

Company number: 05424738

Charity number: 1120124

# 1st Place Children and Parents' Centre Ltd.

Report and financial statements

For the year ended 31 March 2023

## Contents

### For the year ended 31 March 2023

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Reference and administrative information .....	1
Chair of Trustees' report .....	2
Trustees' annual report .....	3
Independent auditor's report .....	17
Statement of financial activities (incorporating an income and expenditure account) .....	21
Balance sheet .....	22
Statement of cash flows .....	23
Notes to the financial statements .....	24

# 1st Place Children and Parents' Centre Ltd.

## Reference and administrative information

For the year ended 31 March 2023

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**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  
Alan Dallas  
Ruth Francis  
Lucy Grove  
Nigel Lloyd – End of term – January 2023  
Darren Mason – resigned January 2023  
Heather Munn  
Wenli Tsai  
Lornette Pemberton  
Georgia Papacleovoulou – Appointed January 2023  
Kate Newman – Appointed January 2023  
Diederik Wintershoven – Appointed January 2023  
Alice Little – Appointed January 2023  
Sue Tuttlebury – Appointed January 2023

**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

For the year ended 31 March 2023

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### Chair's Report

I am pleased to share with you the latest Annual report and audited accounts of 1st Place Children and Parent centre.

We have had another eventful and fulfilling year and I hope the report on the following pages will afford you a brief glimpse into the life of this very busy Children's & Family Centre and Nurseries.

The year began with an exciting trip in April 2022 to Italy as part of the final funding from the Erasmus study and how wonderful it was to hear about staff's experience of visiting and experiencing different approaches to early years care and education in a different country. It highlighted once again the commitment 1st Place has towards the staff team in enabling them to gain new experiences and to enjoy continuous professional development.

As our centres look to our staff and senior team to provide guidance and opportunities for continued learning for young children, so too does our wonderful Director Nicola Howard, look to supporting the staff team. I want to express the eternal gratitude of the board of Trustees to Nicki and to recognise here the dedicated and skilled way she leads her team. It is a testament to that leadership that this year we said farewell to our Manager at Chumleigh Gardens, Bunmi Adams, who had joined the team at 1st Place way back at the very beginning of the Children and Family Centre's journey. Having completed 17 years as Early Education Manager, the team gave Bunmi a lovely send off and we know that she is heading into new ventures.

Our work within the children and family centre continues to have many challenges, not least trying to support refugee families and you can read about this further into the report. The need for this ongoing important work is vital and the increasing cost of living makes it very difficult to ensure as many people are being offered the support they need. I, along with the Trustees, are so grateful for the continued hard work undertaken by Elena and her team, who never seem daunted by the task in hand and simply do their best every day.

The cost-of-living crisis has been a difficult one for the team to manage and once again we are delighted that the Rose Voucher scheme has been continued and is being used to great effect. Our volunteers do a fantastic job to ensure people register for them as they can be a real lifeline to help people afford fresh fruit and vegetables. Thank you to Ariela our Project Lead and all those amazing volunteers.

Thanks to our brilliant Treasurer and the dedicated work of the senior team 1st Place was able to offer support to all staff by helping with an extra payment during the cost-of-living crisis, details are contained within this report.

Finally, I want to mention, the very big changes that have happened at Cambridge House. It is with great sadness that we have to move out of the building after so many years of providing good to outstanding care and education to young children. I am afraid none of the efforts we made to try to remain in the building worked and we are now looking forward to our new space at the Elephant and Castle and will be reporting on its myriad successes I am very sure by this time next year. The Trustees and I send our very best wishes to the nursery team who managed the move in June 2023 so well and wish them every success.

My grateful thanks to all the contributors who make 1st Place such a wonderful place to be for children.

"People will forget what you said, people will forget what you did, but people will never forget how you made them feel." (Maya Angelou)

Best wishes, Karen Walker

## **Trustees' annual report**

### **For the year ended 31 March 2023**

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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 2023.

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, the aims of 1st Place 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 2022–2023**

- Bede House
- Homestart Southwark
- National Children's Bureau
- Friends of Burgess Park
- Learning Unlimited
- Community Southwark
- Solace Women's Aid
- Ripe Learning
- GSTT Midwifery
- GSTT Speech & Language Therapy
- Evelina London Community Nutritionists
- Evelina London Health Visitors
- South London & Maudsley Parental Mental Health Service
- St Paul's Church Lorrimore Square
- Pembroke House
- St George the Martyr
- Spring Community Hub
- Coin Street
- The Alexandra Rose Charity
- Impact on Urban Health

## **Achievements and Performance**

### **General**

As 1<sup>st</sup> Place completes its 18<sup>th</sup> year, we plan to review our organisational Vision & Values over the next year, to ensure that they are in line with the needs of our community and service users. This will include input from all our stakeholders – families, partners agencies, staff, and Trustees.

We began the year with a focus on re-establishing community and nursery services to their pre-COVID levels. By April 2022 we were able to welcome parents of nursery children back into the buildings – a full two years since they were paused due to the pandemic. Targeted services provided by partner organisations also regained the levels of attendance by the autumn.

