

Company number: 05424738

Charity number: 1120124

1st Place Children and Parents' Centre Ltd.

Report and financial statements
For the year ended 31 March 2024

Contents

For the year ended 31 March 2024

Reference and administrative information	1
Chair of Trustees' report	2
Trustees' annual report	3
Independent auditor's report	16
Statement of financial activities (incorporating an income and expenditure account)	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23

1st Place Children and Parents' Centre Ltd.

Trustees' annual report

For the year ended 31 March 2024

1st Place Children and Parents' Centre Ltd. Reference and administrative information for the year ended 31 March 2024

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 – Resigned March 2024	
Alan Dallas – appointed for second term March 2024	
Ruth Francis	
Lucy Grove – Resigned September 2023	
Heather Munn	
Wenli Tsai – Resigned January 2024	
Lornette Pemberton – Resigned January 2024	
Georgia Papacleovoulou	
Kate Newman	
Diederik Wintershoven - Resigned December 2023	
Alice Little	
Sue Tuttlebury	

Key management personnel	Nicola Howard	Director and Company Secretary
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Bankers	Barclays 1-3 Butterfly Walk Camberwell London, SE5 8RW
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Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane LONDON, EC1Y 0TG
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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.

What an eventful year it has been. There have been some lovely highs, but some very difficult times also. Throughout the year we have been fortunate to have a very dedicated senior staff team, who ensured that all the difficult decisions were taken with children and their families first and foremost in their thoughts.

The closure of our nursery at Cambridge House was an emotional period for all those who experienced the upheaval and who dedicated themselves to making transitions for children and parents as smooth as possible. This period of change and renewal took a tough toll on staff across the organisation and they are to be congratulated for bearing all the change with fortitude and resilience.

These changes were occurring at a time of a difficult financial period for us all, so the fact that 1st Place have been able to weather the storm of the 'cost of living' crisis is testament to the careful husbandry of resources and the leadership of the senior team.

Our work within the Children and Family Centre continues to have many challenges, and 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 the Family Services team, who never seem daunted by the task in hand and simply do their best every day and thank the whole team for their dedication and commitment to families in Southwark.

This year, as we make lots of transitions: to the Family Hub model, the first in Southwark and broadening our remit to bring services to older children; we are also entering our 20th year of operation and extending the offer of free early education, through the Government's newest scheme. Sometimes Government have great ideas, but the delivery can be difficult to manage. What a bonus for us then that we have a team well-schooled in the vagaries of Government funding and who can call upon our Trustees to help with understanding some of the intricacies of policy.

I finish this year with a quote from one of the earliest Pedagogues, Friedrich Froebel, who was the first to recognise the importance of play in early childhood, something we must always remember when developing learning for children:

*"Play is the highest expression of human development in childhood
for it alone is the free expression of what is in a child's soul."*

I give my heartfelt thanks to all the teams at 1st Place for such hard work during a tough year, they have never forgotten the importance of giving children the opportunity to express themselves through play.

Karen Walker
Chair of Trustees

Trustees' annual report

For the year ended 31 March 2024

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 2024.

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

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's & 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 for this period are:

- 1st Place at the Heart of the Community.
 - To maintain Family Services if funding decreases or ends in 2025.
 - Develop as a Family Hub
 - Further develop SEND expertise and capacity
 - Make our Early Education offer more visible
 - Develop outreach capacity to support nursery and family services
 - Develop our Adult Learning offer
 - Develop new community partnerships to compliment education and community support offer
 - Engaged internal and external stakeholders that know what we do and feel informed, valued and part of the 1st Place family.
- Excellence in All We Do.
 - Review organisational Vision & Values
 - Maintain and further develop our Green commitments
 - Make 1st Place more visible to community and professional networks
 - Define area of benefit for community services post-2025-26
- High Performing Teams.
 - Make 1st Place the best place to work
 - Clear policy for staff training, development and progression
 - Responsive and planned recruitment processes
 - Ensure pay and conditions are the best we can offer
 - Continued focus on wellbeing
 - Continue to develop employee benefits
 - All sites are running efficiently and provide the best environment for staff and service users
- Financial Sustainability.
 - Maintain/Develop reserves beyond those we need to sustain our operations
 - Nursery occupancy maintained at budgeted levels
 - Use of surplus to benefit our beneficiaries - Nursery/Community Support Fund
 - Goal to offer all salaries above London Living Wage
 - Plan for investment of reserves

Our partners during 2023-2024

- Bede House
- Homestart Southwark
- National Education Trust
- Kew Gardens
- Friends of Burgess Park
- Learning Unlimited
- Community Southwark
- Ripe Learning
- GSTT Midwifery
- Kings Midwifery
- Evelina London 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
- Spring Community Hub
- Coin Street
- The Alexandra Rose Charity
- Impact on Urban Health
- University College of Osteopathy
- Community Tech Aid

Achievements and Performance

General

As 1st Place completes its 19th year, we do so in a time of continued change. The early education sector is experiencing some of its biggest changes for a number of years, with the introduction of the first phase of the extension of the free early education offer, with all children aged two to three years eligible for 15 hours per week, for 38 weeks per year of funded childcare. 1st Place continues to support families to access this funding, including those who are accessing the support term time only.

In June 2023 1st Place was designated as the first Family Hub in Southwark, building on our work as a Sure Start Local Programme and Children & Family Centre. Our remit is now broader, bringing services to families with children and younger people up to the age of 19, or 25 if they have additional needs, widening our partnership further.

