

Company number: 05424738

Charity number: 1120124

1st Place Children and Parents' Centre Ltd.

Report and financial statements
For the year ended 31 March 2022

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1st Place Children and Parents' Centre Ltd.

Reference and administrative information

For the year ended 31 March 2022

Company number 05424738

Country of incorporation United Kingdom

Charity number 1120124

Country of registration England & Wales

Registered office and operational address 12 Chumleigh Street
LONDON
SE5 0RN

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Karen Walker Chair

Philip Wilkins Treasurer

Ben Asmah

Heba Ayoub

Symon Bacon

Douglas Buist – Resigned September 2021

Lucy Brazener – Resigned May 2022

Alan Dallas

Ruth Francis

Lucy Grove

Anna Hessenbruch – Resigned May 2022

Nigel Lloyd

Darren Mason

Heather Munn

Wenli Tsai

Lornette Pemberton – Appointed April 2022

Key management personnel Nicola Howard Director and Company Secretary

Bankers Barclays
1–3 Butterfly Walk
Camberwell
London, SE5 8RW

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108–114 Golden Lane
LONDON, EC1Y 0TL

Chair of the Trustees' Report

I am pleased to share with you the latest Annual report and audited accounts of 1st Place Children and Parent centre. It has once again been a busy year of gradually recovering from the effects of the pandemic and trying to settle both staff and children into old routines, continue with some of the better new ones that were established through the pandemic and make new ones for going forward into the brave new world we are facing post-pandemic.

Last year I shared a poem to reflect how 1st Place had gathered itself and begun the slow recovery. This year we have followed this trend, but there have been ups and downs, changes in staffing meaning the senior team have had a lot to do ensuring good induction has happened, supporting the children though this change building important relationships with parents and helping them learn the ethos behind 1st Place, all the while being mindful of the continuing restrictions that were in place. The team behind our Children & Family Centre services navigated the ever-changing COVID restrictions, ensuring that families some of whom had been at risk of isolation, got the help they needed, from understanding their child's development, leaning English, finding suitable housing or to coming to our many play learning activities.

Above all children respond well to routine and structure in their day, so they can feel safe and confident in the activities they are engaged with and the adults they are surrounded by. We are lucky to have a strong and very able senior team who guide and support the teams in their daily work to ensure the best possible outcomes for children, in our nurseries and our wider family services. During this past year we were fortunate to achieve a good outcome in our latest OFSTED inspection at Cambridge House; although it did not reflect some of the incredible work Sara and her team have done there in developing their tool for supporting children acquiring language. I am proud of what all of our nurseries have achieved during such a challenging time. Well done team.

During this year we saw the reintroduction of in-person Trustee Board and sub-committee meetings, while still offering the flexibility of joining remotely. It was a year of change within the Board as some decided to move on, either due to the end of their tenure, or making a change in personal circumstance. I would like to take this opportunity to thank them on behalf of 1st Place for their fantastic support and dedication to ensuring the children and families of Southwark are in the best possible place to thrive and develop; and to welcome those new Trustees who join at a time of development and renewal. I hope that you will enjoy your time as a trustee and welcome you as a valued and vital part of our team at 1st Place.

Finally, last year I began with a poem and this year I would like to end with one. In early years we often speak about scaffolding as a way of building children's learning. The work our Early Education teams do reflects scaffolding of children's language, and it is something we all do at home with children in our daily interactions. So, it seemed to me this poem reflects how we at 1st Place create a secure and trusted environment, building solid walls within which children can feel safe and thrive.

1st Place Children and Parents' Centre Ltd.

Chair of the Trustees' report

For the year ended 31 March 2022

Masons, when they start upon a building
Are careful to test out the scaffolding;
Make sure that planks won't slip at busy points
Secure all ladders, tighten bolted joints.
And yet all this comes down, when the job's done
Showing off walls of sure and solid stone.
So if, my dear, there sometimes seem to be
Old bridges breaking between you and me
Never fear. We may let the scaffolds fall
Confident that we have built our wall.

Seamus Heaney 1939 - 2013

Thank you to all the incredible people who make up 1st Place.

Karen Walker
Chairperson, Board of Trustees

Trustees' annual report

For the year ended 31 March 2022

The Trustees (who act as directors of the Charity for the purposes of the Companies Act) submit their annual report and the financial statements of 1st Place Children and Parents' Centre for the year ended 31 March 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a director's report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure that the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

1st Place is comprised of a purpose-built Children and Parents' Centre, with a number of additional sites providing early education and family support. It achieved charitable status in 2007 and has worked with the following aims:

1st Place shall be for the benefit of the residents in the London Borough of Southwark in particular families with young children, by:

1. Advancing the education of the residents through the provision of training and childcare facilities;
2. The provision of advice, support and guidance on issues relating to childcare, parenting, education, health and the environment;
3. The provision and maintenance of a family centre;
4. Encouraging the study of the needs of children and families in the (local area) and promoting public interest in and recognition of these needs; and
5. The promotion of environmental education and awareness.

How we work to achieve these objectives

1st Place achieves these objectives through the provision of;

- Innovative, high quality early learning experiences for young children;
- Training, volunteering and employment opportunities for local parents and other residents;

- Support for the regeneration of the local community in order to contribute to long-term social and economic stability.

1st Place Children and Parents' Centre also aims to nurture a community culture that celebrates diversity; a culture that models respect and support for young children and families as well as caring for the environment. 1st Place aims to support the ongoing growth and development of individuals and groups within the local community.

Our Aims

Since our inception in 2005, 1st Place's aims have focused on the locally identified needs of children and families. 1st Place objectives also support Southwark Children & Adult Services to deliver services and support within the Families Matter agenda and the achievement of the corporate priorities for Southwark's Children and Families' Trust's Children & Young People's Plan.

The Board of Trustees, the Director and senior managers have continued to develop the strategic direction of 1st Place and to action priority areas identified at the start of the year.

Our areas of focus are:

- 1st Place at the Heart of the Community.
- Excellence in All We Do.
- High Performing Teams.
- Financial Sustainability.