The changes to the ownership at Cambridge House were a particular focus during the latter part of the year, as lines of communication not clear, there were difficulties establishing if we would be able to continue providing a service from this site. By February 2023 it became clear that a new home for this nursery was needed. While this period of uncertainty was difficult particularly for families and staff using this site, the support and commitment of all involved – across all our nurseries, the community and Trustees, enabled us to make the best of a difficult situation and achieve a positive result – a new site in Elephant and Castle.

As we enter the final year of our Children & Family Centre commissioning cycle, we began to consider how our area of benefit might change, and how we would fund services to support the families within it. 1<sup>st</sup> Place began as a charity supporting families with children under five in a specific geographic area, but as the requirements of our commissioned contract changed, our reach area became less specific. With the emergence of Family Hubs in the borough, the reach of our community services may be more clearly defined by the post March 2024 commissioning cycle.

## **1st Place at the Heart of the Community**

### **Early Education**

The senior managers worked to further develop SEND (Special Educational Needs and Disabilities) capacity across our sites with the appointment of a full time Special Educational Needs co-ordinator.

During the year we supported 44 children across three sites, with 14 receiving input from the Southwark SENDIF team. 5 children secured Education and Health Plans in readiness for having additional support when they started school. Speech, language and communication needs were identified for most of these children, or they were multi-language learners. 16 left for school with a need identified and a plan for support in place.

We welcomed the Southwark Hearing support service to the centre in September 2022, who run a monthly session for families of children who are hearing impaired. Led by a teacher of the deaf, the sessions are also attended by technicians who offer a CYPAC mould clinic.

In Spring 2023, Southwark secured funding to support families of children with Special Educational Needs and Disabilities through a 'Short Breaks' initiative. This offers play learning sessions and holiday clubs for children and young adults 0–25. It also aims to offer 'short breaks' for parents while their children are attending. 1<sup>st</sup> Place is

## Trustees' annual report

### For the year ended 31 March 2023

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hosting a monthly Saturday session for children 0–8, in addition to our weekly weekday session for children under 5.

Places in our nurseries continue to be popular, with word of mouth being the most reliable form of publicity. New families also find us when accessing wider services delivered through the Southwark Children & Family Centre programme. They are also attracted by our purpose-built flagship building in Burgess Park, as well as the Reggio inspired approach provided across all our sites. This year 218 children attended our full day care.

Senior Managers and Trustees focus on the accessibility of the nursery to all in our community. This year there were 71 children attending our nurseries whose places were funded through the Free Early Education Offer and Free early Education Entitlement, at no cost to their families. While affordability of early years education remains a significant issue for parents, providers and the government, we remain committed to fees that are in line with similar providers, and in 2022–23 they were increased below the level of inflation.

We built on the experiences through the Erasmus+ programme in 2019 with further study visits to Italy and Poland in in Spring 2022, We visited a number of state schools and nurseries in both countries, where the team continued to look at how early educators enable small children to take part in adventurous play, learn how to manage risk and develop their abilities to assess and manage this in their play. We also explored parental attitudes and perceived risk in adventurous play. This has resulted in a research project with the University of Greenwich involving families across all nursery sites.

We were invited by the Tate Modern to take part in their Obliteration Room project linked to the Yayoi Kusama exhibition. Children from all nursery sites visited the Tate Modern in July and August 2022. The *Obliteration Room* began as a white space which our nursery children, and later visitors to the Tate were invited to cover with stickers. Over the course of a few weeks the room was transformed from a blank canvas into an explosion of colour, with thousands of spots stuck over every available surface.

## Supporting our Families through Children and Family Centre Services

We learned early in 2022 that the funding for the provision of community services through the Children and Family Centre programme had been extended to March 2024. While the retaining this funding means we can continue to support families in greatest need, the increased delivery costs over the last two years highlights the fact that the funding allocation has not increased since 2016. So as a result we are focussing on fundraising, particularly for service such as interpreting.

We retained a range of universal and targeted sessions for families with children under five years of age. A total of 720 children were registered with the Children & Family Centre between April 2022–March 2023, exceeding our annual target.

We have continued to develop our parent development offer, through training and advice services. Our partnership with Ripe Learning offers access for those who do not have English as a first language to classes to support their spoken and written English, improving access for those parents with younger children as is supported by a creche. The Community Family Workers offer a weekly advice session for parents, signposting to targeted services or referring on for one to one support. With our development as a Family Hub, we hope we will be able to offer further adult learning opportunities.



Our links with Southwark Parenting team has been further embedded with the Fathers Group in its fourth year at 1<sup>st</sup> Place. Supporting dads, granddads and male carers with parenting, role modelling and improving relationships with children, 60 men graduated from the course this year. Other courses which supported families on their parenting journey such as Empowering Parents, Empowering Communities were also well attended, with 38 parents completing the course.

We are now in the fourth year of our partnership with the Alexandra Rose charity, as the lead agency in Southwark for The Rose Vouchers for Fruit and Veg project. This project helps to address the issues of unhealthy weight and food insecurity in the borough through distribution of vouchers to purchase fresh fruit and vegetables from local street markets and community pantries. We now have nine distribution Hubs, within Children's Centres and community hubs. This year we distributed 294,444 vouchers to 1139 registered families. This project has been made possible by the vital contribution of our volunteers, supported by our Project Lead for Southwark. We are happy that the funding has been confirmed for a further three years.