In the summer of 2023, we opened a new nursery at Elephant and Castle following the sale of Cambridge House, from where we had operated since 2011. Relocating to a different area presented opportunities as well as the challenge of effectively starting a new nursery from scratch. We launched with a successful 'Image of the Child' exhibition, bringing parents and professionals from across London.

We learned at the end of 2023 that we were to be commissioned for a further year to transition from a Children & Family Centre to a Family Hub. The latter months of the year have seen a significant increase in the number of services seeking to establish themselves and their services at our two sites at Chumleigh Gardens and Victory School. This has included sessions linked to the Healthy Start First 1001 Days strand of Family Hubs, Infant Feeding support and Healthy Minds Thrive practitioners who support infant and parental mental health.

We also welcomed back our long-standing partners from University College of Osteopathy in November 2023. The year ended with more change, as we took the decision to combine our Lorrimore Square site with Elephant and Castle, due to the level of investment needed to make the improvements to the outside space. 1st Place at Lorrimore Square will close in July 2024, with the majority of families making the move to 1st Place at the Elephant.

1st Place at the Heart of the Community

Early Education

In addition to the changes to our nursery spaces this year, 1st Place had significant changes in the leadership of our Early Education teams. In June 2023, Bunmi Adams, Early Education Manager at Chumleigh Gardens left after almost 18 years of service. She was followed in March 2024 by the retirement of her colleague Marie Skelton, Head of Early Education who along with Bunmi had been members of the team that established the Children & Parents' Centre in 2005. Their skills and commitment during their tenure had played a significant part in developing our approach to early education as well as ensuring hundreds of children experienced a wonderful learning environment which gave them best start to their early education.

The importance of having skilled staff to support children with special educational needs is crucial to ensuring our early education provision is accessible to all children and families. Our support for children with additional needs continued to develop with the appointment of colleagues to work with children with social and communication as well as complex needs. During the year we supported 44 children across three sites, with 5 receiving input from the Southwark SENDIF team. 6 children secured Education and Health Plans in readiness for having additional support when they started school. Speech, language and communication needs continue to be the main need of support.

Our links with the Southwark Hearing Support team are well established and they continue to run a weekly session at 1st Place. The sessions provide parents with the opportunity to meet others who have children with a hearing loss, and they can share their experiences in a safe place. With an average of five families attending each session, parents see it as place to make contact with other parents with similar experiences. The session is led by Teachers of the Deaf along with input from a specialist Speech and Language therapist.

Trustees' annual report

For the year ended 31 March 2024

We have continued to be involved in the Southwark 'Short Breaks' initiative' which supports families of children with Special Educational Needs and Disabilities (SEND) through an offer of play learning sessions and holiday clubs for children and young adults 0-25. This year 34 children attended our monthly Saturday session. Our weekly Monday Sensational stay and play with SEND has also grown in popularity, with 57 children attending this year.

Nursery capacity has been at a premium particularly at our Chumleigh Gardens site following an intake of children as the Cambridge House site closed. This impacted our waiting list, and we have been unable to take any new children on roll until September 2024. We were able to offer flexibility to families through short term placements at Lorrimore Square and from July 2023 at Elephant and Castle. We undertook extensive publicity as the new site came on stream, including campaigns on London Transport as well as targeted social media. However, word of mouth – personal recommendation from families who are already using our nurseries remains the most effective. This year 273 children attended our full day care.

The accessibility of our nursery services to all in our community remains key to our mission. This year 183 families accessed their Free Early Education Entitlement at 1st Place, 95 children used places that were funded solely 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. Over the next year Trustees will be monitoring the diversity of our nursery intake, to ensure that it reflects the community we serve, and to take action where this is not the case, through widening our community outreach, which is supported by our work as a Family Hub.

The research project on Adventurous Play initiated by our Erasmus visits to Italy, Sweden and Poland was completed in summer 2023, with plans to publish a journal article in 2024, further strengthening our links with the University of Greenwich.

As part of the Family Hubs Best Start for Life programme the Early Words Together (EYT) programme was extended to children aged 3-4 years. 1st Place had previously delivered EYT at our Cambridge House nursery in 2022, with the Lorrimore Square team offering the programme this year. The team received positive feedback from Southwark Council

"It was clearly evident from the parents comments, seeing the joy on the children's faces when they received their certificates and the feedback the staff shared regarding their children's and families participation, that the dedication, enthusiasm and creativity it must have taken to deliver and enrich this programme, that it will have a lasting impact on their Home Learning Environment and the children's developmental outcomes in speech, language and communication."

Second Image of the Child exhibition

In June 2023, we launched our new site at Elephant and Castle with our second 'Image of the Child' exhibition. This brought together a wealth of creative projects which the children had worked on over the previous year. Families and early education professionals from across the borough attended the exhibition over a week.

Supporting our Families through Children and Family Centre Services

At the end of March 2024, our contract with Southwark council to deliver Children & Family Centre services was extended again to the March 2025, and we await an update on the recommissioning of the service. This extension has enabled us to retain a range of universal and targeted sessions for families in 2023-25. During the 2023-24 period a total of 720 new children were registered with the Children & Family Centres in the Borough, Bankside & Walworth area of Southwark, exceeding our annual target.

As we began to develop as a Family Hub, we saw a return to our centres of a number of partners who had been absent since the pandemic. It has been encouraging to see our buildings even busier than before, with our physical space operating at capacity.