Our partners during 2021–2022

- University College of Osteopathy
- Bede House
- Homestart Southwark
- National Children's Bureau
- Friends of Burgess Park
- Learning Unlimited
- GSTT Speech & Language Therapy
- Creation Trust
- Community Southwark
- Solace Women's Aid
- Ripe Learning
- GSTT Midwifery
- South London & Maudsley Parental Mental Health Service
- St Paul's Church Lorrimore Square
- Coin Street
- The Alexandra Rose Charity
- Guys & St Thomas Charitable Trust (GSST)
- Evelina London Community Nutritionists

- Elm House
- Cambridge House & Talbot
- Pembroke House
- Evelina London Health Visitors

Achievements and Performance

1st Place at the Heart of the Community

Having another year where our ability to provide services to our community was limited, the importance of what 1st Place offers to children and their families in their earliest years remains very clear. With all that the first year of the pandemic had brought, with new ways of working that were developed, we were well placed to meet the challenges that the continued restrictions and directives brought.

In December 2021 levels of infection amongst staff increased and with the Delta and Omicron variants came the return to restrictions. As always, the whole team worked hard to maintain services, but on a small number of occasions it was not possible to keep our nurseries open for all children. Due to this and the ever-changing nature of the pandemic, we maintained the measures put in place to reduce infection rates for longer than required, with classroom 'bubbles' and parents continuing to drop their children to nursery at the entrance to our buildings.

Community services were open for our more vulnerable families, with targeted sessions resuming towards the end of the summer as permission to meet in larger groups was given. At first, families were quite reticent to meet, and as a result smaller sessions were put in place. With the encouragement of the Family Service staff, they felt safe and in control of mixing socially with staff and other families. For those who were not ready to return to meeting face to face, we continued to provide sessions using video conferencing, which helped us stay connected with those who needed the most help.

Early Education

Our aim to further develop SEND expertise and capacity within the nursery team to support our work with children with identified extra needs was vital this year as the need continued to grow. Over the last year we have invested in the development of our SEND team, with a full time SENCO in place from June 2022, providing a first point of call for parents whose children need additional help and the professionals who support them. They supported 48 children across all three nurseries three of which were in receipt of inclusion funding and 6 had an Education, Health and Care Plan (EHCP) in place before they went to school. Work with children who are hearing impaired has increased our contact with specialist teachers, with plans for a targeted play learning session in Autumn 2022.

Trustees' annual report

For the year ended 31 March 2022

Demand for our nurseries returned to pre-pandemic levels as restrictions were relaxed, with nurseries operating at above target levels of occupancy. Between April 2021 and March 2022, 289 children attended our full day care, and 130 children attended our sessional provision.

Managing the impact of coronavirus became more involved/active as structures for reporting were established. Reports to Public Health and Ofsted became part of our daily routine, as infection levels increased within the staff team and families of children attending our nurseries.

In March 2022 we began to make plans to invite families back in – some parents had only spent a couple of days inside our buildings when they were settling their children into nursery.

Our plans for a second 'Vision of the Child' exhibition were delayed for another year due to the pandemic. However, our Early Education managers presented at two conferences at the University of Greenwich. In June 2021 they spoke about our learnings from our first Erasmus visit and how it created the idea for our first exhibition. In March 2022 Marie Skelton and Bunmi Adams contributed to a seminar about 'Stretching Children's Learning'.

The Importance of outdoor, physical play remains a priority in our nurseries and Children and Family Centre services. With levels of obesity in young children in our community still at very high levels, establishing habits for active play in the early years is ever more important. We continue to develop the skills of our staff team with three Forest School practitioners and plans for a further two to be trained over the next year. Groups of children attend weekly sessions at the Forest School site in Burgess Park, where they can explore and develop new skills in a natural woodland area. Our 'Healthy Movers' and 'Southwark' Mile are popular sessions accessed by families through our Children & Family Centre services. During periods of restricted indoor gathering, they provided chances for children and parents to play together outdoors, which are helping to address the impact of the pandemic on the physical development of small children.

In March 2022, we achieved a Silver Healthy Early Years London (HEYL) award. HEYL is a scheme funded by the Mayor of London which supports and recognises achievements in child health, wellbeing and development in early years settings. Getting a good start in life, building emotional resilience, and getting maximum benefit from education are the most important markers for good health and wellbeing throughout life. As an Early Years setting, we can lay the foundations for lifelong health and wellbeing. We will work towards the Gold award over the next year.

Marking significant points in the year for our nursery children is important to us developing relationships with children and their families, such as cultural events and marking transition to school. While we were forced to suspend Eid and Christmas parties for children last year, we managed to celebrate this year, although some nursery groups were affected by the increased levels of COVID at the end of 2021. All nurseries had a graduation celebration, with parents joining by Zoom, and videos were shared with the parents.

Due to the continued travel restrictions caused by the pandemic, it was not possible to plan for the Erasmus+ study visits to Iceland, Italy and Poland in 2021. In late May 2022, a group of 11 staff visited Parma and Reggio Emilia, to learn more about approaches to enabling children to challenge themselves, take risks and develop their physical skills. This was followed by a second visit to by 10 staff to Elblag in Poland where we continued to explore the subject of managing risk in early years play. Due to the limited time remaining in the programme, it was not possible to complete the visit to Reykjavik.

Supporting our Families through Children and Family Centre Services

The Children and Family Centre commissioning negotiations continued to the end of 2021–22 period, with reassurances that agreements would be in place for the start of 2022–23 year. We maintain a clear commitment to this important part of the 1st Place offer, with a goal to fundraise to offset the impact of funding which has remained at 2016 levels. We began the year with resources to maintain staffing levels and premises, but the possibility of funding additional support, such as interpreting, from the commissioning budget is unlikely. To address this, as a charity we can commit our surplus to specific projects but have made progress towards active fundraising in order to ensure we can maintain Family Services if funding decreases or ends with the current commissioning period in March 2024.

The Family Services team adapted quickly to new ways of working to ensure we were in regular contact with children and families during a difficult time. However, there were fewer opportunities to contact those who were new to the area, or who were new parents meaning that some families may not be getting help when they needed it. During 2021–22 1013 new families were registered to Borough Bankside and Walworth children's centres. While numbers of registrations have increased since 2020–21 and the impact of the first lockdown, it is even more important that we are ensuring that our services are reaching as many children as possible. Due to this we took the decision to create a part time Community Family Worker position, focussing on outreach to families in our local community, and re-establishing links with our partners in health, education and with other community-based organisations, who will signpost families to the Children & Family Centre and its services.

As we became more accustomed to navigating the fluid, frequently changing restrictions of the pandemic, we re-established services at our main site in Chumleigh Gardens, and continued services established at our site at Victory School. 405 sessions were delivered, with 1876 individual attendances by children and their parents at sessions supporting play and child developments as well as parenting, family learning and ESOL. Health services provided by Evelina Hospital Trust also began again, with child development clinics running each week from Victory. This has already made a positive impact on our outreach to families with children under 2 years of age. We hope to have Health Visitors based within the Children & Family Centre by second quarter of 2022–23.

