed asset write-down is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

Unrestricted funds

As no restrictions were placed upon the grant received from Winchester DBF, all activities relate to a single general fund.

2. STAFF COSTS

All staff are employed by Launchpad Social Enterprise, except for Nick Ralph, whose stipend charge is recharged via Portsmouth Diocese Board of Finance.

	2021	2020
	£	£
Wages and salaries	169,441	178,650
National insurance contributions	6,446	4,207
Pension costs	<u>12,825</u>	<u>13,068</u>
	<u>188,711</u>	<u>195,925</u>

At the end of 2021 there were an average of 12 employees (2020: 10), working a mixture of part time and full-time term hours.

The trustees were not paid or reimbursed for expenses during the year (2020: £nil).

No employee earned more than £60,000 per annum (2020: £nil)

LAUNCHPAD SOCIAL ENTERPRISE (formerly WINCHESTER SOCIAL ENTERPRISE)
Notes to the Financial Statements for the year ended 31 December 2021

Remuneration of Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility delegated to them by the trustees, for planning, directing and controlling the activities of the organisation.

During 2021 this was:

Executive Director – The Revd Canon Nick Ralph (50%)

Remuneration, pensions, and expenses amounted to £30,283 (2020: £33,365)

3. SUPPORT COST ANALYSIS

	2021	2020
	£	£
Office support costs	10,361	15,027
Salaries, HR & recruitment (overhead)	54,297	39,594
Subscriptions & publications	1,272	985
Independent examination	2,369	1,992
	68,299	57,598

4. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Property In course of construction £	Fixture & Fittings £	2021 Total £
Valuation as at:				
1 January 2021	121,152	-	17,093	138,245
Additions	7,931	-	-	7,931
31 December 2021	129,083	-	17,093	146,176
Depreciation				
At 1 January 2021	-	-	-	-
Disposals	-	-	-	-
Charge for the year	8,561	-	3,419	11,979
At 31 December 2021	8,561	-	3,419	11,979
Net Book Value				
At 31 December 2021	120,522	-	13,674	134,197
At 31 December 2020	121,152	-	17,093	138,245

5. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Loans Payable	78,000	84,000

Winchester Diocese Board of Finance gave the Charity a loan of £90,000 for the yurt asset addition constructed during 2020. It has been loaned at 0% interest with a repayment term of 15 years or earlier.

6. POST BALANCE SHEET EVENTS

In February 2022 the company entered into an agreement to purchase 100% of the share capital of a local nursery group to expand its work in early years provision. This purchase was partly funded by a loan of £625,000 from Winchester Diocese Board of Finance. The loan is interest free and is repayable over 10 years.

7. RELATED PARTY TRANSACTIONS

During 2021 a grant of £95,000 (2020: £90,000) was received from Winchester DBF. The company received a loan from Winchester DBF during 2020. At the year end, the balance owing on this loan was £90,000 (2020: £90,000).

None of the trustees received any remuneration from the charity.

None of the trustees received any reimbursement of expenses from the charity

Launchpad Social Enterprise

England & Wales - Charity number 1162372

Accounts



WINCHESTER SOCIAL ENTERPRISE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 December 2020

Company Number: 9166520
Charity Number: 1162372

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The Trustees present their annual report, together with the financial statements, for the year ended 31 December 2020.

This combined report satisfies the legal requirements for:

- a Directors Report of a charitable company,
- a Strategic Report under the Companies Act 2006 and
- a Trustees Annual Report under the Charities Act 2011

Legal Objects

The principal objects of the charitable company are:

- To relieve poverty, to advance education, and to relieve need in individuals arising from their youth, age, infirmity or disability, financial hardship or social circumstances, by any charitable means and in such places in the world as the Trustees from time to time decide:
- The promotion of research into the moral and social welfare needs of the community and the publication of the useful results of all such research.
- The promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation by any charitable means as the Trustees from time to time decide
- Such other exclusively charitable means as the Trustees may from time to time determine.

The company was incorporated on 7th August 2014 and registered as a charity on 24th June 2015. The company commenced trading/activity in December 2017.

Given that one of WSE's charitable objects is to advance education, the directors are confident (having had regard to Charity Commission guidance) that the Charity delivers public benefit through carrying out its aims and business strategies.



Strategic Aims

The charity aims to support local churches in the work of social transformation for the common good by helping them to run activities of their own, by providing training, and by running a range of its own socially enterprising activities, that will eventually sustain the whole organisation in the long term.