The work of our Community Family workers has continued to grow in complexity, with many of the families we support having fled the change in regime in Afghanistan, the war in Ukraine, as well as escaping conflict and persecution across the globe. These families are accommodated in or quality temporary accommodation, or hotels for longer periods of time than in the past. This has made it difficult to conduct assessments and welfare visits, as the premises do not provide social space where we can meet with them. We have also seen an increase in young parents and parents to be arriving from outside the country, and enabling access to appropriate support and accommodation has been challenging. Over the last 18 months the Early Years Practitioners in the Family Services team have also begun to work one to one with families as they step down from support from Community Family Workers. The team maintain contact with families and support and encourage their attendance at universal services and courses. The Family Services team received 63 allocations for one-to-one support from family early help, with the Community Family Workers carrying an average caseload of 10 families each, and Early Years Practitioners supporting an average of 5 families each term, in addition to delivery of universal services.

Ensuring that families know about our services is crucial part of our work. However, as the support needed by many families in our community becoming more complex, the capacity to conduct face to face outreach has become increasingly difficult. A focus for the coming year will be to create new capacity for outreach and parent development for which we are actively fundraising.

Our longstanding partner Bede House delivered two further cycles of the Freedom programme at 1<sup>st</sup> Place, which has supported over 30 survivors of domestic abuse this year. It is a nationally recognised programme and Bede are the only IDVA led Freedom group in Southwark. Being led by qualified independent domestic abuse workers allows them to give those who attend a more in-depth knowledge about domestic abuse, and they ensure each person who attends has tailor-made support. We also welcomed a new service delivered by Bede providing children who are survivors of domestic abuse with counselling and art therapy.

In late 2022, Southwark were awarded funding to take forward the Family Hub programme in the borough, and that services currently commissioned as Children & Family Centres would become Family Hubs beyond March 2024. As of June 2023, 1<sup>st</sup> Place has been chosen to lead the first Family Hub in Southwark, fulfilling our strategic aim to be part of this initiative. This will broaden the focus of our services and partnerships to include children and young people over five.

We have been active participants in networks which support our wider community and enable us to increase our professional networks. These include The Walworth Group, Southwark Food Action Alliance (SFAA), Community

Southwark, Parents and Communities Together (PACT) amongst others. We anticipate that the development of the Family Hub will further widen this network as we work more closely with services for older children and their families.

## **High Performing Teams**

Without a committed staff team, it is impossible to achieve the strategic aims of the charity and deliver the vital support and early education provided by 1<sup>st</sup> Place. We remain focussed on making 1<sup>st</sup> Place the best place to work. The current economic crisis has created pressures for everyone on our community, and Trustees and SMT devoted considerable time in ensuring our nursery fees remained as affordable as possible while enabling our salaries to reflect the cost of living. As living costs continued to increase above the level at the point our budget was set, two further one-off cost of living payments were made, which aimed to support staff through the winter months as energy costs rocketed. Salaries are regularly benchmarked using external software, as well as monitoring the local jobs market.

Following the introduction of Death in Service benefit in 2021–22, we were then able to offer the SmartHealth GP app, which has improved access to GP consultations for a team who can often find it difficult to make a face-to-face appointment with their GP.

Our focus on recruitment and retention of the best team is closely linked with a commitment to a clear process for training and development. 1<sup>st</sup> Place work closely with accredited training providers, who facilitate access to NVQ courses for our Early Education staff. This year 6 staff are enrolled on L3 Early Education training and two further staff are undertaking L3 and L4 qualifications with the support of 1<sup>st</sup> Place.

Difficulties in recruiting staff to our nursery team continued to be a challenge this year. This has been a sector-wide problem. HT staff and Trustees worked together to review our recruitment processes, streamlining them so that we are able to interview quickly while remaining focussed on safer recruitment processes. We also introduced a bonus scheme for staff who introduce potential candidates who then go on to become employed at a 1<sup>st</sup> Place nursery. We have recruited 10 staff so far through this initiative. In addition to this we held regular recruitment days, and attended similar events organised by universities.

Equity, Diversity and Inclusion (EDI) continues to be a focus for Trustees and the senior leadership team and is influences all areas of our work. Ensuring our staff team and service uptake in our nurseries and Family Services is representative of families within our community, particularly from minoritised groups is a priority. This is monitored through a council and 1<sup>st</sup> Place data collection systems and reviewed by Trustees and commissioners on a quarterly basis.

Having a staff team – at all levels – who reflect the diversity of the area in which we are based plays a huge part in attracting families to our services, as well as applications to work at 1<sup>st</sup> Place. This in turn as contributes significantly to the culture and enrichment of 1<sup>st</sup> Place.

The EDI staff representatives now lead inductions for new staff, and this has helped support the confidence of colleagues at all levels to speak about issues relating to equity, diversity and inclusion and raise concerns and successes as they arise.

We continued our monthly staff forums, which are open to all in the team, and provide a space to explore personal and professional experiences relating to race, faith, gender and age, with conversations often sparked by local and national current affairs.

## **Serious Incident Reporting**

GDPR (General Data Protection Regulation) breach

A data breach was discovered on 20 May 2022 at Chumleigh Gardens and reported to the Information Commissioner on 23 May 2022.