The Family Services team offer developed during the last year to include working with the whole family. Our Early Years Practitioners based within this team are now providing one to one (121)

support alongside play learning sessions and support to partner services through provision of creche. Building on new ways of working during the pandemic, practitioners encourage families to attend sessions offered at the Children & Family Centre as well as maintaining regular contact by telephone or home visits. This compliments the 121 family support given by Community Family Workers, whose cases are allocated through a central referral process within Family Early Help. During 2021–22, 55 families were referred 121 support with Community Family Workers and 142 referred for support from the Early Years Practitioners.

Over the next year, following a successful bid for funding, Southwark Family Early Help will begin to develop a network of Family Hubs which provide local support centres where families with children and young people aged 0–19 can access a broad and integrated range of early help to overcome difficulties and build stronger relationships. They will be based in existing Children and Family Centres as well as schools. As a provider of Children & Family Centre services, 1st Place will be part of the Family Hubs programme.,

Partnerships

The impact of the COVID–19 on the mental and physical health of children and their parents was seen early in the pandemic and the effects are seen in our day–to–day interactions with families in the community. The increase in levels of domestic abuse have made our long–standing partnerships with Bede House vital to getting the support to those who have moved through the traumatic process of leaving an abusive relationship. During 2021–22 over 50 people attended the Freedom group at 1st Place.

Over the last year, the Rose Vouchers for Fruit & Veg Project has gone from strength to strength. The project pivoted from its focus on healthy eating, to be key to addressing the issue of food insecurity in the borough. Since 1st Place began the partnership with Alexandra Rose Charity and Guys & St Thomas's Charity, a total of 1,231 families have been registered to the project, and 562 registering this year. Over 600 families collect their Rose Vouchers each month. There are now six distribution partners in Southwark. Linked to these partners are eight distribution partners, with ten distribution sessions each week in the borough.

Volunteers are crucial to the success of the Rose Vouchers for Fruit and Veg project. Fourteen new volunteers, many former or current Rose Voucher families attended the Rose Voucher Volunteer Induction Training June and July 2021. Twelve went on to be regular volunteers, with one taking up paid employment as our Rose Vouchers Administrative Assistant. Twelve further volunteers were trained in March 2022. We are immensely grateful for the time and commitment they give to making this project such a success. Funding for the current project ends in December 2022.

We continued to host the Fathers Parenting group and advice sessions delivered as part of Southwark Family Early Help parenting strategy. We have enjoyed welcoming this group each week and have seen the dads begin to ask questions about nursery places for their children and information about other

services in the Children's Centre. We plan to build on this important work with Dads and male carers with our Saturday Dads group starting again in September 2022. This will also facilitate access to the main centre at Chumleigh Gardens for other partners at weekends.

Communication & Marketing

Maintaining regular contact with families remains a priority, especially during the period of lockdown. With daily information from Public Health England and the Department for Education, we issued weekly e-mail updates and urgent notifications to nursery families using the Blossom Educational app, and this continued until April 2022.

Since restrictions have been lifted and the re-introduction of people into the buildings, we have been able to use printed material to promote services, family services sessions, recruitment as well as for the Rose Vouchers project and postcards for outreach to families and partners.

Staffing has been an ongoing issue, we have been using social media advertising monitoring data and adapting ads and ad placement accordingly and have created posters and flyers with QR codes, some of which have also been distributed to local business and colleges.

We are continuously trying to improve communication with parents and staff by listening to feedback and implementing changes reflective on this, feedback is mainly gathered via surveys and discussions with the Early Education, Family Services and Administration team. We have introduced a new newsletter format, using Mailchimp, which allows us to monitor how many people are reading the updates and following link providing valuable insights to support service improvement. The parent update has had a great response so far with consistent open rates of over 70% and great engagement.

We are using feedback and investigation to identify where changes could be made on the website to improve access to information about services and activities.

We have made changes for the Rose Vouchers pages and a new page has been created for nursery parents, containing links to the HUB & Library and nursery related news.

We have been revisiting the customer journey, with focus on KPI and conversion rates, to help identify what improvements can be made in the initial stages of enquiries and parents joining the nursery as well as looking at the overall satisfaction of current parents.

High Performing Teams

The team at 1st Place are at the heart of the help we offer to children and their families. Because of their commitment to our work, as an organisation we are committed to making 1st Place the best place to work. While the current economic situation continues to be challenging, the Board of Trustees were committed to ensuring that pay awards reflected the increased cost of living. Employee benefits are also a focus, with reduced nursery fees, interest free loans and generous annual leave allocations. Staff wellbeing is also important, and over the last year we have offered yoga, workstation

wellbeing advice and massage therapy to support physical wellbeing. A Death in Service benefit is also now offered to all permanent staff.

Our commitment to equity, diversity and inclusion remains a focus for the senior leadership team, Trustees at 1st Place. Staff and Trustees meet at our fortnightly Equity Diversity, Inclusion and Anti-racism meetings. A sixth member of the team was trained as an Equity, Diversity and Inclusion representative. This team meet regularly and are beginning to review 1st Place policies and develop resources including those to help the team understand appropriate language and terminologies so we can celebrate the rich and diverse team we are part of. To support this, the whole staff team undertook Unconscious Bias training this year. Bringing everyone together to discuss the biases we all have and think how we can challenge this individually and as a team was very powerful.

A new structure for Early Education staff development was implemented this year. This gives a clear competency-based procedure for practitioners at all levels to progress and is no longer exclusively linked to qualifications. With the commitment last year by Trustees to developing our fundraising strategy, our first attempts to recruit a fundraiser were unsuccessful due to a competitive market for these skills. We have however worked with an external consultant to develop our case for support, with funding applications being submitted in the second quarter of 2022.

Serious Incident Reporting

We have procedures for the reporting of serious incidents to the Charity Commission in accordance with the statutory requirement under section 169 of the Charities Act 2011. Trustees confirm that there were no serious incidents or other matters relating to 1st Place Children & Parents Centre Limited during the year that should have been brought to the attention of the Charity Commission.

