

Company number: 05424738

Charity number: 1120124

1st Place Children and Parents' Centre Ltd.

Report and financial statements

For the year ended 31 March 2021

Contents

For the year ended 31 March 2021

Reference and administrative information	1
Chair of Trustees' report	3
Trustees' annual report	5
Independent auditor's report	20
Statement of financial activities (incorporating an income and expenditure account)	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27

Reference and administrative information

For the year ended 31 March 2021

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 (Appointed 2019)
Philip Wilkins Treasurer
Ben Asmah
Heba Ayoub – Appointed December 2020
Symon Bacon – Appointed December 2020
Ana Brito – Resigned November 2020
Douglas Buist
Lucy Brazener
Alan Dallas
Ruth Francis – Appointed December 2020
Lucy Grove – Appointed December 2020
Anna Hessenbruch
Anna Jenkins – Resigned August 2020
Nigel Lloyd
Darren Mason
Raquel Manana – Resigned January 2021
Catherine McKenzie – Resigned November 2020
Heather Munn
Wenli Tsai – Appointed December 2020

Key management personnel Nicola Howard Director and Company Secretary

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

1st Place Children and Parents' Centre Ltd.

Reference and administrative information

For the year ended 31 March 2021

Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL
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Chair of the Trustees' report

For the year ended 31 March 2021

Chair of the Trustees' Report

"This is the time to be slow, Lie low to the wall
Until the bitter weather passes.
Try, as best you can, not to let the wire brush of doubt
Scrape from your heart all sense of yourself
And your hesitant light.
If you remain generous, time will come good;
And you will find your feet again on fresh pastures of promise,
Where the air will be kind and blushed with beginning."

John O'Donoghue (1956 – 2008)

Welcome to the latest Annual Report of 1st Place. It has certainly been a momentous year and not in the way that we would have wished. As we now slowly emerge from a third and substantially longer lockdown (with the sincere hope that it is our last), I came across this poem by John O'Donoghue which seemed a fair reflection of our past 12 months.

1st Place entered a very difficult year, weathering the uncertainty and chaos of the pandemic while doing our best to continue delivering much needed services within the constraints of ever changing Government guidance. As always, the priority was our families, particularly those at risk of becoming more vulnerable and socially isolated during the difficult circumstances of COVID-19. Quickly adapting established ways of working and shifting face-to-face services online posed many challenges. I am proud to say that our team excelled, fully embracing the virtual world to enable our families to continue accessing support, advice and play/learning activities. However, this did shine a spotlight on the levels of digital inequality in existence, which need to be addressed within our wider community.

Although day-to-day service looked a little different, it still continued and alongside this, additional offerings in response to the new needs of families within our locality and beyond. Our Chumleigh Gardens site became an emergency base for support, we worked with our partners at Pembroke House to distribute food parcels, we hosted a central COVID-19 information resource on our website and compiled and distributed family activity packs. The continued success of the Rose Vouchers for Fruit and Veg Project throughout the lockdown period also saw the distribution of 135,479 vouchers in Southwark, more than the combined work of all the projects nationally. 1st Place truly was a beacon of light in the darkest days of COVID-19.

Throughout this time, our staff have shown a steadfast commitment to our families, even though many faced their own personal challenges. With the diligent and supportive leadership of our Director, Nicki, our staff ensured that our children were healthy, supported and continued to thrive. We could not have asked for more and our families have been quick to show appreciation of their efforts.

With site closures and changing family circumstances affecting nursery attendance, there has inevitably been a financial impact from COVID-19. We were, however, keen to support our families

Chair of the Trustees' report

For the year ended 31 March 2021

and suspended fees for existing nursery children during the first lockdown thanks to our financial reserves. Many thanks to our trustees who continued to help keep the cogs turning.

Although the effects of this pandemic will undoubtedly still be felt over many years to come, we remain determined to move forwards. As we look to the future and the 'fresh pastures of promise' that this new world will bring, I am ever confident that 1st Place will not only survive, but thrive.

Best wishes

Karen Walker

Chairperson, Board of Trustees

Trustees' annual report

For the year ended 31 March 2021

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 2021.

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.

Trustees' annual report

For the year ended 31 March 2021

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:

- Enabling Children to Achieve their Potential.
- Customer & Community Focussed.
- High Performing Teams.
- Financial Sustainability.

Our partners during 2020/21

- University College of Osteopathy
- Bede House
- Homestart Southwark
- National Children's Bureau
- Place2Be
- 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)
- GSST Community Nutritionist

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

Achievements and performance

2020–2021 has undoubtedly been an unprecedented year of challenge with a global pandemic that has touched the lives of everyone and tested us all. Amongst the chaos and uncertainty of the COVID–19 crisis, 1st Place continued to deliver its services in the most challenging of circumstances.