Our aim to expand our community partnerships this year was met through both making new relationships and growing existing ones. We welcomed back University College of Osteopathy, who have run a Paediatric clinic

Trustees' annual report

For the year ended 31 March 2024

with links to 1st Place since before our building was completed in 2005. Free at the point of access this weekly clinic sees an average of 9 children each week, with over 26 children being seen at the clinic since it started in November 2023. Running alongside the Infant Feeding support session, parents are able to access consultations which help with early childhood issues such as sleep and colic.

In August 2023, we began to work in partnership with the charity 'Get Rid of and Donate' (GROAD), who are an environmental non-profit organisation focusing on reducing domestic and commercial waste to landfill by recycling and preventing poverty in communities. Running weekly sessions, they provided families with access to clothes, resources for the home and toys and games for free. Their 'pop-up' also ran during half term holidays, and we look forward to welcoming Andrea and her team back in summer 2024.

In early 2023 we were approached by the Learning and Participation team from Kew Gardens to be involved in an early years outreach programme. In March they delivered four play learning sessions with families using our open access services. They were then invited to a day out at Kew Gardens to take part in a session there, with lunch and the chance to explore the garden. Later in the year a group of Early Education staff attended a days training on outdoor learning.

Maintaining and developing our adult learning offer has been a focus this year, with our partnership with Ripe Learning adding Digital & IT Skills training to the two established ESOL courses. We have continued our parent development offer, through training and advice services. The weekly Family Advice and Guidance session joined forces with the new Adolescent Sure Start team, enabling us to reach families with older children, with appointments with Job Centre Plus also on offer.

We were pleased to host the Southwark Parenting team again this year. Empowering Parents, Empowering Communities ran for three terms with 37 parents enrolling and 25 completing the course. The Fathers Group ran from 1st Place for the fifth year. The course aims to support fathers and male caregivers to improve their relationships with their children. This year 77 men enrolled on the course and 61 graduated.

In our sixth funded year, the Southwark Rose Vouchers Project for Fruit and Veg continued to go from strength to strength, supported by 4 dedicated Rose Voucher volunteers. Over the year, a total of 1070 families collected and spent Rose Vouchers, with 1755 eligible children supported. In March we gave out our one millionth Rose Voucher - that means £1 million pounds going into the Southwark community via street markets.

As well as providing families with vouchers to buy fruit and veg in the local market, we continued to give other practical help, through referrals and signposting to services, activities and resources to support their wellbeing. These included foodbanks, advice and guidance, health and wellbeing workshops, and specialised groups for young children with additional needs (to name just a few!). We also further focussed on supporting Rose Voucher families with children under 4 to register for Healthy Start, meaning that 399 eligible families accessed an additional £4.25 income to spend on fruit, vegetables, milk and beans / pulses. And we continued our informal mission to support families to save money in any ways possible, including enabling a majority of families responsible for paying their water bills to receive a 50% discount annually.

In November, we were pleased to be selected as a Community Referral Pathway partner for Southwark Council's Cost of Living Fund. This was a £100 discretionary payment which Southwark Council made available for residents experiencing financial hardship, including refugees and asylum seekers. Over the course of the scheme, we successfully referred 55 Rose Voucher families to receive at least one (and, in some cases, two) payments towards their bills over the winter period.

We were delighted to receive funding for an additional post for the project, meaning that in the year ahead we can do even more to support families' health and wellbeing, and better understand the significant difference Rose Vouchers are making for local families.

The Family Services team received an average of two allocations each week for one-to-one support from family early help, with the Community Family Workers carrying an average caseload of 15 families each. Cases continue to be complex, with housing, domestic abuse and mental health being the main presenting issues. There has been an increase in volume of allocations, which are step down or step across from social care. This year due to the

Trustees' annual report

For the year ended 31 March 2024

complexity of the cases allocated to our service the number of cases suitable to stepped down to the early years team has reduced.

We are working closely with the Healthy Minds Thrive team to put in place support as soon as mental health needs are established. We also additional funding at the end of the financial year to create outreach capacity within the Family Hub. These posts will support the Healthy Minds Thrive team with outreach to families who are not using our services and will include a Fathers worker.

Our work with Fathers and male carers has continued to grow and consolidate. The Saturday group, led by Community Family Worker Phil Robson, is in its second year and regularly attracts over 20 dads and their children to the sessions. An event to mark International Men's Day was held in November, bringing together and number of services including men's health checks.

Bede House delivered two further cycles of the Freedom programme at 1st Place. 29 women joined their IDVA-led group programme this year. They have continued to run these group sessions in person, to support participants' ability to support and learn from each other as much as from the course leaders. Feedback is consistently positive:

I feel like I've grown and changed a lot in a short time.

I wouldn't have made the positive changes in my life without this group

The course was an eye opener. Learned about the hidden ways I experienced abuse that I was not aware of and normalised.

In February 2023, Bede began a programme of art therapy for children aged 5-10 who have witnessed Domestic Abuse in the home. 13 children have completed to date. Feedback from parents has been overwhelmingly positive, and Bede's ability to work with both parent and child has enabled them to pick up and support families in dealing with issues quickly from multiple angles.