Safeguarding Duties

As an organisation 1st Place acknowledge and act on our duty of care to staff and service users. Trustees recognise that being safe and free of abuse is central to ensuring the continued promotion of a person's wellbeing. 1st Place has policies and procedures in place to enable us to respond to all concerns of abuse appropriately, operating in line with the Southwark Safeguarding Children's Partnership Board guidance and Pan London Multi-Agency Safeguarding Policy. Our policies and procedures for children and adults at risk are reviewed annually. Our trustee safeguarding lead is Lucy Brazener for 2021-22. All Trustees are required to undertake Safeguarding for Trustees training. The Director is the Named Person, supported by seven Designated Safeguarding leads. All staff have Safeguarding Children training on appointment and every two years, appropriate to their level of responsibility. Senior Managers undertake Safer recruitment training every three years. In 2021-2 all Early Education staff undertook Domestic Violence Awareness Training and Understanding Adverse Childhood Experiences.

Trustees confirm that Internal processes concerning the conduct of members of the 1st Place team show there were no allegations made against a trustee, an employee, an intern, or a volunteer by a service user during 2021-22. There were two complaints raised to Ofsted in relation to care of children in our nurseries, which were not upheld with no further action.

Financial Sustainability

We ended the last financial year in protracted negotiations with our insurers regarding compensation for interruption of business during the first lockdown. We learned in September 2021 that our claim had been settled, awarding £245,568 of a possible £250,000 maximum cover. We are grateful to our Treasurer, Phil Wilkins for his tenacity and time given to pursue the claim on behalf of 1st Place.

However, the financial impact of COVID-19 on 1st Place continued through the second year of the pandemic. While there were not the extensive closures of the previous year to negotiate, we were required to close 'bubbles' of children and staff where there were outbreaks of coronavirus within the groups. As contracts stated that where we were unable to provide a service, families were not charged for the second week of closure, and this impacted our income during periods with higher infection rates.

With improved reserves exceeding the expected three months operating costs, at the end of 2021, Trustees began to explore how surplus income could be invested to generate further charitable funds. However, with the outbreak of the conflict in Ukraine, and a change in the global financial markets, the decision was taken to pause this work until the markets stabilise.

We were informed at the end of May 2021 of the intention of Cambridge House to sell their building. As a long-standing tenant this has created a period of uncertainty for staff as well as current and prospective families. We were notified of a sale in August 2022 and we have begun discussions with the new owners in relation to our tenancy going forward. Our intention has always been to maintain three nursery sites, and senior managers and Trustees have plans in place to ensure that we can maintain capacity should the intentions of a new property owner change.

Following a donation over a period of two years from an external beneficiary, 1st Place has created a Nursery Support Fund, to help current nursery families through short term financial challenges such as loss of employment or a move into employment. The fund is to enable a child's nursery place to be maintained in the short term until the family circumstances become more stable. To maintain this fund into the future, 1st Place will contribute 10% of its annual surplus. We hope that in the future a similar fund can be developed for families within our wider community to support through small grants.

Ensuring that our buildings offer the best environment for staff and those who use our services, our facilities team have made several improvements over the last year. The kitchen where all the food for our nurseries is prepared was refitted increasing storage and preparation space for the team. As the number of children attending the Lorrimore Square nursery has grown, access to outside play space has become an issue. Working with St Pauls church and the Diocese of Southwark, plans for extending the current provision have been submitted to Southwark Planning, along with a new door providing direct access to outside space.

Principal funding

The continuing growth and success of 1st Place this year has been facilitated by consistent funding and we would particularly like to acknowledge Southwark Children and Adult Services for the allocation of Children and Family Centre funding, the Free Early Education Entitlement and Free Early Education Offer. As ever, the continued commitment of local parents to our nursery, and of local services and groups for our room hire, is crucial to the continuation of our services.

Investment policy and performance

1st Place banking arrangements are held with Barclays Bank. Funds are held between a deposit account and a current account. There are no bank/savings accounts currently available that would generate any significant interest income.

Financial review

Paramount to a strong charitable enterprise is sound business practice ensuring strong reserves capacity. Last Year, was the second successive year when our normal working was significantly disrupted by both Covid related absences of our staff, children, and changes to working practices imposed by Covid regulations.

Once again, our resourceful staff adapted to these changes maximising the level of service we offered to both our children in our nurseries and the local community delivered by our Children's Centre Service team.

Our revenue recovered significantly in the second half of the financial year which has enabled us to make a pay award to our dedicated staff of approximately 6% from the start of the new financial year, April 2022.

Nevertheless, recruitment and retention of staff at all levels continues to be one of our greatest challenges.

There is a question mark over the continuing occupancy of our nursery facility at Cambridge House due to possible change of ownership. We have robust contingency plans to maintain our existing capacity'.

As a result of the above, our General and Designated Reserves increased in the year by £105K to £1,043K which represents 5.4 months cover of related expenses.

Our Restricted Reserves increased by £15K to £192K which represents 4.7 months cover. Overall, our Reserves represent 5.2 months cover of expenses. We consider this to be a satisfactory level of reserves.

Despite continuing operating difficulties, due to the dedication and quality of our frontline staff coupled with their strength and experience of our Senior Management team, we are comfortable with our depth of Reserves. Overall, we closed the year with Total Funds representing 5.3 months cover of Expenses.

Reserves Policy

The 1st Place Reserves Policy is to maintain total free reserves, excluding the element which relates to tangible fixed assets, at a level which is no less than approximately three month's operating costs. This policy provides the ability to cope with unforeseen expenditure of both a capital and an expenditure nature, and with interruptions in income flows. 1st Place has focussed on building adequate reserves over the last eleven years, while within the sector there had been a shift towards risk-based reserves policies. However, no one could have foreseen the impact of a global pandemic on both commercial as well as not for profit sectors, and never has the need to maintain adequate reserves been more apparent.

The Reserves Policy is reviewed and amended annually by the Board of Trustees.

Free reserves at 31 March 2022 were £938k, an increase of £64k on 31 March 2021. This is equal to 4.8 months of total expenditure and so above the targeted level set by the Board of Trustees of £587,168.

Fundraising

1st Place Children and Parents' Centre Ltd does not engage in large scale public fundraising and does not use professional fundraisers or commercial participators. Nevertheless, the charity observes and complies with the relevant fundraising regulations and codes. During the year, there was no non-compliance of these regulations and codes and the Centre received no complaints relating to its fundraising practice.