The WSE board has previously agreed that the primary focus must be to develop the charity's own long term sustainability and to do so by setting up and running its own pre-school and nursery settings under the brand 'Launchpad Early Years'.

Activities and Achievements in the year

Following the opening of the first three Launchpad pre-schools in 2019, the focus in 2020 was in growing and developing them as they get to scale. As families tend to avoid moving their children once settled in a particular setting, this can take three years. Early in 2020, we were all hit by the impact of Covid-19 and had to re-plan many of our services.

Initially two settings remained open to cater for the children of critical workers. Staff that were not essential to this provision were placed on the government's furlough scheme. As the year progressed, more children returned to the settings and staff were brought off furlough. The workload for staff increased hugely due to

the need to clean settings daily. Soft toys had to be removed, and other resources cleaned and used on alternate days. Our dedicated staff worked immensely hard and also had their own susceptibility to infection and that of their families to contend with. It was remarkable how few days were lost due to staff needing to isolate. Covid has presented huge challenges and it has also highlighted the impact on children's development and their mental health. The staff have been alert to this and worked hard to mitigate the effects.

The WSE board met 5 times during the year, once in person and the rest on Zoom/Teams. A new three year business plan was agreed including plans for developing a further setting, preferably a nursery although no site has yet been found. A full new risk register was discussed and agreed.

Due to covid, classroom being occupied by Launchpad Boldre was understandably needed back by the school for its own social distancing requirements. It was agreed that a new building could be constructed on the school playing field but with only a term's notice, the options were limited. After assessing a range of possibilities, the board agreed to the construction of a permanent yurt, which fulfilled the two requirements for speed of construction and affordability given the setting was not yet at scale. It was also particularly appropriate for a new build within the confines of the New Forest national park. It was completed in November 2020 and has proved immensely popular with parents, children and staff.



As the settings are still gathering pace and scale, the work of WSE is supported on a temporary basis by a grant from the Diocese of Winchester. The aim is to be fully self-supporting by 2023. With covid causing some children to be kept at home for longer, this has been challenging financially and the board agreed to a staff restructure with the result that the Launchpad Co-ordinator post was made redundant and replaced with an operational manager role in December.

Financial Review

Winchester Social Enterprise was supported in 2020 by the grant of £90,000 (2019: £134,350) received from Winchester DBF's Social Responsibility fund. Each Launchpad setting has introduced a new income stream to WSE partly from direct local authority payments for the free 30 hours for 3-4 year olds and some 2 year olds, and partly from parental fees for those not qualifying or buying extra hours.

For 2020 the total income was achieved for each of the three settings combined, £146,758 (2019: £37,355). Appleshaw and Boldre were operational for a full year during 2020, being established in late 2019.

Trading income is going in the right direction towards covering the operational cost of the settings, but the company is still dependent upon grant funding for the central costs and management costs for Launchpad operations for now. As the settings continue to grow, they will cover more of these costs and the clear intention is that it should cover all the costs as soon as possible. The assets at the year-end totalled £206,573 including Fixed asset and cash at bank. The yurt fixed asset addition for 2020 has been funded via a 0% interest free loan from the WDBF.

The results for the year show a small deficit of -£2,312 (2019: surplus £15,182). It is anticipated that the income from the settings will soon cover the operating costs, but until such time Winchester DBF continue to support these costs with the grants from their Social Responsibility fund.

Reserves policy

The Trustees are in the process of formulating the reserves policy with no reserves as at 31 December 2020 due to the investment in fixed assets during the year.

Unrestricted funds

As no restrictions were placed upon the grant received from the Winchester DBF all activities relate to a single general fund.

Structure, Governance and Management

Winchester Social Enterprise is a company limited by guarantee, incorporated the 7th August 2014 and operating under a Memorandum and Articles of Association altered pursuant to Special Resolution on the 5th September 2019. (Company no. 09166520; Charity no. 1162372). The trustees, who served during the year are set out on page 3. With the exception of two ex officio trustees, and the Winchester Diocesan Board of Finance as a corporate trustee, the remaining, majority of trustees, are appointed by the current trustee body.

WSE staff

Canon Nick Ralph's role as Director of Social Enterprise and Engagement on a half time basis (shared with Portsmouth CSR) continues. Jane Joyce left as Launchpad Co-ordinator in Aug 2020. Elizabeth McCarthy joined the team as a Launchpad Co-ordinator in Dec 2020. There are also staff across the three settings, including a manager, deputy manager, and practitioner(s) at each one. WSE is grateful to many others who have given their time, support, and expertise to help move this work forward.