High Performing Teams

While as an organisation we have experienced another difficult year, losing one of our nurseries, starting from scratch at a new site, while operating in a sector under significant change, our team have again risen to the challenge, giving their very best for children and families. To continue to demonstrate our commitment to our staff and ensuring our retention levels are above average, Trustees took the decision to offer a pay increase above the sector average. This was achieved while keeping nursery fee increases below cost of living, supplementing the cost from reserves. As a result, we have good staff retention and colleagues have supported us by recommending new prospective candidates, incentivised by the staff recruitment bonus, along with increased external marketing have seen our retention rates improve by 12% since 2022. Over 30% of staff have worked for 1st Place for over 5 years.

1st Place is committed to staff development and progression, and we have maintained links with accredited training providers, with whom 1st Place staff can continue their professional development. This year five members of staff completed NVQ L3 and one completed L2.

The wellbeing of our employees is a primary focus, also contributing to staff retention. Uptake of benefits offered by 1st Place was positive, including access to an online GP service, with 36 staff using the app for a consultation, when they have been unable to book a face-to-face appointment with their own doctor. We were also able to improve our online counselling service with the number of sessions offered increasing from 4 to 8, enabling timely help to those who need it. Four staff completed their training as Mental Health 1st Aiders, who provide local signposting support to colleagues in all our teams.

In 2023 in response to the staff survey, we introduced a termly budget allocation to staff to enable them to spend time together socialising outside work, and this has proved really popular across all departments.

Serious Incident Reporting

None to report

Safeguarding Duties

As an organisation 1st Place acknowledge and act on our duty of care to staff and service users. Trustees recognise that being safe and free of abuse is central to ensuring the continued promotion of a person's wellbeing. 1st Place has policies and procedures in place to enable us to respond to all concerns of abuse appropriately, operating in line with the Southwark Safeguarding Children's Partnership Board guidance and Pan London Multi-Agency Safeguarding Policy. Our policies and procedures for children and adults at risk are reviewed annually. Our trustee safeguarding lead is Alan Dallas for 2023-24.

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 1st Place team show there were no allegations made against a trustee, an employee, an intern, or a volunteer by a service user during 2023-24. There was one complaint raised to Ofsted in relation to care of a child in one of our nurseries, which was not upheld with no further action.

Financial Sustainability

We started this financial year losing our established site at Cambridge House and managing a complex transition to a new home at Elephant & Castle. Initially, this provided the opportunity to expand the number of nursery places offered across 1st Place nurseries by 32. This moved our operations to a new location further north of the borough, and we were faced with opening the nursery from a complete standing start. This impacted on our overall performance, with our numbers well below what had been budgeted, bearing in mind that when the Budget for 2023-24 had been approved by the Board, neither the closure of Cambridge House & Lorimore Square nor the acquisition of Elephant & Castle had been, nor could have reasonably been, anticipated.

In December 2023, Trustees took the decision to cease running our nursery at St Pauls Church in Lorimore Square. Over several years there had been significant investment made in planning for improvements to the exterior of the building and access for children to the outdoors. However, with increasing material and labour costs, the level of expenditure on a building with a short-term lease was not considered a good investment. The nursery will close in July 2024, with most families taking up the option to move their children to 1st Place at the Elephant. As we enter a new financial year, we are seeing the green shoots of the hard work of the team across all departments, with occupancy levels forecast to achieve planned levels by January 2025.

On a more positive note, performance at our Chumleigh Gardens site continued to be strong, and with numbers of places increased to accommodate children who had moved following the closure of Cambridge House. Occupancy levels exceeded budget, to a point mitigating some of the overall underperformance. Demand for places remains high and we began 2024-25 exploring how the extension of the Free early Education Entitlement will impact demand for places in our nurseries. With expansion to funding for children over 2 years of age in April 2024, the hourly rate funded by the Government has increased, while rates for children over 3 years remained static.

Funding from Southwark Council for Children & Family Centre services received no increase in 2023-24, and with the contract extended again for a further year, and with no increase since 2016, the majority of the funding is allocated to staffing and provision of facilities for services provided by our central team and a growing number of partner services. As we begin the 2024-25 financial year, our budget was cut by £40,000, and we were invited to submit an expression of interest to tender for a contract from April 2025.

Trustees' annual report

For the year ended 31 March 2024

Our Facilities Team have had a busy year dealing with the structural changes in our operations and have refurbished our community kitchen at Chumleigh Gardens. 2024/25 will bring a focus on planned preventative maintenance

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 current account continues to be held with Barclays Bank. We have moved our cash reserves into a number of bank accounts under the Charities Aid Foundation Platform. We took the decision that no single deposit should exceed the Financial Services Compensation Scheme limit of £85k. We have earned over £35k in deposit interest at well over 4% combined interest rate

Financial Review

After eight years of steady growth generating consistent financial Surplus, this year has proven to be very challenging. Even in the two years worst affected by Covid, we maintained strong residual Reserves. This was largely due to our successful insurance payout of £245K for loss of income during periods of enforced closure. As last year, 2022-23, drew to a close it was clear that we would have to vacate one of our two flagship nurseries, in Cambridge House. Whilst our legal challenge that resulted in compensation for termination of the licence, was successful, the legal costs of doing so eliminated the compensation.

The executive team demonstrated their best working practices and skill in reducing the impact of the Cambridge House closure by accommodating most of the displaced children in Chumleigh Gardens. In fact, by the year end, the operating surplus at Chumleigh Gardens nearly matched the combined budgets of Chumleigh & Cambridge House.