To accommodate COVID–19 restrictions, we quickly adapted the delivery of our services and adopted different ways to sustain regular contact with our service users. The whole team rose to the challenge of learning how to manage new technology, maintain partnerships and working relationships while working remotely and through furlough. Keeping in touch with children and their families during two periods of lockdown also called on the skills of the team to adapt to individual needs. From concerns for personal health as COVID–19 infection rates increased, to the increase of food insecurity, child development concerns, mental health and social isolation, the willingness of parents to work with us and try new things was testament to the skills of the team in building trusting, supportive relationships. We would never have imagined a Stay and Play session could work using video conferencing software, but as we reach the end of a year living with COVID–19, it has become very much part of our day-to-day work. However, although technology played an important role in this, it highlighted the levels of digital inequality within our community, which COVID–19 brought to the fore.

The need to respond quickly to the needs of families in our community highlighted the importance of our partnerships, especially those within the local community and voluntary sector. Our ability to respond quickly meant that in some instances, we were developing or leading the coordination of resources or services within our locality and the wider borough.

At the heart of this were our staff who put the needs of our families first so that we could continue to operate at a time when we were needed the most. We are indebted to our staff, our families and our partners for their unwavering support and commitment to 1st Place over the past year.

Early Education

During this exceptional year, 268 children attended our full day care and 132 children attended our sessional provision. 44 children with identified needs attended our nurseries, with 4 having an Education, Health and Care Plan (EHCP) in place before they went to school. We have made a commitment to increase the number of staff who work exclusively to support children with SEND, and there are now four staff working across three sites.

During the first lockdown, our Chumleigh Gardens site remained open, providing nursery places for children of key workers from all our sites as well as some families whose regular nurseries had closed. Around 20 children attended the nursery during this period.

During the pandemic, in line with Government guidance, we implemented a range of measures to protect our children, families and staff and to minimise the risk of COVID-19. This included changes to drop off and pick up procedures at all of our nursery sites to maintain social distancing. We also regularly reviewed COVID-19 risk assessments and procedures in line with the regular updates from the Department for Education and Public Health England.

Children returned on a phased basis from 1 June 2020, with the majority having returned by the end of July. Term-time only children re-joined in September. We introduced 'bubbles' in all our nursery groups and this enabled us to isolate any cases of COVID-19 and positive tests were reported to Ofsted and Southwark Public Health who both advised on the isolation and notification of those who may be affected. Throughout the COVID-19 crisis, both 1st Place employees and families were immensely supportive and encouraging. Nursery parents contacted us with positive feedback and requests for how they could show their support and appreciation for nursery staff.

Although the second lockdown did not affect our ability to open all of our sites fully, the changing circumstances of existing and prospective families had an impact on nursery occupancy including deferred start dates and some withdrawals due to changes in family circumstances.

In December 2020, we welcomed a new Atelierista at our Cambridge House site who will continue to develop capacity on our other sites. To make a connection with the children and encourage them to explore and discover the new studio space, the Atelierista developed a series of different projects linked to our children's interests and discussions with their adults. This included impermanence, light and transparency, and night and day.

Unfortunately, due to COVID-19, we were unable to mark the significant points in the year for our children and their families. The 'graduation' events for children leaving to go to school in September 2020 were held virtually, and our traditional Christmas celebrations were limited to children within in their respective bubbles, with the Blue Elephant Theatre performing special shows for the children on site. The Family Services team provided additional Christmas packs, which were delivered to family homes in the weeks before Christmas.

The COVID-19 pandemic has resulted in our planned Erasmus+ visit to Riga, Latvia in May 2020 being postponed, and with ongoing travel limitations this may be cancelled. Our application for a second round of Erasmus+ funding in 2020 was successful and will enable staff to undertake training in Iceland, Poland and Italy, but until the COVID-19 travel restrictions are eased, it will not be possible to know when this will be.

Supporting our Families through Children and Family Centre Services

Over the past year, we continued to provide services through our Children and Family Centre, both through one to one family support, targeted specialist services such as speech and language therapy and nutrition and dietetics, as well a variety of services such as art and crafts, and storytelling sessions.

In April 2020, we took the decision to move the Family Services team to our smaller Children and Family Centre site at Victory Primary school, creating a team 'bubble' and reducing the number of adults at the Chumleigh Gardens site. Our Community Family Workers maintained regular contact with families by telephone and video conferencing.

During COVID-19, the focus was on the wellbeing of children, making sure that they were healthy and continuing to thrive during the difficult circumstances. We wanted to ensure that children and their parents were not socially isolated, and as we settled into lockdown, that they were encouraged to leave their homes safely. However, the pandemic posed a number of challenges particularly around the delivery of our services, the majority of which are delivered face-to-face.