Covid Statement

Covid-19 had a major impact in 2020 on everyone. Two settings were closed for a few weeks but Launchpad: Boldre remained open throughout looking after the children of key workers. The government helpfully ensured that all early years' settings received in grants, the income they would have expected to receive had Covid not taken place. Coupled with this, we were able to make some limited use of the furlough scheme although this applied only to the proportion of private income received by the charity. The charity was, therefore, able to continue to operate and should be in a position to grow over the next few years.

Future plans

The WSE board has identified the need to establish a further setting preferably a nursery to establish enduring sustainability and the Director is exploring options for that which alongside the other three settings will be sufficient to cover all costs once they get to scale.

Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United

Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the affairs of the WSE and of the surplus or deficit of the WSE for that period.

In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation

The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the WSE and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the WSE and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the WSE's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

Administrative Details

None of the below listed Trustees' had any beneficial interest in the charity. The following are the Trustees who served during the year and as at the date of this report:

The Right Reverend Timothy John Dakin
Mrs Victoria Louise James
Mr Andrew Ronald Robinson
Ms Gambol Beverley Parker
Mrs Jane Annabelle Boyes
Mrs Jane Elizabeth Dyke
Reverend Andrew Mark Micklefield
Dr M Lowman (resigned 24.04.2020)
Winchester Diocesan Board of Finance (WDBF) (corporate trustee)

Company Secretary: The Reverend Canon Nicholas Ralph (non trustee)

Registered Office: Diocesan Office, Old Alresford Place, Old Alresford, Hampshire SO24 9DH

WDBF Trustees as at the date of this report are set out below:

Mr A J L Barron	The Reverend A Micklefield
Mrs E Clift	Mr I Newman
Mrs A Coulter	The Reverend Canon C Stewart
The Right Reverend Dr T Dakin	Mr M Ward
The Reverend Canon R Harlow	

For the year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

This report has been prepared in accordance with the small companies' regime.

A handwritten signature in black ink, appearing to read "Timothy Dakin", with a small plus sign to its left.

The Rt Revd Timothy Dakin
Chairman

Date 14 October 2021

I report to the Trustees on my examination of the accounts of Winchester Social Enterprise for the year ended 31 December 2020 which are set out on pages 7 to 12.

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 are satisfied that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts as carried out under section 145 of the 2011 Act. In carrying out my examination I have followed the requirements of the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's income is in excess of £250,000, your examiner must be a member of a body listed in the 2011 Act. I can confirm that I am qualified to undertake the examination because I am a registered member of the Institute of Chartered Accountants in England and Wales (ICAEW) which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. 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
4. 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.



Adam Halsey FCA
Haysmacintyre LLP
10 Queen Street Place,
London EC4R 1AG

Date: 24 January 2022

WINCHESTER SOCIAL ENTERPRISE**Statement of Financial Activities for the year ended 31 December 2020**

		2020	2019
Income	£	£	£
Voluntary Donations			
Grant from Winchester DBF		90,000	134,350
Other Grant		10,183	-
Furlough		6,350	-
Charitable activities		<u>146,758</u>	<u>37,355</u>
Total Income		253,291	171,705
Expenditure			
Support costs	3	57,598	42,159
Charitable activities		<u>198,005</u>	<u>114,364</u>
Total Expenditure		255,603	156,523
Net movement in funds		-2,312	15,182
Balance b/f 01/01/2020		<u>25,679</u>	<u>10,497</u>
Balance c/f 31/12/2020		<u><u>23,367</u></u>	<u><u>25,679</u></u>

WINCHESTER SOCIAL ENTERPRISE
Balance Sheet as at 31 December 2020

Company No: 9166520

		2020	2019
		£	£
Fixed Assets			
Property, plant and equipment	4	138,245	-
Current Assets			
Prepayments		1,000	1,000
Cash at Bank		<u>19,328</u>	<u>44,581</u>
		20,328	45,581
Liabilities			
Loans payable		6,000	-
Accrued Expenses		16,583	5,819
Other Creditors		<u>28,623</u>	<u>14,084</u>
		51,206	19,903
Net Current Assets		<u>107,367</u>	<u>25,679</u>
Liabilities: falling due after more than one year	5	84,000	-
Reserves			
Unrestricted Funds as at 31st December		<u>23,367</u>	<u>25,679</u>

For the year ending 31st December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

+  Timothy Winton:

The Rt Revd Timothy Dakin
Chairman

Date: 14 October 2021

1. ACCOUNTING POLICIES

Legal status of the charity

Winchester Social Enterprise is a company limited by guarantee, registered in England and Wales.
Winchester Social Enterprise is a public benefit entity as defined by FRS102

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost conventions. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities SORP (FRS 102) (Second edition, effective 1 January 2019), the Companies Act 2006 and FRS102 Section 1A.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in sterling which is the functional currency of the charity.