Nevertheless, this could not provide a long term solution and so we progressed to completion, our negotiations to take a 12 year lease on The Elephant & Castle Nursery. The lease was signed in July 2023 but we were not able to start to take in children until September of that year. The eventual capacity of Elephant & Castle will be nearly 100 places. However, whilst it had been an operating nursery prior to Covid, there were no existing clientele and so we started from scratch. Additionally, the demand for nursery places tends to peak at the start of school terms, e.g. September, January & April, September being by far the strongest. We had not established a "presence" in that area in time to attract children for September 2023 and so the build-up of occupancy has been slower than we would have hoped.

Further, whilst our third nursery in Lorrimore Square had, for a number of years, contributed to our surplus, more recently the local demographics had brought about a change in the balance between Parent Paid and FEEE funded places and a resultant loss of net revenue. Further the improvements to the facilities, identified as costing approx £200K, were not practical without the landlord also remedying significant infrastructure issues. It was with regret that in December 2023 we decided to withdraw from Lorrimore Square by mid-2024.

The combined effect of the above changes has been a significant depletion of our Reserves. These changes were neither planned nor foreseen prior to finalising the 2022-23 Annual Report.

The Board agreed a Recovery Strategy at their meeting in December 2023, which predicted the eventual Deficit of c£(350)K in 2023-24 and a further Deficit of c£(160)K in 2024-25 but returning to Surplus in 2025-26. Throughout this period, whilst the ratio of Operating Costs to Unrestricted reserves will at times be less than 3.0, we are confident that our Reserves will be sufficient at all times to meet our legal & moral obligations to our Staff, Suppliers & Landlords.

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.

Total free reserves at 31 March 2024 are £620k. The target level of reserves, representing three months of forecast operating costs in 2024/25, is £734k. Following this year of structural changes our reserves represent 2.5 months of operating costs at 31st March 2024. This is expected to reduce to a low of 2.4 months cover in 2024/25 and then improve in the following years.

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 2024-2027 Strategic Plan we will:

- Bring 1st Place at the Elephant nursery to levels of occupancy required to sustain the organisation, 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.
- Tender for delivery of Family Hub to maintain community and family support services from April 2025.
- Goal to offer all salaries at or above London Living Wage
- Continue to develop fundraising capacity
- Further development of Green credentials through seeking funding for capital funding to update our ability to generate our own energy.

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

Trustees' annual report

For the year ended 31 March 2024

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.

Trustees' annual report

For the year ended 31 March 2024

- 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 Business Manager to ensure they are realistic and achievable, with reforecasting as necessary.
- Effective forecasting of our liabilities particularly in relation to the mix of our property tenure and management of our facilities. 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).
 - Continuing to evolve our Early Education offer in line with the Reggio Emilia approach and outdoor learning.
- Failure to maximise potential of 1st Place at the Elephant site.
 - Financial modelling has enabled us to understand the changes to our income and maintenance of reserves over a two-year period.
 - Impact of the expansion of the Free Early Education Entitlement will present opportunities for growth in occupancy and challenges adapting to the changing market, particularly staffing sufficiency.
- Failure to ensure we are the best place to work and provide the best services for our beneficiaries
 - Responding to the complex needs of our beneficiaries and staff including short term financial and social difficulties,
 - Ensuring we remain committed to promoting staff wellbeing

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

Trustees' annual report

For the year ended 31 March 2024

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 11 September 2024 and signed on their behalf by

Karen Walker
Chair

Independent auditor's report

To the members of

1st Place Children and Parents' Centre Ltd.

Opinion

We have audited the financial statements of 1st Place Children and Parents' Centre Ltd (the 'charitable company') for the year ended 31 March 2024 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 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on 1st Place Children and Parents' Centre Ltd's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent auditor's report

To the members of

1st Place Children and Parents' Centre Ltd.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

Independent auditor's report

To the members of

1st Place Children and Parents' Centre Ltd.

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 estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Independent auditor's report

To the members of

1st Place Children and Parents' Centre Ltd.

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)

Date: 16 October 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

1st Place Children and Parents' Centre Ltd.

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

For the year ended 31 March 2024

	Note	General £	Designated £	Restricted £	2024 Total £	General £	Designated £	Restricted £	2023 Total £
Income from:									
Donations and legacies		2,187	-	-	2,187	2,589	-	3,073	5,662
Charitable activities									
Children's Centre Services	2a	19,402	-	497,183	516,585	4,440	-	467,274	471,714
Chumleigh Nursery	2a	1,372,258	-	1,507	1,373,765	978,214	-	6,623	984,837
Cambridge House Nursery	2a	231,321	-	94	231,415	929,608	-	2,591	932,199
Lorrimore Nursery	2a	697,676	-	1,535	699,211	676,481	-	7,964	684,445
The Elephant Nursery	2a	289,434	-	3,495	292,929	-	-	-	-
Investments		35,845	-	-	35,845	3,241	-	-	3,241
Other		38,547	-	-	38,547	304	-	-	304
Total income		2,686,670	-	503,814	3,190,484	2,594,877	-	487,525	3,082,402
Expenditure on:									
Raising funds	3	-	-	-	-	16,969	-	-	16,969
Charitable activities									
Children's Centre Services	3	-	-	532,893	532,893	-	57	504,077	504,134
Chumleigh Nursery	3	1,257,771	-	25,075	1,282,846	911,375	3,440	35,208	950,023
Cambridge House Nursery	3	281,580	-	4,599	286,179	900,692	-	18,651	919,343
Lorrimore Nursery	3	827,348	4,284	27,724	859,356	733,437	2,130	31,874	767,441
The Elephant Nursery		556,280	-	12,572	568,852	-	-	-	-
Total expenditure		2,922,979	4,284	602,863	3,530,126	2,562,473	5,627	589,810	3,157,910
Net (expenditure)/ income for the year		(236,309)	(4,284)	(99,049)	(339,642)	32,404	(5,627)	(102,285)	(75,508)
Transfers between funds		(65,922)	-	65,922	-	(20,791)	-	20,791	-
Net movement in funds		(302,231)	(4,284)	(33,127)	(339,642)	11,613	(5,627)	(81,494)	(75,508)
Reconciliation of funds:									
Total funds brought forward		998,490	50,440	110,391	1,159,321	986,877	56,067	191,885	1,234,829
Total funds carried forward		696,259	46,156	77,264	819,679	998,490	50,440	110,391	1,159,321