During lockdown, we delivered a range of virtual play learning sessions on a one-to-one basis and in small groups, and produced a number of short videos including rhyme time. We also led on the compilation and distribution of play and activity packs for families across the London Borough of Southwark.

As lockdown eased, we delivered more face-to-face sessions. Our Community Family Workers were able to meet for one-to-one sessions with families particularly those who have limited access to IT and data. These sessions took place at Victory Children and Family Centre, as part of doorstep home visits and meetings or walks in outdoor spaces such as the local park. They provided an opportunity for our Community Family Workers to see the children regularly and to check their wellbeing as well as the wellbeing of their parents/carers.

Many families, often with older children were supporting their access to the school curriculum from a single smart phone with limited data. Joining Children and Family Centre activities was often not the priority. To support this, we purchased low cost tablets and applied for grants to give families access to laptops and home Wi-Fi. However, COVID-19 highlighted the levels of digital inequality, which cannot be addressed simply through the provision of IT hardware.

Keen to further extend our support, we developed and hosted a central COVID-19 information resource on our website for families with children under five from across the borough. This included links to advice, support, guidance and wellbeing as well as activities for under 5's.

As the second lockdown came into force in December, we distributed a second wave of activity packs to families receiving Universal + and Universal ++ support, as well as all families with children under one.

To ensure that the locality teams were supporting each other and continuing to develop services, two virtual Children and Family Centre Whole Team Service days were held online. The Children and Family Centre hubs have been working together to review our work with families in the context of Black Lives Matter with a view to changing existing systems and resources. In response to feedback from staff and service users, this has focused on resources, recruitment and staff support, staff training, training for parents, and data. This work continues.

Partnerships

Our partnerships with statutory and voluntary sector organisations have continued to be invaluable and have enabled us to quickly adapt and deliver our much needed services in difficult circumstances.

Our Chumleigh Gardens site acted as a base for emergency support within the Borough, Bankside & Walworth locality with services coordinated by Southwark Council and other voluntary groups. In partnership with Pembroke House, we distributed emergency food parcels on a weekly basis to 60 of the families that we work with. Families also received cooked food deliveries once a week via the community kitchen at Southwark Tigers Rugby Club.

This work continues through the food insecurity scheme run by Pembroke House and as members of the Southwark Food Action Alliance, we are helping to develop an ongoing food insecurity plan.

In spite of the challenges posed by the pandemic, we are proud to have maintained and developed the Rose Vouchers for Fruit & Veg Project in partnership with the Alexandra Rose Charity. Apart from a short time when East Street Market was closed, the project continued throughout the lockdown period. Over the past year, we have supported 298 new families, with a total of 652 benefitting from the scheme which helps them to eat healthier. This year, 1st Place distributed 135,479 vouchers in Southwark, more than the combined work of all the projects nationally.

In response to the increase in food insecurity during the pandemic, our funder Guys & St Thomas' Charitable Trust agreed to extend registration to the scheme to any family receiving one-to-one support through Southwark Children and Family Centres. With market traders in Peckham now registered to accept Rose Vouchers, families in the south of the borough also have less distance to travel to redeem them. Due to the impact of COVID-19, the project has been extended until the end of 2022, with the aim that 1,000 families will be registered.

More volunteers are being trained and new partnerships with Pembroke House and Draper Together are joining those already established with PACT and St Giles Trust.

Customer & Community Focused

During the period of lockdown over the last year, maintaining regular contact with families was a priority. With daily information from Public Health England and the Department for Education, the need to keep service users and staff up to date was paramount.

At the start of the pandemic, we issued weekly e-mail updates and urgent notifications to nursery families using the Blossom Educational app. This proved invaluable and we have continued this format with the intention of supplementing updates with articles on pedagogy and the documentation of children's projects.

Trustees' annual report

For the year ended 31 March 2021

During the first lockdown, each nursery ran weekly Zoom sessions so that children could stay in touch with their Key Person. Videos of children's activities that could be done at home (such as yoga and arts and crafts) were also produced and published on the 1st Place YouTube channel for families.

We also worked with Southwark Council and Pembroke House to produce several short films to encourage families to take children outside to play, as well as to return to school and nursery. These were shared through a number of channels such as The Hub page on the 1st Place website as well as the Southwark Children and Family Centres YouTube channel.

Virtual Parents' Forums were introduced and have continued to be held on a monthly basis with a focus on specific themes such as the Reggio Emilia approach and maths in early years. Live virtual tours as well as a video of each site were also introduced, and a new prospectus to continue to attract new families, along with a socially distanced open day at our Lorrimore Square nursery in October.

