



**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**

<b>Table of Contents</b>	<b>Page Number</b>
Legal Objects	1
Strategic Aims	1
Activities and Achievements in the year	1
Financial review	2
Structure and Governance	3
Trustees Responsibilities	3
Administrative details	4
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9

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 7<sup>th</sup> August 2014 and registered as a charity on 24<sup>th</sup> 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 5<sup>th</sup> 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)

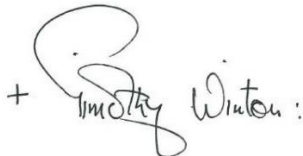
**Registered Office:** Diocesan Office, Old Alresford Place, Old Alresford, Hampshire SO24 9DH

**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**

		<b>2020</b>	<b>2019</b>
<b>Income</b>	<b>£</b>	<b>£</b>	<b>£</b>
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>
<b>Total Income</b>		<b>253,291</b>	<b>171,705</b>
<b>Expenditure</b>			
Support costs	3	57,598	42,159
Charitable activities		<u>198,005</u>	<u>114,364</u>
<b>Total Expenditure</b>		<b>255,603</b>	<b>156,523</b>
<b>Net movement in funds</b>		<b>-2,312</b>	<b>15,182</b>
<b>Balance b/f 01/01/2020</b>		<u>25,679</u>	<u>10,497</u>
<b>Balance c/f 31/12/2020</b>		<u><u>23,367</u></u>	<u><u>25,679</u></u>

**WINCHESTER SOCIAL ENTERPRISE**  
**Balance Sheet as at 31 December 2020**

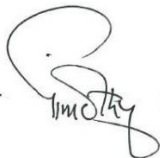
**Company No: 9166520**

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

For the year ending 31<sup>st</sup> 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.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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>195,925</u>	<u>47,096</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**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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**

<b>Current Year</b>	<b>Freehold Land &amp; Buildings £</b>	<b>Fixture &amp; Fittings £</b>	<b>2020 Total £</b>
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			
<b>At 31 December 2020</b>	<u><b>121,152</b></u>	<u><b>17,093</b></u>	<u><b>138,245</b></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**

	<b>2020</b>	<b>2019</b>
	<b>£,000</b>	<b>£,000</b>
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