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

1st Place Children and Parents' Centre Ltd.

Balance sheet

Company no. 05424738

As at 31 March 2024

	Note	£	2024 £	2023 £
Fixed assets:				
Tangible assets	9		<u>77,474</u>	<u>56,767</u>
			<u>77,474</u>	<u>56,767</u>
Current assets:				
Debtors	10	153,373	48,487	
Cash at bank and in hand		<u>1,039,519</u>	<u>1,376,359</u>	
		<u>1,192,892</u>	<u>1,424,846</u>	
Liabilities:				
Creditors: amounts falling due within one year	11	<u>450,687</u>	<u>322,292</u>	
Net current assets			<u>742,205</u>	<u>1,102,554</u>
Total net assets	13		<u><u>819,679</u></u>	<u><u>1,159,321</u></u>
The funds of the charity:	14			
Restricted income funds			<u>77,264</u>	<u>110,391</u>
Unrestricted income funds:				
Designated funds		46,156	50,440	
General funds		<u>696,259</u>	<u>998,490</u>	
Total unrestricted funds			<u>742,415</u>	<u>1,048,930</u>
Total charity funds			<u><u>819,679</u></u>	<u><u>1,159,321</u></u>

Approved by the trustees on 11 September 2024 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 2024

	Note	2024	2023
		£	£
Cash flows from operating activities	15		
Net cash (used in) operating activities		(311,962)	(60,241)
Cash flows from investing activities:			
Dividends, interest and rents from investments		35,845	3,241
Purchase of fixed assets		(60,723)	(28,726)
Net cash used in investing activities		(24,878)	(25,485)
Change in cash and cash equivalents in the year		(336,840)	(85,726)
Cash and cash equivalents at the beginning of the year		1,376,359	1,462,085
Cash and cash equivalents at the end of the year		1,039,519	1,376,359

Notes to the financial statements

For the year ended 31 March 2024

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 2024

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	44%
● Cambridge House Nursery	7%
● Lorrimore Nursery	22%
● Elephant Castle Nursery	9%

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	9%
● Elephant Castle Nursery	19%

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 2024

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 2024

2a Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
LB of Southwark: Children's Centre	–	442,075	442,075	420,464
Alexandra Rose Charity Grant	–	55,108	55,108	46,810
External Bookings	19,402	–	19,402	4,440
Sub-total for Children's Centre Services	19,402	497,183	516,585	471,714
LB of Southwark – free education entitlement	248,815	–	248,815	182,160
Nursery Fees	1,099,620	–	1,099,620	771,635
LB Southwark: Special Education Needs (SEN)	–	1,012	1,012	5,480
LB Southwark: Deprivation fund	23,823	–	23,823	24,419
Early Years Pupil Premium (EYPP) Grant	–	495	495	1,143
Sub-total for Chumleigh Nursery	1,372,258	1,507	1,373,765	984,837
LB of Southwark – free education entitlement	34,538	–	34,538	117,720
Nursery Fees	193,730	–	193,730	798,341
LB Southwark: Special Education Needs (SEN)	–	–	–	2,024
LB Southwark: Deprivation fund	3,053	–	3,053	13,547
EYPP Grant	–	94	94	567
Sub-total for Cambridge House Nursery	231,321	94	231,415	932,199
LB of Southwark – free education entitlement	151,198	–	151,198	76,560
Nursery Fees	530,365	–	530,365	581,186
LB Southwark: Special Education Needs (SEN)	–	–	–	7,084
LB Southwark: Deprivation fund	16,113	–	16,113	18,735
EYPP Grant	–	1,535	1,535	880
Sub-total for Lorrimore Nursery	697,676	1,535	699,211	684,445
LB of Southwark – free education entitlement	86,500	–	86,500	–
Nursery Fees	192,960	–	192,960	–
LB Southwark: Special Education Needs (SEN)	–	3,036	3,036	–
LB Southwark: Deprivation fund	9,974	–	9,974	–
EYPP Grant	–	459	459	–
Sub-total for The Elephant Nursery	289,434	3,495	292,929	–
Total income from charitable activities	2,320,657	503,814	3,113,905	3,073,195

Notes to the financial statements

For the year ended 31 March 2024

2b Income from charitable activities (prior year)