In November 2020, our annual 'We Are 1st Place' event was held online and was well attended by partners and families. This event saw the launch of our new 1st Place film and Impact Report, and a speech by our partner Bede House.

To inform and reassure staff during the COVID-19 crisis, e-mail updates were sent on a weekly basis. This has continued and has been extended to include general non-COVID-19 news. 'Working Safely Together' guidance was also produced outlining measures that were implemented to manage the risk of the virus. The move to virtual all staff forums has proven popular, making it easier to bring together colleagues from all sites and therefore increasing attendance. These forums have provided an opportunity for staff and trustees to meet and chat on an informal basis.

High Performing Teams

Staff wellbeing has continued to be a priority. Although a number of staff had COVID-19 symptoms to varying levels of severity, thankfully, no one has been admitted to hospital. While we registered for staff to be tested, symptomatic staff were able to access the test centre in the Burgess Park. Rapid flow tests were introduced on our Chumleigh Gardens site in March 2020 with home testing kits also made available to staff.

While the COVID-19 pandemic has affected the lives of the whole staff team, the effects of the murder of George Floyd in the USA and the resulting Black Lives Matter protests had a significant impact on our team, of which over 50% are of non-white European heritage. In response to Black Lives Matter and to create meaningful change at 1st Place, a 'Tackling Racism at 1st Place' survey was launched. Staff, volunteers and trustees shared their views on their experiences of racism, 1st Place's response to racism and where we needed to make improvements. This was shared with both staff and Trustees, and the actions resulting from the findings and discussion will form part of the future three-year strategy.

At the end of September 2020, a Black Lives Matter group consisting of staff from across all teams and levels was established. The group have been meeting on a weekly basis, providing a safe space

Trustees' annual report

For the year ended 31 March 2021

for staff and Trustees to start a conversation, share their experience, learn from others and debate about what Black Lives Matter means at 1st Place, to our team and our service users. As part of our ongoing commitment, the group will be helping to develop a 1st Place Mission Statement and Equity, Diversity and Inclusion (EDI) Charter. Equity, Diversity and Inclusion leads for each department will be recruited and trained, and will play a lead role in the induction of staff and raising EDI matters at leadership and Board level.

During the lockdown period, staff on site were offered free lunch to reduce the need to be off site at break times. We also made changes to the staff rooms on each site including the introduction of shiatsu massage chairs. Perkbox (our staff discount scheme) was also adapted to reflect the changing needs of staff during COVID-19 including access to counselling sessions.

To further support the health of our staff and families during the COVID-19 crisis, we offered flu vaccinations on site in November 2020, and surplus vaccinations were offered to nursery parents. It is planned to make this an annual offer to both staff and parents to provide ease of access to appointments and improve immunity within our immediate community.

Results from a Staff Wellbeing Survey showed that staff felt well-informed and well connected to their team, knew what was expected of them and where to get support at 1st Place. Understandably, their main concerns were about exposure to COVID-19 and the health and wellbeing of loved ones.

Staff pay continued to be a focus for Trustees and senior managers. A full salary benchmarking exercise was undertaken through the engagement of an external company and a more comprehensive Remuneration Policy has been developed including reference to staff benefits. We are investigating the provision of additional benefits such as Death in Service.

We have reviewed our organisational structure including reducing the number of direct reports for line managers and allocating line management within both the Family Services and Business teams. This has freed the Director's time to focus on external partnerships and fundraising.

Financial Sustainability

Unsurprisingly, the COVID-19 pandemic has had a financial impact on 1st Place. To support our families during this challenging period, we used our financial reserves to suspend fees for existing nursery children during lockdown. As the first lockdown was announced, with the need to close all but two of our nurseries, the anticipated monthly loss of income was £100k. With the introduction of the Coronavirus Job Retention Scheme, £60k of this loss was mitigated. However, due to a proportion of our activity being funded through Government grants, not all staff were able to be furloughed. Like many charities and businesses, we had insurance cover in place to cover interruption of business, including those caused by contagious diseases. Over the last year, there have been legal challenges and High Court decisions relating to claims and we were in long and protracted negotiations with our insurers regarding compensation.

As the nurseries returned in June 2020, following the easing of restrictions, the closure of nursery bubbles due to self-isolation and the changing circumstances of existing and prospective families had a knock-on effect on nursery attendance. As a result, we took the decision to implement a clause in our nursery contract where the impact was shared. Parents paid for one week of the self-isolation period and no charge was made for the second. In addition to this, we offered additional support to staff, regardless of their roles. Government guidance stipulated sick leave to be taken during periods of self-isolation, but 1st Place staff were required to work one week from home, and only take the second week as sick leave. Any staff who had used their company sick pay were able to take annual leave.