Following a review of the evidence provided the ICO (Information Commissioners Office) (Information Commissioner s Office) wrote on 14.06 that no action would be taken by ICO, the case was closed.

There was a joint investigation with Alexandra Rose Charity due to the loss a number of Rose vouchers. As the loss was not material no further action was required.

1st Place was involved in a legal dispute with Cornerstone Studios in January 2023 relating to completion of an interim lease. Their actions resulted in a period of one day while services at the building were interrupted, for which 1<sup>st</sup> Place was compensated for reputational damage and loss of income. We took the decision not to report this as an incident to the Charity Commission because the operational matter was resolved quickly and services to families returned to normal by the next working day.

## **Safeguarding Duties**

As an organisation 1<sup>st</sup> 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. 1<sup>st</sup> 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 Alan Dallas for 2022-23.

All Trustees are required to undertake Safeguarding for Trustees training. The Director is the Named Person, supported by eight 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.

Trustees confirm that Internal processes concerning the conduct of members of the 1<sup>st</sup> Place team show there were no allegations made against a trustee, an employee, an intern, or a volunteer by a service user during 2022-23. There was one complaint raised to Ofsted in relation to care of a child in one of our nurseries, which were was not upheld with no further action.

## Financial Sustainability

We ended the last financial year in negotiations with a new landlord to replace our nursery site at Cambridge House, now known as Cornerstone Studios. It was unfortunate that we were unable to be part of the plans of the new owners, but it became clear that the change of usage of the building from a community asset to commercial venture, a day nursery did not fit well with the type of businesses the company was targeting.

With the process now complete, 1<sup>st</sup> Place has secured a 12-year lease on a purpose-built nursery premises which will increase the number of places offered across 1<sup>st</sup> Place nurseries by 32. Although the move from Cornerstone Studios at end of July has been somewhat protracted, the team is working hard to ensure the transition for children is as smooth as possible, and occupancy levels are maintained. We thank the parents and staff on all our sites for the support and encouragement during a period of uncertainty and change.

Although we had concerns that the economic downturn and the disruption to our service delivery at Cambridge House would affect occupancy levels, they exceeded our 96% target. Between April 2022 and March 2023 349 attended a 1<sup>st</sup> Place nursery. Demand for additional days in nursery remains high, with families increasing days as they become eligible for funded 15 and 30 hours. However, this impacts on the number of new families we are able to offer places to, but we hope the increased capacity at the new Elephant and Castle nursery, this will alleviate this.

Despite the challenging economic climate reserves remained above the expected three months operating costs at £998k. With the increased cost of living, Trustees approved two energy crisis support bonuses in October 22 and January 23 in order to provide a buffer for staff through a period of financial volatility.

In early 2023, Trustees moved forward with plans to generate income from reserves. The decision was taken to seek external professional advice relating to entering the investment market, when it begins to stabilise. However, reserves are now placed in a number of bank accounts using a Charities Aid Foundation platform, which both protects our reserves by use of the Financial Services Compensation Scheme but will also generate c.£30k per annum through improved interest rates than those offered by our operational bank account.

With the increase in use of our buildings as we prepare to be the first Family Hub in Southwark, ensuring that we offer the best environment for staff, partners and those who use our services is a priority. The facilities team have established a rolling programme of maintenance as well as planning improvements such as the re-fit of our community kitchen and upgrading outside space for children.

## 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 day to day banking arrangements are held with Barclays Bank. Funds are held between a deposit account and a current account.

Since Year End we have moved £1,020K from the Barclays Deposit Account into a number of Bank Deposit Accounts under the umbrella of CAF (Charities Aid Foundation) Bank. No single deposit exceeds the FSCS Guarantee of £85K. We expect these deposits to yield in excess of 4.0% cash income.

## Financial Review

Paramount to a strong charitable enterprise is sound business practice ensuring strong reserves capacity. Whilst the impact of Covid restrictions had receded, a new and in some ways more challenging issue arose, high inflation. Recruiting and retaining staff was even more difficult in an employment environment when many different types of businesses were chasing the same staff. Whilst on the other hand, rising costs in every area of their expenditure impaired the ability of our parents to afford childcare.

Having commenced the year with what we thought would be an above inflation pay award of 6% to our staff, it quickly became evident that their real cost of living was increasing at a much faster rate, e.g. food inflation above 15%.

We decided that the correct course of action was to utilise a small percentage of our substantial Reserves to reward the loyalty of our staff by paying two exceptional Cost of Living lump sums totalling a further 6%

We started the year with Restricted Reserves of £192K and we were able to continue to offer a high level of Services to the community by using up some of that surplus. We ended the year with the reduced balance of £110K

Thanks to the continuing commitment, loyalty and expertise of our team, we ended the year with increased General Reserves of £998K. This enabled us to make a substantial Pay Increase across our staff, weighted towards the lower paid and totalling 10% of payroll.

By the Year End it was decided that we would have to vacate the Cambridge House facility. However, at that time we were in negotiations to take a long lease on a larger nursery at The Elephant & Castle. This will more than replace the lost capacity as it comes on stream during the current financial year

As a result of the above, our General and Designated Reserves increased in the year by £6K to £1,049K which represents 4.9 months cover of related expenses.