Plans for the future

Over the next year, working within our 2021–2024 Strategic Plan we will:

- Continue our commitment to 1st Place being an organisation where equity, inclusion and opportunity is a reality for everyone.
- Develop new community partnerships to compliment education and community support offer.
- Develop our Adult Learning offer
- Set in place target setting and mechanisms for measuring recruitment and for staff retention
- Goal to offer all salaries above London Living Wage
- Develop fundraising capacity

Structure, governance and management

1st Place Children and Parents' Centre is a registered charity and company limited by guarantee with no share capital. The liability of Trustees in the event of insolvent liquidation is limited to £1 each. The members of the Board of Trustees are appointed by members of the Board. Day-to-day management of the Charity is delegated to the Director who is responsible for other staff. The Board of Trustees meet regularly, with four sub-committees (Early Education, Finance & General Purposes, Human Resources and Safeguarding) overseeing the operational activities of the organisation. The Full Board meets quarterly to approve the business undertaken in the sub-committees. Additional working groups convene as and when required. Trustees are given appropriate induction, upon appointment, and ongoing training as required in order to assist them in fulfilling their role.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Remuneration Policy

We recognise the importance of being transparent and accountable in all aspects of our work, including how we reward and recognise our staff. We are working towards paying the London Living Wage (or becoming an accredited Living Wage Employer). The London Living Wage is an hourly rate set independently and updated annually, based on the cost of living in London.

1st Place is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives. In deciding on levels of pay, the following factors are taken into account:

1. The mission, aims, objectives and values of 1st Place.
2. How any decisions might impact on the overall pay policy for all staff.
3. The type of skills, experience, competences etc. that our organisation needs.
4. A significant increase in responsibilities for a member of staff, or major change in job description.
5. Our current strategic business plan and how this might affect future needs.
6. Our ability to pay. It is our aspiration to pay a cost of living increase each year to all staff.
7. Regular benchmarking of salaries relative to pay levels in other charities in the sector of similar size, budgets and responsibilities, using independent external information.
8. Our track record in recruiting and retaining high-performing staff.
9. The impact of any decision on our public reputation, especially amongst our service users and stakeholders.

Performance Management

Trustees' annual report

For the year ended 31 March 2022

We have a performance management and appraisal policy that:

- Promotes a consistent approach to workforce supervision throughout 1st Place.
- Ensures that supervision is geared to achieving the organisation's objectives.
- Addresses the personal impact of work on all 1st Place's staff, volunteers, interns and trainees.

Risk Assessment

The Board of Trustees regularly review and assess the risks faced by 1st Place in all areas of its work, and plan for the management of those risks. The management ensure that all plans and decisions take into account the possibility of negative outcomes. There is a Risk Register which is compiled and monitored monthly by the Finance & General Purposes (F&GP) sub-committee, reported on quarterly at meetings of the Full Board and reviewed annually in order to ensure that the material risks to which the charity is exposed are properly evaluated and managed. The Director and senior management team implement appropriate mitigating actions to address the residual risks, mitigating them to a level the Trustees consider acceptable. The Board of Trustees recognises that, to achieve the objectives of the charity, the nature of some of 1st Place work requires acceptance of some risks that are outside our control, that is, risks which cannot be eliminated, so where this happens there is active and clear monitoring of the risk. The Facilities Manager will carry out a risk assessment when any risk is identified. The Risk Register working group reporting to F&GP sub-committee are working with the senior management to solidify the appropriate systems and controls to monitor, manage and mitigate exposure to risks. Principle risks and uncertainties are assessed for impact and likelihood. The highest risk areas have been identified as follows:

- Failure to generate sufficient income
 - The volatile global economic situation and its effects on general inflation are already impacting on costs of utilities and housing for parents and service users. This may affect parents' ability to pay nursery fees. We will implement the Nursery Support fund where we are able to help short term financial difficulties for families using the nursery. The board will work with the management team to identify how we can support staff at critical points.
 - Increased running costs will impact our ability to generate a surplus and may reduce our free reserves.
 - Regular monitoring of occupancy using latest nursery management software so that trends can be identified and forward planning termly is effective so that waiting lists can be maintained. Performance in the Children and Family Centre maintained at a high level so that funding continues.
- Failure to effectively manage budget and liquidity
 - Close monitoring monthly and quarterly of income and expenditure at an operational and strategic level by managers and Trustees.
 - Budgets reviewed by Treasurer, Director and Finance Manager to ensure they are realistic and achievable, with reforecasting as necessary.
- Recruitment and retention of early education staff.

Trustees' annual report

For the year ended 31 March 2022

- The need to remain in state of preparedness to mitigate issues that may affect capacity and staffing will remain a focus for managers, with expectations of further COVID-19 outbreaks anticipated.
- Ensuring that standards are maintained with Ofsted at Good or Outstanding through investment in recruitment of well qualified staff and investment in ongoing CPD.
- Changes to ownership of nursery sites create the need to change how our services are delivered and managed in both interim and long-term planning

Statement of responsibilities of the trustees

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the Trustees, who are also the charitable company's 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 affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- 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 a going concern basis (unless it is inappropriate to presume that the charity will continue in operation); and observe the methods and principles of the Charities SORP.

The Board of Trustees has overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping adequate accounting records, which disclose with reasonable accuracy, are sufficient to show and explain the charity's transactions and the financial position of the charity at any time 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 charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Statement of disclosure of information to auditors

We, as the directors of the charitable company who held office at the date of approval of these financial statements as set out on page one, each confirm, so far as we are aware, that:

- There is no relevant audit information of which the charitable company's auditors are unaware.
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

1st Place Children and Parents' Centre Ltd.

Trustees' annual report

For the year ended 31 March 2022

Preparation of this report

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 5 September 2022 and signed on their behalf by

Karen Walker
Chair

Independent auditor's report

To the members of

1st Place Children and Parents' Centre Ltd.

Opinion

We have audited the financial statements of 1st Place Children and Parents' Centre Ltd (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 charitable company 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 1st Place Children and Parents' Centre Ltd'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.

Independent auditor's report

To the members of

1st Place Children and Parents' Centre Ltd.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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 directors 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' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of

Independent auditor's report

To the members of

1st Place Children and Parents' Centre Ltd.

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 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 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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

Independent auditor's report

To the members of

1st Place Children and Parents' Centre Ltd.

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available 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.

Noelia Serrano (Senior statutory auditor)

20 October 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

1st Place Children and Parents' Centre Ltd.