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
LB of Southwark: Children's Centre	–	420,464	420,464	421,717
Alexandra Rose Charity Grant	–	46,810	46,810	34,095
External Bookings	4,440	–	4,440	5,514
Sub-total for Children's Centre Services	4,440	467,274	471,714	461,326
LB of Southwark – free education entitlement	182,160	–	182,160	150,207
Nursery Fees	771,635	–	771,635	758,895
LB Southwark: Special Education Needs (SEN)	–	5,480	5,480	10,120
LB Southwark: Deprivation fund	24,419	–	24,419	25,697
Early Years Pupil Premium (EYPP) Grant	–	1,143	1,143	906
Sub-total for Chumleigh Nursery	978,214	6,623	984,837	945,825
LB of Southwark – free education entitlement	117,720	–	117,720	91,646
Nursery Fees	798,341	–	798,341	765,838
LB Southwark: Special Education Needs (SEN)	–	2,024	2,024	2,420
LB Southwark: Deprivation fund	13,547	–	13,547	14,956
EYPP Grant	–	567	567	604
Sub-total for Cambridge House Nursery	929,608	2,591	932,199	875,464
LB of Southwark – free education entitlement	76,560	–	76,560	186,410
Nursery Fees	581,186	–	581,186	398,032
LB Southwark: Special Education Needs (SEN)	–	7,084	7,084	3,432
LB Southwark: Deprivation fund	18,735	–	18,735	29,526
EYPP Grant	–	880	880	1,677
Sub-total for Lorrimore Nursery	676,481	7,964	684,445	619,077
Total income from charitable activities	2,588,743	484,452	3,073,195	2,901,692

Notes to the financial statements

For the year ended 31 March 2024

3a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities				The Elephant Nursery	Governance costs £	Support costs £	2024 Total £	2023 Total £
		Children's Centre Services £	Chumleigh Nursery £	Cambridge House Nursery £	Lorrimore Nursery £					
Staff costs (Note 5)	-	384,922	765,164	174,603	560,652	312,080	-	402,282	2,599,703	2,360,959
Other staff costs	-	8,042	23,999	6,264	19,207	11,563	-	18,535	87,610	187,327
Direct costs	-	10,514	42,786	11,738	20,538	27,840	-	10,181	123,597	119,770
Premises costs	-	4,361	37,942	21,039	41,802	87,697	-	21,194	214,035	139,034
Rental equipment	-	1,946	2,345	281	1,265	1,058	-	1,450	8,345	9,222
Utilities	-	10,676	71,681	4,963	28,131	39,377	-	73,669	228,497	134,704
Office costs	-	5,897	10,947	3,358	23,072	10,993	1,904	91,514	147,685	103,658
Legal and professional fees	-	-	1,503	540	1,503	2,763	12,449	49,952	68,710	69,176
Promotion	-	-	-	-	-	25	-	12,786	12,811	7,031
Depreciation	-	486	11,828	5,429	1,345	5,129	-	15,799	40,016	29,454
Bad debt	-	-	-	-	-	11	-	(894)	(883)	(2,425)
	-	426,844	968,195	228,215	697,515	498,536	14,353	696,468	3,530,126	3,157,910
Support costs	-	104,470	310,393	53,826	160,262	67,517	-	(696,468)	-	-
Governance costs	-	1,579	4,258	4,138	1,579	2,799	(14,353)	-	-	-
Total expenditure 2024	-	532,893	1,282,846	286,179	859,356	568,852	-	-	3,530,126	3,157,910
Total expenditure 2023	16,969	504,134	950,023	919,343	767,441	-	-	-	3,157,910	

Of the total expenditure, £2,927,263 was unrestricted (2023: £2,568,100) and £602,863 was restricted (2023: £589,810).

Notes to the financial statements

For the year ended 31 March 2024

3b Analysis of expenditure (prior year)

		Charitable activities							
	Cost of raising funds £	Children's Centre Services £	Chumleigh Nursery £	Cambridge House Nursery £	Lorrimore Nursery £	Governance costs £	Support costs £	2023 Total £	
Staff costs (Note 5)	–	389,072	620,850	525,811	483,890	–	341,336	2,360,959	
Other staff costs	–	3,391	30,027	94,453	36,065	–	23,391	187,327	
Direct costs	–	9,464	46,740	32,103	23,813	–	7,650	119,770	
Premises costs	–	2,615	28,801	46,642	44,759	–	16,217	139,034	
Rental equipment	–	2,444	2,017	985	829	–	2,947	9,222	
Utilities	–	3,829	46,971	5,107	22,381	–	56,416	134,704	
Office costs	–	4,783	10,455	9,147	16,152	936	62,185	103,658	
Legal and professional fees	5,400	984	1,710	23,113	3,989	12,300	21,680	69,176	
Promotion	–	–	117	117	117	–	6,680	7,031	
Depreciation	–	4,229	11,167	3,651	859	–	9,548	29,454	
Bad debt	–	66	221	–	–	–	(2,712)	(2,425)	
	5,400	420,877	799,076	741,129	632,854	13,236	545,338	3,157,910	
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	

Notes to the financial statements

For the year ended 31 March 2024

4 Net expenditure for the year

This is stated after charging:

	2024 £	2023 £
Depreciation	40,016	29,454
Operating lease rentals:		
Property	155,768	108,815
Other	8,345	9,222
Auditor's remuneration (excluding VAT):		
Audit	10,950	10,250
Other services	3,375	2,150
	<u>40,016</u>	<u>29,454</u>

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

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	2,341,836	2,136,640
Social security costs	185,290	161,503
Employer's contribution to defined contribution pension schemes	72,577	62,816
	<u>2,599,703</u>	<u>2,360,959</u>

One employee earned between £60,000 ad £69,999 during the year (2023: 1). No other employees earned over £60,000 in the year.