Our Restricted Reserves reduced by £(82)K to £110k. Overall, our Reserves represent 4.4 months cover of expenses. We consider this to be a satisfactory level of reserves.

## 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 2023 were £942k, an increase of £6k on 31 March 2022. This is equal to 3.6 months of total expenditure and so well above the minimum recommended level of 3 months.

## **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:

- Establish our new nursery site at Elephant & Castle, maximising the additional capacity it affords.
- Continue our commitment to 1st Place being an organisation where equity, inclusion and opportunity is a reality for everyone.
- Develop as a Family Hub to include Adult Learning and new community partnerships to compliment education and community support offer.
- Further develop target setting and mechanisms for measuring recruitment and for staff retention
- Goal to offer all salaries above London Living Wage
- Continue to develop fundraising capacity
- Further development of Green credentials

## **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 five sub-committees (Early Education, Finance & General Purposes, Human Resources Community Services 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 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 5 of 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 equivalent 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**

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 consider the possibility of negative outcomes. There is a Risk Register which is compiled and monitored quarterly by the Finance & General Purposes (F&GP) sub-committee, reported on quarterly at meetings of the Full Board and reviewed annually to ensure that the material risks to which the charity is exposed are 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 Health & Safety 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.

## Principal risks and uncertainties

The highest risk areas have been identified as follows:

- Failure to generate sufficient income
  - The volatile global and national economic situation and additional local stresses created by changes to one of our premises and the proposed changes to the commissioning and delivery of Children & Family Centre services have all had an impact across our identified risks
- We have taken steps to protect our reserves and mitigate the chance of default risk by ensuring that funds held at any one financial institution fall within the FSCS bank protection limit.
  - 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.
- 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. Changes to senior leadership team and succession planning
  - Recruitment across the sector remains very challenging, but we have taken steps to mitigate this by innovating, including the introduction of a recruitment referral scheme and flexibility into the recruitment cycle. This has allowed the team to maximise recruitment opportunities across our range of vacancies, so that we are able to recognise talent beyond those applicable to the post.
- We have developed the strategies required to mitigate any outbreak of disease that might adversely affect 1st Place due to widespread infection.
- Ensuring that standards are maintained with Ofsted at Good or Outstanding
  - Continued investment in recruitment of well qualified staff and investment in ongoing CPD (Continuous Professional Development).
- Failure to maximise potential of new nursery site.
  - Financial modelling has enabled us to understand the changes to our income and maintenance of reserves over a two-year period.



## 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 UK accounting standards and statements of recommended practice 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.

## 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 6 September 2023 and signed on their behalf by

Karen Walker  
Chair

## Opinion

We have audited the financial statements of 1st Place Children and Parents' Centre Ltd (the 'charitable company') for the year ended 31 March 2023 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 2023 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.

## 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 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.

## Independent auditor's report

### To the members of

#### 1st Place Children and Parents' Centre Ltd.

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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.
- 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

## Independent auditor's report

### To the members of

#### 1st Place Children and Parents' Centre Ltd.

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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](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditor's report.

### Use of our report

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

Noelia Serrano (Senior statutory auditor)

Date: 06 October 2023

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 2023

	Note	General £	Designated £	Restricted £	2023 Total £	General £	Designated £	Restricted £	2022 Total £
<b>Income from:</b>									
Donations and legacies		2,589	–	3,073	5,662	21,101	–	28,190	49,291
Charitable activities									
Children's Centre Services	2a	4,440	–	467,274	471,714	5,514	–	455,812	461,326
Chumleigh Nursery	2a	978,214	–	6,623	984,837	934,799	–	11,026	945,825
Cambridge House Nursery	2a	929,608	–	2,591	932,199	872,440	–	3,024	875,464
Lorrimore Nursery	2a	676,481	–	7,964	684,445	613,968	–	5,109	619,077
Investments		3,241	–	–	3,241	362	–	–	362
Other		304	–	–	304	359	–	–	359
<b>Total income</b>		<b>2,594,877</b>	<b>–</b>	<b>487,525</b>	<b>3,082,402</b>	<b>2,448,543</b>	<b>–</b>	<b>503,161</b>	<b>2,951,704</b>
<b>Expenditure on:</b>									
Raising funds	3	16,969	–	–	16,969	15,868	–	–	15,868
Charitable activities									
Children's Centre Services	3	–	57	504,077	504,134	–	–	441,125	441,125
Chumleigh Nursery	3	911,375	3,440	35,208	950,023	841,480	–	13,165	854,645
Cambridge House Nursery	3	900,692	–	18,651	919,343	838,629	–	9,651	848,280
Lorrimore Nursery	3	733,437	2,130	31,874	767,441	652,698	–	19,710	672,408
<b>Total expenditure</b>		<b>2,562,473</b>	<b>5,627</b>	<b>589,810</b>	<b>3,157,910</b>	<b>2,348,675</b>	<b>–</b>	<b>483,651</b>	<b>2,832,326</b>
<b>Net income/ (expenditure) for the year</b>		<b>32,404</b>	<b>(5,627)</b>	<b>(102,285)</b>	<b>(75,508)</b>	<b>99,868</b>	<b>–</b>	<b>19,510</b>	<b>119,378</b>
Transfers between funds		(20,791)	–	20,791	–	(25,242)	29,996	(4,754)	–
<b>Net movement in funds</b>		<b>11,613</b>	<b>(5,627)</b>	<b>(81,494)</b>	<b>(75,508)</b>	<b>74,626</b>	<b>29,996</b>	<b>14,756</b>	<b>119,378</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		986,877	56,067	191,885	1,234,829	912,251	26,071	177,129	1,115,451
<b>Total funds carried forward</b>		<b>998,490</b>	<b>50,440</b>	<b>110,391</b>	<b>1,159,321</b>	<b>986,877</b>	<b>56,067</b>	<b>191,885</b>	<b>1,234,829</b>

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 13 to the financial statements.