Over the past year, there has been a focus on working more closely with senior managers to regularly review management accounts and to further develop their financial management skills. The Senior Management Team have also had a more active role in the budget setting process. There has been particular attention on staffing within all teams, ensuring that we are allocating staff as accurately as possible so that staff can work across more than one site post-COVID-19. We are also reviewing systems and investigating ways of integrating invoicing with nursery management software.

The Children and Family Centre budget has been reviewed in advance of the new commissioning period. With no increase in the budget allocation since 2016, the funding is becoming increasingly tight, and with the core offer associated with the agreement yet to be shared, how the funds are deployed is likely to change.

Lockdown presented the Facilities team with periods of time where there were fewer people on site, and this enabled a number of repairs and improvements to be undertaken on our sites. This included repainting the community spaces at the Chumleigh Gardens site, a re-fit of the Sensory Room, a new alarm system and the installation of a new play equipment.

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, ending 31 March 2020, broke from a run of 3 years of continuous strong financial performance. We recognised the principal reasons as being a substantial increase in pay rates at all levels in that year, which had been a strategic planned action to reward our staff.

We expected this past year ending 31 March 2021, to see a return to strong financial performance as we had increased nursery fees and regained controls over occupancy.

But no-one, and certainly not ourselves, could have anticipated the major disruption to every aspect of our business caused by the Covid-19 pandemic. I alluded to this in my last year's Finance Review by which time the most disrupted period of April & May 2021 had passed and no further lockdowns of pre-school nursery provision were activated by Government.

However, as a result of a combination of factors, parents working from home, parents out of work or parents not covered by the Government's many financial support programmes, our Occupancy levels were significantly below normal.

It is to the great credit of our staff led by Nicki Howard and her Senior Management Team, that they adapted at very short notice to the various changes in regulations and thereby minimised the losses in what could have been a very damaging year.

The initial overall financial outcome was that our General & Designated Reserves were reduced by £(74,458) to £754,290 and our Restricted Reserves were reduced by £(51,548) to £115,593. In comparison to many other charities in our sector, this was still a strong position and equates to 4.3 months cover of Expenses relating to General Funds activities and 2.7 months cover for Restricted Funds activities. Overall we closed the year with Total Funds representing 4.0 months cover of Expenses, which is in line with good charity governance practice.

As mentioned in last year's Finance Review, we continued to pursue a claim under our Business Interruption Insurance policy. This has been a very drawn-out process because neither the Insurers nor the Insured, had truly anticipated the impact of a global pandemic. Initially our insurers took a very rigid, hard line approach and decided that we didn't meet the very narrow criteria for a successful claim.

However, we submitted a formal complaint to them and also via the Finance Ombudsman Service. In September 2020 the Financial Conduct Authority became involved on behalf of insured companies and after lengthy court proceedings and a successful appeal against certain decisions not to pay, insurers were obliged to reconsider early decisions and in some cases accept lower levels of proof of claim.

1st Place's scenario fell into this category and we resubmitted our claim. Since the year end we have been informed that we have been successful in this claim. The related claim income of £245,568 has

now been included within the financial statements as seen in note 3 as other income and note 11 as accrued income.

Following this, the overall financial outcome was that our General & Designated Reserves were increased by £109,574 to £938,322 and our Restricted Reserves were increased by £9,988 to £177,129. This now equates to 5.4 months cover of Expenses relating to General Funds activities and 2.9 months cover for Restricted Funds activities. 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. While the support received through the Coronavirus Job Retention Scheme has been of immense support during the last year, we would not have maintained the level of operations during this time without reserves to support us.

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

Free reserves at 31 March 2021 were £912k, an increase of £271k on 31 March 2020. This is equal to 5.2 months of total expenditure and so above the targeted level set by the Board of Trustees.

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 Foundation received no complaints relating to its fundraising practice.

Plans for the future

Over the next year, we will:

- Review our Vision, Mission and values to ensure that they are fit for purpose.
- Explore and develop the role and impact of 1st Place within the local and wider community.
- Review and develop our Family Support Service and Early Education offer to ensure that it fulfils the needs of local children and their families.
- Nurture our existing partnerships and pursue new opportunities that will enable us to expand our services and overall reach.

Trustees' annual report

For the year ended 31 March 2021

- Develop and diversify our income streams, proactively exploring opportunities so that we can invest in growth.
- Continue ensuring that 1st Place is the best place to work with a particular focus on staff wellbeing.
- Fulfil our commitment of 1st Place being an organisation where equity, inclusion and opportunity is a reality for everyone.

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 likely impact of any decision on our public reputation, especially amongst our service users and stakeholders.

Performance Management

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.
- Enhances the quality of workforce performance.
- 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.