Going concern

The Trustees have a reasonable expectation that the charity has adequate resources to meet its liabilities as they fall due for the foreseeable future. The Trustees consider that there are no material uncertainties that may cast doubt on the charity's ability to continue as a going concern and they therefore continue to prepare the financial statements on the going concern basis.

The charity is supported by the Social Responsibility restricted fund of the Winchester Diocesan Board of Finance. The WDBF restricted fund has sufficient reserves to support the continued operations of the charity and has been designated for that purpose.

Income

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

Income from nursery fees are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the fees and any conditions for receipt are met.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Grants are accounted for on a receivable basis.

Furlough grant income is recognised in the same period as the staff costs to which it relates.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on the accruals basis and the trading costs have been classified under headings that relate to the categories of trading income.

Charitable expenditure amounts to the costs incurred to support the running operations of each nursery setting.

Support costs are overhead costs necessary to support the running of the charity.

Tangible fixed assets

Fixed assets are capitalised at cost, where acquired or managements approximation valuation of cost where donated.

Depreciation is provided to write off the cost, less an estimated residual value, or all fixed assets evenly over their expected economic useful lives on a reducing balance basis as follows:-

Property; Yurt – 15 years straight line

Fixtures and fittings – 20% reducing balance

The need for any impairment of a fixed asset write-down is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

Unrestricted funds

As no restrictions were placed upon the grant received form the Winchester DBF all activities relate to a single general fund.

2. STAFF COSTS

All staff are employed by Winchester Social Enterprise, with exception of Nick Ralph; his stipend charge is recharged via Portsmouth Diocese Board of Finance.

	2020	2019
	£	£
Wages and salaries	178,650	41,657
National insurance contributions	4,207	2,383
Pension costs	<u>13,068</u>	<u>3,056</u>
	<u><u>195,925</u></u>	<u><u>47,096</u></u>

During 2019 the salaries were paid for 6 months of the year due to the established settings during 2019. In 2020 a full year of salaries have been remunerated.

At the end of 2020 there were an average of 10 employees [2019: 5], working a mixture of part time and full time term hours.

The trustees were not paid or reimbursed for expenses during the year [2019:£nil].

No employee earned more than £60,000 per annum (2019: £nil).

Remuneration of Key Management Personnel

Key management personnel are deemed to be those having authority and responsibility delegated to them by the trustees, for planning, directing and controlling the activities of the organisations.

During 2020 this was:

Director of Social Enterprise and Engagement - The Revd Canon Nick Ralph (50%)

Remuneration, pensions and expenses amounted to £33,365 [2019: £30,522]

3. SUPPORT COST ANALYSIS

	2020	2019
	£	£
Office support costs	15,027	3,551
Salaries, HR & recruitment (overhead)	39,519	34,425
Subscriptions & publications	985	-
Independent examination	<u>1,992</u>	<u>4,183</u>
	<u>57,523</u>	<u>42,159</u>

4. TANGIBLE FIXED ASSETS

Current Year	Freehold Land & Buildings £	Fixture & Fittings £	2020 Total £
Valuation as at:			
1 January 2020	-	-	-
Additions	121,152	17,093	138,245
31 December 2020	<u>121,152</u>	<u>17,093</u>	<u>138,245</u>
Depreciation			
At 1 January 2020	-	-	-
Charge for the year	-	-	-
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value			
At 31 December 2020	<u>121,152</u>	<u>17,093</u>	<u>138,245</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>

The above freehold land and buildings relates to the yurt build and constructed completed during 2020.

5. LIABILITIES: FALLING DUE AFTER MORE THAN 1 YEAR

	2020	2019
	£,000	£,000
Loan repayment instalments due after more than 1 year	84,000	-

The Winchester Diocese Board of Finance have loaned the Charity a total loan of £90,000 for the yurt asset addition constructed during 2020. It has been loaned at 0% interest with a repayment term of 15 years or earlier.

6. FINANCIAL COMMITMENTS

There were no capital commitments as at 31st December 2020 [2019: Nil]

7. RELATED PARTY TRANSACTIONS

During 2020 a grant of £90,000 (2019: £134,350) was received from Winchester DBF

None of the trustees received any remuneration from the charity.

None of the trustees received any reimbursement of expenses from the charity