# 1st Place Children and Parents' Centre Ltd.

## Balance sheet

Company no. 05424738

As at 31 March 2023

	Note	£	2023 £	2022 £
<b>Fixed assets:</b>				
Tangible assets	9		<b>56,767</b>	57,495
			<b>56,767</b>	57,495
<b>Current assets:</b>				
Debtors	10	<b>48,487</b>	53,233	
Cash at bank and in hand		<b>1,376,359</b>	1,462,085	
		<b>1,424,846</b>	1,515,318	
<b>Liabilities:</b>				
Creditors: amounts falling due within one year	11	<b>322,292</b>	337,984	
<b>Net current assets</b>			<b>1,102,554</b>	1,177,334
<b>Total net assets</b>	12		<b>1,159,321</b>	1,234,829
<b>The funds of the charity:</b>	13			
Restricted income funds			<b>110,391</b>	191,885
Unrestricted income funds:				
Designated funds		<b>50,440</b>	56,067	
General funds		<b>998,490</b>	986,877	
Total unrestricted funds			<b>1,048,930</b>	1,042,944
<b>Total charity funds</b>			<b>1,159,321</b>	1,234,829

Approved by the trustees on 6 September 2023 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 2023

	Note	2023	2022
		£	£
Cash flows from operating activities	14		
Net cash (used in)/provided by operating activities		(60,241)	369,036
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,241	362
Purchase of fixed assets		(28,726)	(40,424)
Net cash used in investing activities		(25,485)	(40,062)
Change in cash and cash equivalents in the year		(85,726)	328,974
Cash and cash equivalents at the beginning of the year		1,462,085	1,133,111
Cash and cash equivalents at the end of the year		1,376,359	1,462,085

Notes to the financial statements

For the year ended 31 March 2023

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**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 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 2023

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**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%
● Children's Centre Services	15%
● Chumleigh Nursery	27%
● Cambridge House Nursery	32%
● Lorrimore Nursery	24%

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	11%
● Chumleigh Nursery	28%
● Cambridge House Nursery	28%
● Lorrimore Nursery	28%

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 2023

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**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 2023

## 2a Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
LB of Southwark: Children's Centre	–	420,464	<b>420,464</b>	421,717
Alexandra Rose Charity Grant	–	46,810	<b>46,810</b>	34,095
External Bookings	4,440	–	<b>4,440</b>	5,514
Sub-total for Children's Centre Services	4,440	467,274	<b>471,714</b>	461,326
LB of Southwark – free education entitlement	191,816	–	<b>191,816</b>	150,207
Nursery Fees	761,979	–	<b>761,979</b>	758,895
LB Southwark: Special Education Needs (SEN)	–	5,480	<b>5,480</b>	10,120
LB Southwark: Deprivation fund	24,419	–	<b>24,419</b>	25,697
Early Years Pupil Premium (EYPP) Grant	–	1,143	<b>1,143</b>	906
Sub-total for Chumleigh Nursery	978,214	6,623	<b>984,837</b>	945,825
LB of Southwark – free education entitlement	143,595	–	<b>143,595</b>	91,646
Nursery Fees	772,466	–	<b>772,466</b>	765,838
LB Southwark: Special Education Needs (SEN)	–	2,024	<b>2,024</b>	2,420
LB Southwark: Deprivation fund	13,547	–	<b>13,547</b>	14,956
EYPP Grant	–	567	<b>567</b>	604
Sub-total for Cambridge House Nursery	929,608	2,591	<b>932,199</b>	875,464
LB of Southwark – free education entitlement	179,340	–	<b>179,340</b>	186,410
Nursery Fees	478,406	–	<b>478,406</b>	398,032
LB Southwark: Special Education Needs (SEN)	–	7,084	<b>7,084</b>	3,432
LB Southwark: Deprivation fund	18,735	–	<b>18,735</b>	29,526
EYPP Grant	–	880	<b>880</b>	1,677
Sub-total for Lorrimore Nursery	676,481	7,964	<b>684,445</b>	619,077
Total income from charitable activities	2,588,743	484,452	<b>3,073,195</b>	2,901,692