Appropriate mitigating actions are implemented by the Director and senior management team to address the residual risks, mitigating them to a level the Trustees considers 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. The Operations manager attended training in relation to risk identification and management within the charitable sector to further inform the work of this group.

Principle risks and uncertainties are assessed for impact and likelihood. The highest risk areas have been identified as follows:

- On-going impact of COVID-19, in light of closures of education provision during periods of lockdown, resulting in periods of closure at two of our nurseries. The need to remain in state of preparedness to mitigate issues that may affect capacity and staffing will be essential along with continuation of testing and promotion of vaccine update with staff and service users.
- Failure to generate sufficient income – Regular monitoring of occupancy using latest nursery management software so that trends can be identified and forward planning by term is effective so that waiting lists can be maintained. Performance as Children and Family Centre maintained at a high levels so that funding continues. Ensuring that standards are maintained with Ofsted at

Trustees' annual report

For the year ended 31 March 2021

Good or Outstanding through investment in recruitment of well qualified staff and investment in ongoing CPD.

- 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.

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.

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 4 November 2021 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 (the 'charitable company') for the year ended 31 March 2021 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 2021 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'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)

11 November 2021

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 2021

	Note	General £	Designated £	Restricted £	2021 Total £	General £	Designated £	Restricted £	2020 Total £
Income from:									
Donations and legacies		3,717	–	–	3,717	20,607	–	–	20,607
Charitable activities									
Children's Centre Services	2a	1,404	–	454,049	455,453	11,940	–	434,583	446,523
Chumleigh Nursery	2a	675,081	18,663	6,366	700,110	819,183	18,026	3,837	841,046
Cambridge House Nursery	2a	671,310	17,430	682	689,422	795,786	16,405	396	812,587
Lorrimore Nursery	2a	376,210	22,098	1,072	399,380	532,078	20,124	19,881	572,083
Investments		206	–	–	206	695	–	–	695
Other	3	412,035	–	–	412,035	10,535	–	–	10,535
Total income		2,139,963	58,191	462,169	2,660,323	2,190,824	54,555	458,697	2,704,076
Expenditure on:									
Raising funds	4	10,757	–	–	10,757	12,683	–	–	12,683
Charitable activities									
Children's Centre Services	4	–	–	432,076	432,076	–	–	464,537	464,537
Chumleigh Nursery	4	731,031	10,079	3,001	744,111	793,458	9,694	11,936	815,088
Cambridge House Nursery	4	766,270	2,904	3,564	772,738	793,950	3,416	10,816	808,182
Lorrimore Nursery	4	565,312	2,227	13,540	581,079	603,758	4,823	34,137	642,718
Total expenditure		2,073,370	15,210	452,181	2,540,761	2,203,849	17,933	521,426	2,743,208
Net income / (expenditure) for the year		66,593	42,981	9,988	119,562	(13,025)	36,622	(62,729)	(39,132)
Transfers between funds		203,898	(203,898)	–	–	(21,939)	21,939	–	–
Net movement in funds		270,491	(160,917)	9,988	119,562	(34,964)	58,561	(62,729)	(39,132)
Reconciliation of funds:									
Total funds brought forward		641,760	186,988	167,141	995,889	676,724	128,427	229,870	1,035,021
Total funds carried forward		912,251	26,071	177,129	1,115,451	641,760	186,988	167,141	995,889

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.

Balance sheet

Company no. 05424738

As at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	10		39,203		31,852
			39,203		31,852
Current assets:					
Debtors	11	270,251		6,208	
Cash at bank and in hand		1,133,111		1,209,939	
		1,403,362		1,216,147	
Liabilities:					
Creditors: amounts falling due within one year	12	327,114		252,110	
Net current assets			1,076,248		964,037
Total net assets	13		1,115,451		995,889
The funds of the charity:	14				
Restricted income funds			177,129		167,141
Unrestricted income funds:					
Designated funds		26,071		186,988	
General funds		912,251		641,760	
Total unrestricted funds			938,322		828,748
Total charity funds			1,115,451		995,889

Approved by the trustees on 4 November 2021 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 2021

	Note	2021	2020
		£	£
Cash flows from operating activities	15		
Net cash provided by operating activities		(53,136)	(23,763)
Cash flows from investing activities:			
Dividends, interest and rents from investments		206	695
Purchase of fixed assets		(23,898)	(21,660)
Net cash used in investing activities		(23,692)	(20,965)
Change in cash and cash equivalents in the year		(76,828)	(44,728)
Cash and cash equivalents at the beginning of the year		1,209,939	1,254,668
Cash and cash equivalents at the end of the year		1,133,111	1,209,939