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

	Note	General £	Designated £	Restricted £	2022 Total £	General £	Designated £	Restricted £	2021 Total £
Income from:									
Donations and legacies		21,101	–	28,190	49,291	3,717	–	–	3,717
Charitable activities									
Children's Centre Services	2a	5,514	–	455,812	461,326	1,404	–	454,049	455,453
Chumleigh Nursery	2a	934,799	–	11,026	945,825	675,081	18,663	6,366	700,110
Cambridge House Nursery	2a	872,440	–	3,024	875,464	671,310	17,430	682	689,422
Lorrimore Nursery	2a	613,968	–	5,109	619,077	376,210	22,098	1,072	399,380
Investments		362	–	–	362	206	–	–	206
Other	3	359	–	–	359	412,035	–	–	412,035
Total income		2,448,543	–	503,161	2,951,704	2,139,963	58,191	462,169	2,660,323
Expenditure on:									
Raising funds	4	15,868	–	–	15,868	10,757	–	–	10,757
Charitable activities									
Children's Centre Services	4	–	–	441,125	441,125	–	–	432,076	432,076
Chumleigh Nursery	4	841,480	–	13,165	854,645	731,031	10,079	3,001	744,111
Cambridge House Nursery	4	838,629	–	9,651	848,280	766,270	2,904	3,564	772,738
Lorrimore Nursery	4	652,698	–	19,710	672,408	565,312	2,227	13,540	581,079
Total expenditure		2,348,675	–	483,651	2,832,326	2,073,370	15,210	452,181	2,540,761
Net income for the year		99,868	–	19,510	119,378	66,593	42,981	9,988	119,562
Transfers between funds		(25,242)	29,996	(4,754)	–	203,898	(203,898)	–	–
Net movement in funds		74,626	29,996	14,756	119,378	270,491	(160,917)	9,988	119,562
Reconciliation of funds:									
Total funds brought forward		912,251	26,071	177,129	1,115,451	641,760	186,988	167,141	995,889
Total funds carried forward		986,877	56,067	191,885	1,234,829	912,251	26,071	177,129	1,115,451

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

1st Place Children and Parents' Centre Ltd.

Balance sheet

Company no. 05424738

As at 31 March 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	10		<u>57,495</u>		<u>39,203</u>
			57,495		39,203
Current assets:					
Debtors	11	53,233		270,251	
Cash at bank and in hand		<u>1,462,085</u>		<u>1,133,111</u>	
		1,515,318		1,403,362	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>337,984</u>		<u>327,114</u>	
Net current assets			1,177,334		1,076,248
Total net assets	13		<u>1,234,829</u>		<u>1,115,451</u>
The funds of the charity:					
Restricted income funds	14		191,885		177,129
Unrestricted income funds:					
Designated funds		56,067		26,071	
General funds		<u>986,877</u>		<u>912,251</u>	
Total unrestricted funds			<u>1,042,944</u>		<u>938,322</u>
Total charity funds			<u>1,234,829</u>		<u>1,115,451</u>

Approved by the trustees on 5 September 2022 and signed on their behalf by

Karen Walker
Chair

1st Place Children and Parents' Centre Ltd.

Statement of cash flows

For the year ended 31 March 2022

	Note	2022	2021
		£	£
Cash flows from operating activities	15		
Net cash provided by / (used in) operating activities		369,036	(53,136)
Cash flows from investing activities:			
Dividends, interest and rents from investments		362	206
Purchase of fixed assets		(40,424)	(23,898)
Net cash used in investing activities		(40,062)	(23,692)
Change in cash and cash equivalents in the year		328,974	(76,828)
Cash and cash equivalents at the beginning of the year		1,133,111	1,209,939
Cash and cash equivalents at the end of the year		1,462,085	1,133,111

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies

a) Statutory information

1st Place Children and Parents' Centre Ltd is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 12 Chumleigh Street, London, SE5 0RN.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees have specifically considered the impact of covid-19 on the charitable company's ability to continue as a going concern and does not consider this to be a source of material uncertainty.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

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 and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

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. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

● Cost of raising funds	2.0%
● Children's Centre Services	14.0%
● Chumleigh Nursery	27.0%
● Cambridge House Nursery	33.0%
● Lorrimore Nursery	24.0%

Governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

● Cost of raising funds	5%
● Children's Centre Services	10%
● Chumleigh Nursery	28%
● Cambridge House Nursery	28%
● Lorrimore Nursery	29%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

The Support costs allocation to cost of raising funds represents an apportionment of our Marketing Manager's salary & marketing spend related to that function. We intend to employ a Fundraiser and will therefore have directly attributable costs in the future

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Office equipment	25% straight line
● Fixtures & Fittings	25% straight line
● Computer equipment	33% straight line
● Computer software	33% straight line

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

p) Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

Notes to the financial statements

For the year ended 31 March 2022

2a Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
LB of Southwark: Children's Centre	-	421,717	421,717	420,464
Alexandra Rose Charity Grant	-	34,095	34,095	33,585
Creche Fees	5,514	-	5,514	1,404
Sub-total for Children's Centre Services	5,514	455,812	461,326	455,453
LB of Southwark – free education entitlement	150,207	-	150,207	152,440
Nursery Fees	758,895	-	758,895	522,641
LB Southwark: Special Education Needs (SEN)	-	10,120	10,120	6,072
LB Southwark: Deprivation fund	25,697	-	25,697	18,663
Early Years Pupil Premium (EYPP) Grant	-	906	906	294
Sub-total for Chumleigh Nursery	934,799	11,026	945,825	700,110
LB of Southwark – free education entitlement	91,646	-	91,646	133,939
Nursery Fees	765,838	-	765,838	537,371
LB Southwark: Special Education Needs (SEN)	-	2,420	2,420	396
LB Southwark: Deprivation fund	14,956	-	14,956	17,430
EYPP Grant	-	604	604	286
Sub-total for Cambridge House Nursery	872,440	3,024	875,464	689,422
LB of Southwark – free education entitlement	186,410	-	186,410	190,633
Nursery Fees	398,032	-	398,032	185,577
LB Southwark: Special Education Needs (SEN)	-	3,432	3,432	396
LB Southwark: Deprivation fund	29,526	-	29,526	22,098
EYPP Grant	-	1,677	1,677	676
Sub-total for Lorrimore Nursery	613,968	5,109	619,077	399,380
Total income from charitable activities	2,426,721	474,971	2,901,692	2,244,365

Notes to the financial statements

For the year ended 31 March 2022

2b Income from charitable activities (prior year)