## Notes to the financial statements

For the year ended 31 March 2023

## 2b Income from charitable activities (prior year)

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

## 3a Analysis of expenditure (current year)

		Charitable activities							
	Cost of raising funds £	Children's Centre Services £	Chumleigh Nursery £	Cambridge House Nursery £	Lorrimore Nursery £	Governance costs £	Support costs £	2023 Total £	2022 Total £
Staff costs (Note 5)	–	389,072	620,850	525,811	483,890	–	341,336	2,360,959	2,141,636
Other staff costs	–	3,391	30,027	94,453	36,065	–	23,391	187,327	107,181
Direct costs	–	9,464	46,740	32,103	23,813	–	7,650	119,770	102,807
Premises costs	–	2,615	28,801	46,642	44,759	–	16,217	139,034	183,910
Rental equipment	–	2,444	2,017	985	829	–	2,947	9,222	25,490
Utilities	–	3,829	46,971	5,107	22,381	–	56,416	134,704	108,797
Office costs	–	4,783	10,455	9,147	16,152	936	62,185	103,658	85,501
Legal and professional fees	5,400	984	1,710	23,113	3,989	12,300	21,680	69,176	42,345
Promotion	–	–	117	117	117	–	6,680	7,031	6,576
Depreciation	–	4,229	11,167	3,651	859	–	9,548	29,454	22,132
Bad debt	–	66	221	–	–	–	(2,712)	(2,425)	5,951
	5,400	420,877	799,076	741,129	632,854	13,236	545,338	3,157,910	2,832,326
Support costs	10,907	81,801	147,241	174,508	130,881	–	(545,338)	–	–
Governance costs	662	1,456	3,706	3,706	3,706	(13,236)	–	–	–
Total expenditure 2023	16,969	504,134	950,023	919,343	767,441	–	–	3,157,910	2,832,326
Total expenditure 2022	15,868	441,125	854,645	848,280	672,408	–	–		

Of the total expenditure, £2,568,100 was unrestricted (2022: £2,348,675) and £589,810 was restricted (2021: £483,651).

## Notes to the financial statements

For the year ended 31 March 2023

## 3b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities					Support costs £	2022 Total £
		Children's Centre Services £	Chumleigh Nursery £	Cambridge House Nursery £	Lorrimore Nursery £	Governance costs £		
Staff costs (Note 5)	–	332,277	555,550	528,816	420,207	–	304,786	2,141,636
Other staff costs	–	2,786	17,245	32,311	22,085	–	32,754	107,181
Direct costs	–	6,627	37,045	33,027	19,245	–	6,863	102,807
Premises costs	–	14,732	45,068	64,126	40,897	–	19,087	183,910
Rental equipment	–	1,131	1,156	792	1,392	–	21,019	25,490
Utilities	–	2,776	37,231	5,226	20,992	–	42,572	108,797
Office costs	–	5,225	5,956	6,774	12,191	1,599	53,756	85,501
Legal and professional fees	5,000	440	1,590	1,590	7,517	10,710	15,498	42,345
Promotion	–	–	–	–	–	–	6,576	6,576
Depreciation	–	2,125	11,734	2,988	1,270	–	4,015	22,132
Bad debt	–	–	201	–	–	–	5,750	5,951
	5,000	368,119	712,776	675,650	545,796	12,309	512,676	2,832,326
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)	–	–
<b>Total expenditure 2022</b>	<b>15,868</b>	<b>441,125</b>	<b>854,645</b>	<b>848,280</b>	<b>672,408</b>	<b>–</b>	<b>–</b>	<b>2,832,326</b>



## Notes to the financial statements

For the year ended 31 March 2023

**4 Net income for the year**

This is stated after charging:

	2023 £	2022 £
Depreciation	29,454	22,132
Operating lease rentals:		
Property	108,815	123,225
Other	9,222	25,491
Auditor's remuneration (excluding VAT):		
Audit	10,250	8,925
Other services	2,150	1,950
	<b>229,891</b>	<b>207,323</b>

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	2,136,640	1,935,226
Social security costs	161,503	137,521
Employer's contribution to defined contribution pension schemes	62,816	68,889
	<b>2,360,959</b>	<b>2,141,636</b>

One employee earned more than £60,000 during the year (2022: 1).

The total employee benefits including pension contributions of the key management personnel were £518,308 (2022: £476,866).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

There were no trustee expenses representing the payment or reimbursement of travel and subsistence costs (2022: £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 (£65,271) to our lowest salary (£18,065) was 3.6 in 2023 (2022: 3.6)

**6 Staff numbers**

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

	2023 No.	2022 No.
Raising funds	–	–
Children's Centre Services	17.4	18.6
Chumleigh Nursery	35.7	32.8
Cambridge House Nursery	44.2	39.8
Lorrimore Nursery	33.2	30.3
Support	14.8	15.5
Governance	–	–
	<b>145.3</b>	<b>137.0</b>

## Notes to the financial statements

## For the year ended 31 March 2023

**7 Related party transactions**

There are no related party transactions to disclose for 2023 (2022: none).

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

**8 Taxation**

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

**9 Tangible fixed assets**

	Office Equipment £	Computer Equipment £	Fixtures and Fittings £	Computer Software £	Total £
<b>Cost or valuation</b>					
At the start of the year	15,025	78,278	191,820	10,393	295,516
Additions in year	11,849	13,521	3,356	–	28,726
Disposals in year	(3,264)	(36,499)	–	–	(39,763)
At the end of the year	23,610	55,300	195,176	10,393	284,479
<b>Depreciation</b>					
At the start of the year	14,045	49,010	164,573	10,393	238,021
Charge for the year	2,733	14,786	11,935	–	29,454
Eliminated on disposal	(3,264)	(36,499)	–	–	(39,763)
At the end of the year	13,514	27,297	176,508	10,393	227,712
<b>Net book value</b>					
At the end of the year	10,096	28,003	18,668	–	56,767
At the start of the year	980	29,268	27,247	–	57,495

All of the above assets are used for charitable purposes.