Notes to the financial statements

For the year ended 31 March 2021

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 2021

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	5.0%
● Children's Centre Services	10.0%
● Chumleigh Nursery	28.0%
● Cambridge House Nursery	28.0%
● Lorrimore Nursery	29.0%

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 2021

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 2021

2a Income from charitable activities

	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

Notes to the financial statements

For the year ended 31 March 2021

2b Income from charitable activities (prior year)

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
LB of Southwark: Children's Centre	–	420,463	420,463	420,463
Alexandra Rose Charity Grant	–	14,120	14,120	–
Creche Fees	11,940	–	11,940	19,172
Sub-total for Children's Centre Services	11,940	434,583	446,523	439,635
LB of Southwark – free education entitlement	211,029	–	211,029	265,193
Nursery Fees	608,154	–	608,154	621,482
LB Southwark: Special Education Needs (SEN)	–	3,010	3,010	3,989
LB Southwark: Deprevation fund	18,026	–	18,026	18,028
Early Years Pupil Premium (EYPP) Grant	–	827	827	1,908
Erasmus EU funding	–	–	–	9,857
Sub-total for Chumleigh Nursery	837,209	3,837	841,046	920,457
LB of Southwark – free education entitlement	166,885	–	166,885	209,705
Nursery Fees	628,901	–	628,901	603,909
LB Southwark: Special Education Needs (SEN)	–	396	396	1,408
LB Southwark: Deprevation fund	16,405	–	16,405	13,579
EYPP Grant	–	–	–	199
Erasmus EU funding	–	–	–	9,857
Sub-total for Cambridge House Nursery	812,191	396	812,587	838,657
LB of Southwark – free education entitlement	189,619	–	189,619	201,817
Nursery Fees	342,459	–	342,459	342,250
LB of Southwark – refurbishment grant	–	–	–	–
LB Southwark: Special Education Needs (SEN)	–	19,165	19,165	14,218
LB Southwark: Deprevation fund	20,124	–	20,124	16,554
EYPP Grant	–	716	716	1,010
Erasmus EU funding	–	–	–	9,857
Sub-total for Lorrimore Nursery	552,202	19,881	572,083	585,706
Total income from charitable activities	2,213,542	458,697	2,672,239	2,784,455

3 Income from other sources

	Unrestricted £	2021 Total £	Unrestricted £	2020 Total £
CJRS grant	165,717	165,717	–	–
Business Interruption Insurance claim	245,568	245,568	–	–
Other income	750	750	10,535	–
	412,035	412,035	10,535	–

All other income is unrestricted.

Notes to the financial statements

For the year ended 31 March 2021

4a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities				Governance costs £	Support costs £	2021 Total £
		Children's Centre Services £	Chumleigh Nursery £	Cambridge House Nursery £	Lorrimore Nursery £			
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
Total expenditure 2020	12,683	464,537	815,088	808,182	642,718	-	-	

Of the total expenditure, £2,088,580 was unrestricted (2020: £2,221,782) and £452,181 was restricted (2020: £521,426).

Notes to the financial statements

For the year ended 31 March 2021

4b Analysis of expenditure (Prior year)

	Cost of raising funds £	Charitable activities					Support costs £	2020 Total £
		Children's Centre Services £	Chumleigh Nursery £	Cambridge House Nursery £	Lorrimore Nursery £	Governance costs £		
Staff costs (Note 6)	–	279,590	513,279	462,036	373,574	–	345,218	1,973,697
Other staff costs	–	1,330	33,391	28,398	15,776	–	54,185	133,080
Direct costs	–	23,831	34,438	36,394	21,441	–	12,491	128,595
Premises costs	–	49,827	31,510	61,702	36,585	–	33,256	212,880
Rental equipment	–	3,118	1,316	603	425	–	21,351	26,813
Utilities	–	2,035	15,242	5,522	11,424	–	44,171	78,394
Office costs	–	11,871	9,203	9,131	14,325	3,075	41,570	89,175
Legal and professional fees	–	3,936	3,344	1,060	1,060	9,960	30,305	49,665
Promotion	–	906	340	340	1,268	–	8,038	10,892
Depreciation	–	2,570	6,905	137	18,546	–	6,561	34,719
Bad debt	–	–	49	694	140	–	4,415	5,298
	–	379,014	649,017	606,017	494,564	13,035	601,561	2,743,208
Support costs	12,031	84,219	162,421	198,515	144,375	–	(601,561)	–
Governance costs	652	1,304	3,650	3,650	3,779	(13,035)	–	–
Total expenditure 2020	12,683	464,537	815,088	808,182	642,718	–	–	2,743,208

Notes to the financial statements

For the year ended 31 March 2021

5 Net (expenditure) for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	16,547	34,719
Operating lease rentals:		
Property	121,346	138,425
Other	24,225	26,716
Auditor's remuneration (excluding VAT):		
Audit	8,500	8,300
Other services	1,850	1,800

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	1,829,307	1,796,857
Social security costs	129,277	118,569
Redundancy and termination costs	–	7,000
Employer's contribution to defined contribution pension schemes	62,031	51,271
	2,020,615	1,973,697

No employee earned more than £60,000 during the year (2019: nil).

