



Incorporating



LAUNCHPAD SOCIAL ENTERPRISE

(A Company Limited by Guarantee)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 August 2024

Company Number: 9166520

Charity Number: 1162372

Contents

TRUSTEE REPORT	1
INDEPENDENT AUDIT REPORT	8
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY	12
CONSOLIDATED BALANCE SHEET	13
BALANCE SHEET	14
CONSOLIDATED CASH FLOW STATEMENT	15
NOTES TO THE FINANCIAL STATEMENTS	16

TRUSTEE REPORT

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

This combined report satisfies the legal requirements for:

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

Legal Objects

The principal objects of the charitable company are:

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

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

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

Strategic Aims

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

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

Strategic Risks and Uncertainties

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

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

Activities and Achievements in the year

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

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

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

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

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

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

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

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

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

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

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

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

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

Fundraising Statement

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

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

Financial Review

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

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

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

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

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

Reserves policy**Unrestricted funds:**

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

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

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

Structure, Governance and Management

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

Decision making structure

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

Trustee recruitment, selection and induction

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

LSE staff

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

Remuneration Policy

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

Related Parties

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

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

Future plans

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

Trustees' Responsibilities

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

Company law requires the Trustees (as Directors) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the LSE and of the surplus or deficit of the LSE for that period.

In preparing these financial statements the Trustees are required to:

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

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

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

Administrative Details

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

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

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

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

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

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

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

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

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

Provision of information to auditors

In so far as the directors are aware:

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

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

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

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

+Philip Winton

The Right Revd Philip Mounstephen
Chairman

Dated: 6 March 2025

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Use of our report

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



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

10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

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

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

CONSOLIDATED BALANCE SHEET

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

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

+Philip Winton

The Right Revd Philip Mounstephen
Chairman

Dated: 6 March 2025

BALANCE SHEET

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

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

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

+ Philip Winton

The Right Revd Philip Mounstephen
Chairman

Dated: 6 March 2025

CONSOLIDATED CASH FLOW STATEMENT

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

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

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

Analysis of Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Legal status of the charity

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

Basis of preparing the financial statements

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

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

Basis of consolidation

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

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

Going concern

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

Income

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

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

1. ACCOUNTING POLICIES (continued)

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

Expenditure

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

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

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

Pensions*Defined contribution plans*

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

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

Operating leases

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

Tangible fixed assets

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

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

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

1. ACCOUNTING POLICIES (continued)

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

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

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

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation.

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

• Goodwill	10 years straight line
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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

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

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

3. INVESTMENT IN SUBSIDIARY

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

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

Fair value of Net Assets Acquired:

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

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

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

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

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

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

4. STAFF COSTS

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

Staff costs for the period were as follows:

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

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

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

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

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

Remuneration of Key Management Personnel

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

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

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

5. SUPPORT COST ANALYSIS

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

6. TANGIBLE FIXED ASSETS**Consolidated**

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

Company

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

7. INTANGIBLE FIXED ASSETS

Consolidated

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

8. DEBTORS AND PREPAYMENTS

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

9. CREDITORS

Creditors: Amounts falling due within one year

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

Creditors: Amounts falling due after more than one year

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

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

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

10. LEASE COMMITMENTS

Commitments under operating leases

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

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

11. RECONCILIATION OF MOVEMENT IN NET DEBT

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

12. RELATED PARTY TRANSACTIONS

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

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

None of the trustees received any remuneration from the charity.

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