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
LB of Southwark: Children's Centre	-	420,464	420,464	420,463
Alexandra Rose Charity Grant	-	33,585	33,585	14,120
Creche Fees	1,404	-	1,404	11,940
Sub-total for Children's Centre Services	1,404	454,049	455,453	446,523
LB of Southwark – free education entitlement	152,440	-	152,440	211,029
Nursery Fees	522,641	-	522,641	608,154
LB Southwark: Special Education Needs (SEN)	-	6,072	6,072	3,010
LB Southwark: Deprivation fund	18,663	-	18,663	18,026
Early Years Pupil Premium (EYPP) Grant	-	294	294	827
Sub-total for Chumleigh Nursery	693,744	6,366	700,110	841,046
LB of Southwark – free education entitlement	133,939	-	133,939	166,885
Nursery Fees	537,371	-	537,371	628,901
LB Southwark: Special Education Needs (SEN)	-	396	396	396
LB Southwark: Deprivation fund	17,430	-	17,430	16,405
EYPP Grant	-	286	286	-
Sub-total for Cambridge House Nursery	688,740	682	689,422	812,587
LB of Southwark – free education entitlement	190,633	-	190,633	189,619
Nursery Fees	185,577	-	185,577	342,459
LB Southwark: Special Education Needs (SEN)	-	396	396	19,165
LB Southwark: Deprivation fund	22,098	-	22,098	20,124
EYPP Grant	-	676	676	716
Sub-total for Lorrimore Nursery	398,308	1,072	399,380	572,083
Total income from charitable activities	1,782,196	462,169	2,244,365	2,672,239

3 Income from other sources

	2022 Total £	2021 Total £
CJRS grant	-	165,717
Business Interruption Insurance claim	-	245,568
Other income	119	750
	119	412,035

All income from other sources is unrestricted in 2022 and 2021.

Notes to the financial statements

For the year ended 31 March 2022

4a Analysis of expenditure (current year)

	Charitable activities							2022 Total £	2021 Total £
	Cost of raising funds £	Children's Centre Services £	Chumleigh Nursery £	Cambridge House Nursery £	Lorrimore Nursery £	Governance costs £	Support costs £		
Staff costs (Note 6)	-	332,277	555,550	528,816	420,207	-	304,786	2,141,636	2,020,615
Other staff costs	-	2,786	17,245	32,311	22,085	-	32,754	107,181	45,824
Direct costs	-	6,627	37,045	33,027	19,245	-	6,863	102,807	70,419
Premises costs	-	14,732	45,068	64,126	40,897	-	19,087	183,910	131,701
Rental equipment	-	1,131	1,156	792	1,392	-	21,019	25,490	24,225
Utilities	-	2,776	37,231	5,226	20,992	-	42,572	108,797	83,025
Office costs	-	5,225	5,956	6,774	12,191	1,599	53,756	85,501	88,646
Legal and professional fees	5,000	440	1,590	1,590	7,517	10,710	15,498	42,345	32,826
Promotion	-	-	-	-	-	-	6,576	6,576	6,377
Depreciation	-	2,125	11,734	2,988	1,270	-	4,015	22,132	16,547
Bad debt	-	-	201	-	-	-	5,750	5,951	20,556
	5,000	368,119	712,776	675,650	545,796	12,309	512,676	2,832,326	2,540,761
Support costs	10,253	71,775	138,423	169,183	123,042	-	(512,676)	-	-
Governance costs	615	1,231	3,446	3,447	3,570	(12,309)	-	-	-
Total expenditure 2022	15,868	441,125	854,645	848,280	672,408	-	-	2,832,326	2,540,761
Total expenditure 2021	10,757	432,076	744,111	772,738	581,079	-	-		

Of the total expenditure, £2,348,675 was unrestricted (2021: £2,088,580) and £483,651 was restricted (2021: £452,181).

Notes to the financial statements

For the year ended 31 March 2022

4b Analysis of expenditure (prior year)

	Charitable activities						2021 Total £	
	Cost of raising funds £	Children's Centre Services £	Chumleigh Nursery £	Cambridge House Nursery £	Lorrimore Nursery £	Governance costs £		Support costs £
Staff costs (Note 6)	-	324,040	523,727	483,169	363,816	-	325,863	2,020,615
Other staff costs	-	770	12,574	11,197	3,745	-	17,538	45,824
Direct costs	-	14,200	22,959	19,467	10,150	-	3,643	70,419
Premises costs	-	2,420	10,302	65,166	40,041	-	13,772	131,701
Rental equipment	-	1,223	1,006	649	770	-	20,577	24,225
Utilities	-	(697)	10,946	7,718	18,578	-	46,480	83,025
Office costs	-	10,162	10,026	10,834	12,185	843	44,596	88,646
Legal and professional fees	-	5,910	1,612	1,590	1,590	10,200	11,924	32,826
Promotion	-	-	480	480	1,779	-	3,638	6,377
Depreciation	-	1,511	9,404	840	2,768	-	2,024	16,547
Bad debt	-	-	220	159	-	-	20,177	20,556
	-	359,539	603,256	601,269	455,422	11,043	510,232	2,540,761
Support costs	10,204	71,432	137,763	168,377	122,456	-	(510,232)	-
Governance costs	553	1,105	3,092	3,092	3,201	(11,043)	-	-
Total expenditure 2021	10,757	432,076	744,111	772,738	581,079	-	-	2,540,761

Notes to the financial statements

For the year ended 31 March 2022

5 Net income for the year

This is stated after charging:

	2022 £	2021 £
Depreciation	22,132	16,547
Operating lease rentals:		
Property	123,225	121,346
Other	25,491	24,225
Auditor's remuneration (excluding VAT):		
Audit	8,925	8,500
Other services	1,950	1,850
	253,773	237,468

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	1,935,226	1,829,307
Social security costs	137,521	129,277
Employer's contribution to defined contribution pension schemes	68,889	62,031
	2,141,636	2,020,615

One employee earned more than £60,000 during the year (2021: nil).

The total employee benefits including pension contributions of the key management personnel were £476,866 (2021: £473,340).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

There were no trustee expenses representing the payment or reimbursement of travel and subsistence costs (2021: £nil).

Pay ratio: The remuneration ratio for 1st Place is considered alongside external market conditions for the specific roles. The ratio of our highest salary (£61,027.20) to our lowest salary (£17,035.20) was 3:6 in 2021-22.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Raising funds	-	-
Children's Centre Services	18.6	12.0
Chumleigh Nursery	32.8	37.2
Cambridge House Nursery	39.8	37.2
Lorrimore Nursery	30.3	29.0
Support	15.5	15.8
Governance	-	-
	137.0	131.2

Notes to the financial statements

For the year ended 31 March 2022

8 Related party transactions

There are no related party transactions to disclose for 2022 (2021: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Office Equipment £	Computer Equipment £	Fixtures and Fittings £	Computer Software £	Total £
Cost or valuation					
At the start of the year	15,025	44,924	184,750	10,393	255,092
Additions in year	-	33,354	7,070	-	40,424
At the end of the year	15,025	78,278	191,820	10,393	295,516
Depreciation					
At the start of the year	12,074	40,643	152,779	10,393	215,889
Charge for the year	1,971	8,367	11,794	-	22,132
At the end of the year	14,045	49,010	164,573	10,393	238,021
Net book value					
At the end of the year	980	29,268	27,247	-	57,495
At the start of the year	2,951	4,281	31,971	-	39,203

All of the above assets are used for charitable purposes.

