



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*

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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](http://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.



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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 £
<b>Income</b>			
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>
<b>Total Income</b>		<b>3,935,774</b>	<b>2,340,899</b>
<b>Total Expenditure</b>	2	<b>3,929,055</b>	<b>2,011,392</b>
<b>Net Income</b>		<u>6,719</u>	<u>329,507</u>
<b>Net movement in funds</b>		<u><b>6,719</b></u>	<u><b>329,507</b></u>
Total funds brought forward		365,252	35,745
<b>Total funds carried forward</b>		<u><b>371,971</b></u>	<u><b>365,252</b></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 £
<b>Intangible Assets</b>			
Goodwill	7	478,724	463,371
<b>Tangible Assets</b>			
Property, plant and equipment	6	295,204	290,689
<b>Current Assets</b>			
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>
<b>Creditors – amounts falling due within one year</b>	9	337,230	346,856
<b>Net Current Assets</b>		<u>952,407</u>	<u>1,010,188</u>
<b>Creditors: falling due after more than one year</b>	9	580,436	644,936
<b>Net Assets</b>		<u><b>371,971</b></u>	<u><b>365,252</b></u>
<b>Reserves</b>			
Unrestricted Funds		371,971	365,252
		<u><b>371,971</b></u>	<u><b>365,252</b></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*

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The Right Revd Philip Mounstephen  
Chairman

Dated: 29 January 2024

## BALANCE SHEET

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

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The Right Revd Philip Mountstephen  
Chairman

Dated: 29 January 2024



## CONSOLIDATED CASH FLOW STATEMENT

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

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(12 months)</b>	<b>(8 months)</b>	<b>(12 months)</b>	<b>(8 months)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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	-	-
	<b>3,929,055</b>	<b>2,011,392</b>	<b>70,184</b>	<b>261,934</b>

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

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(12 months)</b>	<b>(8 months)</b>	<b>(12 months)</b>	<b>(8 months)</b>
<b>Net income is stated after charging:</b>				
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:

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

#### **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>
	<b><u>892,491</u></b>	<b><u>892,491</u></b>
Goodwill arising on acquisition	531,915	458,621
	<b><u>1,424,406</u></b>	<b><u>1,351,112</u></b>

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**

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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:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(12 months)</b>	<b>(8 months)</b>	<b>(12 months)</b>	<b>(8 months)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>2,822,803</b>	<b>1,459,988</b>	<b>16,310</b>	<b>139,304</b>

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

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

**5. SUPPORT COST ANALYSIS**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b> <b>(12 months)</b>	<b>2022</b> <b>(8 months)</b>	<b>2023</b> <b>(12 months)</b>	<b>2022</b> <b>(8 months)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>385,613</b>	<b>302,603</b>	<b>48,498</b>	<b>117,850</b>

**6. TANGIBLE FIXED ASSETS**

**Consolidated**

	<b>Freehold Land &amp; Buildings</b>	<b>Leasehold Improvements</b>	<b>Motor Vehicles</b>	<b>Computer &amp; Other Equipment</b>	<b>Fixture &amp; Fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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						
<b>At 31 August 2023</b>	<b>106,254</b>	<b>94,949</b>	<b>30,514</b>	<b>54,058</b>	<b>9,430</b>	<b>295,204</b>
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						
<b>At 31 August 2023</b>	<b>106,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,430</b>	<b>115,684</b>
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:		
<b>At 31 August 2023</b>	<b>478,724</b>	<b>478,724</b>
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	-	-
	<b>28,368</b>	<b>42,686</b>	<b>323</b>	<b>2,847</b>

## 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
	<b>337,230</b>	<b>346,856</b>	<b>119,350</b>	<b>118,122</b>

### 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	-	-
	<b>580,436</b>	<b>644,936</b>	<b>1,271,157</b>	<b>1,265,963</b>

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>-</u>	<u>31,360</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.