**10 Debtors**

	2023 £	2022 £
Trade debtors	2,243	26,704
Prepayments	38,567	23,591
Other debtors	7,677	2,938
	<b>48,487</b>	<b>53,233</b>

## Notes to the financial statements

For the year ended 31 March 2023

## 11 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	44,110	49,964
Taxation and social security	33,182	29,277
Other creditors	139,479	161,890
Accruals and deferred income	105,521	96,853
	<b>322,292</b>	<b>337,984</b>

## 12a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	50,823	–	5,944	56,767
Net current assets	947,667	50,440	104,447	1,102,554
<b>Net assets at 31 March 2023</b>	<b>998,490</b>	<b>50,440</b>	<b>110,391</b>	<b>1,159,321</b>

## 12b Analysis of net assets between funds (prior 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
<b>Net assets at 31 March 2022</b>	<b>986,877</b>	<b>56,067</b>	<b>191,885</b>	<b>1,234,829</b>

## Notes to the financial statements

For the year ended 31 March 2023

## 13a Movements in funds (current year)

	At 1 April 2022 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2023 £
<b>Restricted funds:</b>					
Special Education Needs	3,423	14,588	(62,737)	44,726	–
Family Support: Children's Centre	136,149	420,464	(462,682)	–	93,931
EYPP	7,977	2,590	–	–	10,567
Alexandra Rose Charity Grant	17,341	46,810	(41,395)	(16,863)	5,893
Erasmus EU funding	26,995	3,073	(22,996)	(7,072)	–
<b>Total restricted funds</b>	<b>191,885</b>	<b>487,525</b>	<b>(589,810)</b>	<b>20,791</b>	<b>110,391</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Family Support Fund	1,000	–	(57)	–	943
Nursery Support Fund	55,067	–	(5,570)	–	49,497
<b>Total designated funds</b>	<b>56,067</b>	<b>–</b>	<b>(5,627)</b>	<b>–</b>	<b>50,440</b>
<b>General funds</b>	<b>986,877</b>	<b>2,594,877</b>	<b>(2,562,473)</b>	<b>(20,791)</b>	<b>998,490</b>
<b>Total unrestricted funds</b>	<b>1,042,944</b>	<b>2,594,877</b>	<b>(2,568,100)</b>	<b>(20,791)</b>	<b>1,048,930</b>
<b>Total funds</b>	<b>1,234,829</b>	<b>3,082,402</b>	<b>(3,157,910)</b>	<b>–</b>	<b>1,159,321</b>

## 13b Movements in funds (prior year)

	At 1 April 2021 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2022 £
<b>Restricted funds:</b>					
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
<b>Total restricted funds</b>	<b>177,129</b>	<b>503,161</b>	<b>(483,651)</b>	<b>(4,754)</b>	<b>191,885</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Family Support Fund	1,000	–	–	–	1,000
Nursery Support Fund	25,071	–	–	29,996	55,067
<b>Total designated funds</b>	<b>26,071</b>	<b>–</b>	<b>–</b>	<b>29,996</b>	<b>56,067</b>
<b>General funds</b>	<b>912,251</b>	<b>2,448,543</b>	<b>(2,348,675)</b>	<b>(25,242)</b>	<b>986,877</b>
<b>Total unrestricted funds</b>	<b>938,322</b>	<b>2,448,543</b>	<b>(2,348,675)</b>	<b>4,754</b>	<b>1,042,944</b>
<b>Total funds</b>	<b>1,115,451</b>	<b>2,951,704</b>	<b>(2,832,326)</b>	<b>–</b>	<b>1,234,829</b>

**13 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. The deficit in the year is funded from general reserves representing part of 1st Place's charitable giving.

**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.

**EYPP**

These are funds received for the Early Years Pupil Premium (EYPP) to support disadvantaged children in the Nursery.

**Alexandra Rose Grant**

For distribution of Alexandra Rose Charity Fruit & Veg vouchers during the next year to local families in need. The transfer of costs from the Alexandra Rose Charity restricted reserve to general funds represents the costs for the administrative support needed to manage the Rose Voucher Project, plus the associated costs thereof.

**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 the Tory Party's decision to implement a hard Brexit, further participation in this excellent programme is no longer possible. It has been agreed that the surplus from this programme can be used to fund 1st Place's general charitable works.

**Purposes of designated 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 2023

## 14 Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
<b>Net (expenditure) / income for the reporting period (as per the statement of financial activities)</b>	<b>(75,508)</b>	119,378
Depreciation charges	29,454	22,132
Dividends, interest and rent from investments	(3,241)	(362)
Decrease in debtors	4,746	217,018
(Decrease) / increase in creditors	(15,692)	10,870
<b>Net cash (used in) / provided by operating activities</b>	<b>(60,241)</b>	369,036

## 15 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 2023 £	2022 £
Less than one year	36,819	26,000
One to five years	64,000	64,000
Over five years	42,667	58,667
	<b>143,486</b>	148,667

## 16 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.