11 Debtors

	2022 £	2021 £
Trade debtors	26,704	376
Accrued income	-	245,568
Prepayments	26,529	24,307
	53,233	270,251

Notes to the financial statements

For the year ended 31 March 2022

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	49,964	10,004
Taxation and social security	29,277	31,478
Other creditors	161,890	180,883
Accruals and deferred income	96,853	104,749
	337,984	327,114

13a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	48,999	-	8,496	57,495
Net current assets	937,878	56,067	183,389	1,177,334
Net assets at 31 March 2022	986,877	56,067	191,885	1,234,829

13b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	37,846	-	1,357	39,203
Net current assets	874,405	26,071	175,772	1,076,248
Net assets at 31 March 2021	912,251	26,071	177,129	1,115,451

Notes to the financial statements

For the year ended 31 March 2022

14a Movements in funds (current year)

	At 1 April 2021 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Special Education Needs	25,477	15,972	(38,026)	-	3,423
Family Support: Children's Centre	125,842	421,717	(411,410)	-	136,149
EYPP	4,790	3,187	-	-	7,977
Alexandra Rose Charity Grant	12,961	34,095	(29,715)	-	17,341
Erasmus EU funding	8,059	28,190	(4,500)	(4,754)	26,995
Total restricted funds	177,129	503,161	(483,651)	(4,754)	191,885
Unrestricted funds:					
Designated funds:					
Family Support Fund	1,000	-	-	-	1,000
Nursery Support Fund	25,071	-	-	29,996	55,067
Total designated funds	26,071	-	-	29,996	56,067
General funds	912,251	2,448,543	(2,348,675)	(25,242)	986,877
Total unrestricted funds	938,322	2,448,543	(2,348,675)	4,754	1,042,944
Total funds	1,115,451	2,951,704	(2,832,327)	-	1,234,829

14b Movements in funds (prior year)

	At 31 March 2020 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
Special Education Needs	43,098	6,864	(24,485)	-	25,477
Family Support: Children's Centre	110,809	420,464	(405,431)	-	125,842
Lorrimore Fund	389	-	(389)	-	-
EYPP	3,534	1,256	-	-	4,790
Alexandra Rose Charity Grant	6,021	33,585	(26,645)	-	12,961
Erasmus EU funding	3,290	-	4,769	-	8,059
Total restricted funds	167,141	462,169	(452,181)	-	177,129
Unrestricted funds:					
Designated funds:					
Early Years Deprivation Supplement	112,044	58,191	(2,347)	(167,888)	-
Repairs and maintenance	46,000	-	-	(46,000)	-
Fixed Asset Fund	28,944	-	(12,863)	(16,081)	-
Family Support Fund	-	-	-	1,000	1,000
Nursery Support Fund	-	-	-	25,071	25,071
Total designated funds	186,988	58,191	(15,210)	(203,898)	26,071
General funds	641,760	2,139,963	(2,073,370)	203,898	912,251
Total unrestricted funds	828,748	2,198,154	(2,088,580)	-	938,322
Total funds	995,889	2,660,323	(2,540,761)	-	1,115,451

14 Movements in funds (continued)

Purposes of restricted funds

Special Educational Needs

These funds are used to provide additional support for children in the Nursery with special education needs.

Family Support

The Family Support fund represents funds from the London Borough of Southwark to help run Family Support and Training services at 1st Place Children and Parents' Centre.

Lorrimore fund

These funds were used to provide initial support for the new Nursery at Lorrimore Square which opened in November 2015. The balance represents the net book value of the capitalised improvements works.

EYPP

These are funds received for the Early Years Pupil Premium (EYPP) to support disadvantaged children in the Nursery. During the year, the conditions attached to these funds were updated by Southwark Council, requiring the funds to be recognised as restricted.

Alexandra Rose Grant

For distribution of Alexandra Rose Charity Fruit & Veg vouchers during the next year to local families in need.

Erasmus EU Funding

These funds are for educational visits to participating EU countries to aid development of future leaders and leadership skills among existing staff. Due to covid-19, the trips in 2020 were cancelled and so expenditure relating to these has been written back to the fund but the remaining funding will be used for future planned visits.

Purposes of designated funds

The **Early Years Deprivation Supplement** is given to nurseries to help young learners from disadvantaged areas receive the best start to their education. The Trustee Board have decided to designate this funding for education activities or similar that are not mandatory OFSTED requirements.

The **repairs and maintenance fund** has been approved by the Trustee Board for the purpose of essential maintenance works required at Chumleigh Gardens, and at Lorrimore Square following the feedback from prospective parents. Within this fund is also designated costs for an essential infrastructure upgrade to the IT systems, and expected recruitment costs for the following year.

The **Fixed asset fund** represents the Charity's holding of fixed assets. Fixed assets are considered to be not easily realisable and, in accordance with the SORP, should not be represented by free general funds. The fund balance carried forward is equal to the net book value of the fixed assets which have been purchased by unrestricted funds.

The **Family Support Fund** is there to support families who encounter short term crises and do not have the available funds to address a short term need for example support to move home when being re-housed at short notice, or a family with no recourse to public funds whose main source of income is lost due to short term illness or hospitalisation.

The **Nursery Support Fund** has been created to support nursery families whose circumstances have changed, creating short-term financial pressure affecting their ability to maintain their child's attendance at a 1st Place nursery, or that family income in the short term will not cover the amount of hours their child needs to attend in order for parents/carers to work or study.

Notes to the financial statements

For the year ended 31 March 2022

15 Reconciliation of net income to net cash flow from operating activities

	2022	2021
	£	£
Net income for the reporting period (as per the statement of financial activities)	119,378	119,562
Depreciation charges	22,132	16,547
Dividends, interest and rent from investments	(362)	(206)
Decrease/(increase) in debtors	217,018	(264,043)
Increase in creditors	10,870	75,004
Net cash provided by operating activities	369,036	(53,136)

16 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2022	2021	2022	2021
	£	£	£	£
Less than one year	26,000	39,533	-	25,412
One to five years	64,000	96,800	-	-
Over five years	58,667	88,733	-	-
	148,667	225,067	-	25,412

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.