The total employee benefits including pension contributions of the key management personnel were £520,336 (2023: £518,308).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

There were £137 of trustee expenses representing the payment or reimbursement of travel and subsistence costs (2023: £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 (£69,776) to our lowest salary (£20,236) was 3.4 in 2024 (2023: 3.6).

6 Staff numbers

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

	2024 No.	2023 No.
Raising funds	–	–
Children's Centre Services	13.6	17.4
Chumleigh Nursery	43.5	35.7
Cambridge House Nursery/ The Elephant Nursery	36.4	44.2
Lorrimore Nursery	40.6	33.2
Support	14.3	14.8
Governance	–	–
	<u>148.3</u>	<u>145.3</u>

Notes to the financial statements

For the year ended 31 March 2024

7 Related party transactions

There are no related party transactions to disclose for 2024 (2023: 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 £
Cost or valuation					
At the start of the year	23,610	55,300	195,176	10,393	284,479
Additions in year	4,677	20,488	22,948	12,610	60,723
Disposals in year	(1,214)	–	–	(10,393)	(11,607)
At the end of the year	27,073	75,788	218,124	12,610	333,595
Depreciation					
At the start of the year	13,514	27,297	176,508	10,393	227,712
Charge for the year	3,276	20,157	14,153	2,430	40,016
Eliminated on disposal	(1,214)	–	–	(10,393)	(11,607)
At the end of the year	15,576	47,454	190,661	2,430	256,121
Net book value					
At the end of the year	11,497	28,334	27,463	10,180	77,474
At the start of the year	10,096	28,003	18,668	–	56,767

All of the above assets are used for charitable purposes.

10 Debtors

	2024 £	2023 £
Trade debtors	91,024	2,243
Prepayments	48,057	38,567
Other debtors	14,292	7,677
	153,373	48,487

Notes to the financial statements

For the year ended 31 March 2024

11 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	39,284	44,110
Taxation and social security	43,723	33,182
Other creditors	165,159	139,479
Accruals	57,822	23,826
Deferred income (note 12)	144,699	81,695
	450,687	322,292

12 Deferred income

Deferred income comprises of nursery fees and Children's Centre income received in the year which relates to the subsequent financial year.

	2024 £	2023 £
Balance at the beginning of the year	81,695	60,050
Amount released to income in the year	(81,695)	(60,050)
Amount deferred in the year	144,699	81,695
Balance at the end of the year	144,699	81,695

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	76,489	–	985	77,474
Net current assets	619,770	46,156	76,279	742,205
Net assets at 31 March 2024	696,259	46,156	77,264	819,679

13b Analysis of net assets between funds (prior 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
Net assets at 1 April 2023	998,490	50,440	110,391	1,159,321

Notes to the financial statements

For the year ended 31 March 2024

14a Movements in funds (current year)

	At 1 April 2023 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Special Education Needs	–	4,048	(69,970)	65,922	–
Family Support: Children's Centre	93,931	442,075	(489,144)	–	46,862
EYPP	10,567	2,583	–	–	13,150
Alexandra Rose Charity Grant	5,893	55,108	(43,749)	–	17,252
Total restricted funds	110,391	503,814	(602,863)	65,922	77,264
Unrestricted funds:					
Designated funds:					
Family Support Fund	943	–	–	–	943
Nursery Support Fund	49,497	–	(4,284)	–	45,213
Total designated funds	50,440	–	(4,284)	–	46,156
General funds	998,490	2,686,670	(2,922,979)	(65,922)	696,259
Total unrestricted funds	1,048,930	2,686,670	(2,927,263)	(65,922)	742,415
Total funds	1,159,321	3,190,484	(3,530,126)	–	819,679

14b Movements in funds (prior year)

	At 1 April 2022 £	Income and gains £	Expenditure and losses £	Transfers £	At 1 April 2023 £
Restricted funds:					
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)	–
Total restricted funds	191,885	487,525	(589,810)	20,791	110,391
Unrestricted funds:					
Designated funds:					
Family Support Fund	1,000	–	(57)	–	943
Nursery Support Fund	55,067	–	(5,570)	–	49,497
Total designated funds	56,067	–	(5,627)	–	50,440
General funds	986,877	2,594,877	(2,562,473)	(20,791)	998,490
Total unrestricted funds	1,042,944	2,594,877	(2,568,100)	(20,791)	1,048,930
Total funds	1,234,829	3,082,402	(3,157,910)	–	1,159,321

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. 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 2024

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

	2024 £	2023 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(339,642)	(75,508)
Depreciation charges	40,016	29,454
Dividends, interest and rent from investments	(35,845)	(3,241)
(Increase)/ Decrease in debtors	(104,886)	4,746
Increase/ (Decrease) in creditors	128,395	(15,692)
Net cash (used in) operating activities	(311,962)	(60,241)

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 2024 £	2023 £
Less than one year	136,000	36,819
One to five years	205,750	64,000
Over five years	42,667	42,667
	384,417	143,486

17 Post balance sheet events

It has now been agreed with St Paul's Church, Lorrimore Square that we will terminate our license to rent rooms for a nursery there. We are transferring the children who attend Lorrimore Nursery, in the main, to our Elephant & Castle site at Hampton Street with the agreement of parents.

18 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.