The total employee benefits including pension contributions of the key management personnel were £473,340 (2020: £441,128).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

There were no trustee expenses representing the payment or reimbursement of travel and subsistence costs (2020: £nil).

7 Staff numbers

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

	2021 No.	2020 No.
Raising funds	–	–
Children's Centre Services	12.0	17.0
Chumleigh Nursery	37.2	34.1
Cambridge House Nursery	37.2	42.9
Lorrimore Nursery	29.0	26.5
Support	15.8	18.1
Governance	–	–
	131.2	139.6

Notes to the financial statements

For the year ended 31 March 2021

8 Related party transactions

There are no related party transactions to disclose for 2021 (2020: 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	32,556	43,179	203,847	10,393	289,975
Additions in year	–	1,745	22,153	–	23,898
Disposals in year	(17,531)	–	(41,250)	–	(58,781)
At the end of the year	15,025	44,924	184,750	12,295	256,994
Depreciation					
At the start of the year	27,477	34,881	185,372	10,393	258,123
Charge for the year	2,128	5,762	8,657	–	16,547
Eliminated on disposal	(17,531)	–	(41,250)	–	(58,781)
At the end of the year	12,074	40,643	152,779	12,295	217,791
Net book value					
At the end of the year	2,951	4,281	31,971	–	39,203
At the start of the year	5,079	8,298	18,475	–	31,852

All of the above assets are used for charitable purposes.

11 Debtors

	2021 £	2020 £
Trade debtors	376	6,208
Accrued income	245,568	–
Prepayments	24,307	–
	270,251	6,208

Notes to the financial statements

For the year ended 31 March 2021

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	10,004	22,906
Taxation and social security	31,478	30,948
Other creditors	180,883	83,246
Accruals and deferred income	104,749	115,010
	327,114	252,110

13a Analysis of net assets between funds (current 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

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	28,944	2,908	31,852
Net current assets	641,760	158,044	164,233	964,037
Net assets at 31 March 2020	641,760	186,988	167,141	995,889

Notes to the financial statements

For the year ended 31 March 2021

14a Movements in funds (current year)

	At 1 April 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

14b Movements in funds (prior year)

	At 1 April 2019 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
Special Education Needs	38,345	22,571	(17,818)	–	43,098
Family Support: Children's Centre	146,784	420,463	(456,438)	–	110,809
Lorrimore Fund	15,572	–	(15,183)	–	389
EYPP	2,195	1,543	(204)	–	3,534
Alexandra Rose Charity Grant	–	14,120	(8,099)	–	6,021
Erasmus EU funding	26,974	–	(23,684)	–	3,290
Total restricted funds	229,870	458,697	(521,426)	–	167,141
Unrestricted funds:					
Designated funds:					
Early Years Deprivation Supplement	60,835	54,555	(3,346)	–	112,044
Repairs and maintenance	46,000	–	–	–	46,000
Fixed Asset Fund	21,592	–	(14,587)	21,939	28,944
Total designated funds	128,427	54,555	(17,933)	21,939	186,988
General funds	676,724	2,190,824	(2,203,849)	(21,939)	641,760
Total unrestricted funds	805,151	2,245,379	(2,221,782)	–	828,748
Total funds	1,035,021	2,704,076	(2,743,208)	–	995,889

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. The total funds brought forward and not spent in the year were transferred to restricted funds at 31 March 2018.

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 2019/20/21 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.

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 2021

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

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	119,562	(39,132)
Depreciation charges	16,547	34,719
Dividends, interest and rent from investments	(206)	(695)
(Increase)/decrease in debtors	(264,043)	4,677
Increase/(decrease) in creditors	75,004	(23,332)
Net cash provided by operating activities	(53,136)	(23,763)

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 2021 £	2020 £	Equipment 2021 £	2020 £
Less than one year	39,533	31,333	25,412	25,412
One to five years	96,800	64,000	–	15,815
Over five years	88,733	90,667	–	–
	225,067	186,000	25,412	41,227

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.

18 Adjusting post-balance sheet event

Since the year end, the charity has been informed that it has been successful in a claim under our Business Interruption Insurance policy that was submitted within the year but which held a high level of uncertainty and therefore had not been reflected in the accounts initially. Now this has been settled, the related claim income of £245,568 has been included within the financial statements as seen in note 3 as other income and note 11 as accrued income.