



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

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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	12,825	13,068
	<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

