

NUCLEUS COMMUNITY  
ACTION LIMITED

DIRECTORS' AND  
TRUSTEES' REPORT AND  
ACCOUNTS

FOR THE YEAR ENDED 31ST  
MARCH 2023

## REPORT AND ACCOUNTS

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## **NUCLEUS COMMUNITY ACTION LIMITED DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2023**

The trustees are pleased to present their annual directors' report together with the financial statements of the Charity for the year ended 31st March 2023, which are also prepared to meet the requirements for a directors' report and Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statements 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) (effective 1 January 2015).

### **OUR PURPOSE AND ACTIVITIES**

The Charity's mission is to educate, inform and advise users. The objectives are to combat poverty by education and providing **expert** access to advice and assistance in areas of social welfare law.

The Charity's approach involves actively involving vulnerable clients in assessing their problems, **helping them** consider options, confirming likely consequences and **helping them choosing the best** way forward. There have been no changes in these this year.

We believe this approach enables and empowers users to take a central role in fundamental decisions affecting their lives and creating plans to address both short-term and long-term issues.

### **The role and contribution of volunteers**

The contribution of volunteers and university placements to deliver our work and meet our objectives is key: we rely on volunteers' time and skills across the whole organisation and in every team. During the year a total of 86 volunteers helped support the work of paid staffs across the services.

Londoners, and especially in Central and West London, are facing huge increasing housing costs and general living expenses. The social welfare support system meant to be there in a time of need is not adequate in helping people: it is slow to react and offer very little support. Furthermore in Londoners are more likely to be overcrowded, more likely to live in poverty after housing costs, and more likely to be living in housing in disrepair.

### **Achievements and Performance**

Helped over 8990 people get advice on a social welfare law matter.  
Helped local people gain £1.6 million in by challenging wrong decisions.

Our advisors are experienced specialist advisor were able to take on 1,854 in depth cases:

- 270 Housing cases involving possession proceedings or homeless applications.
- 116 Employment involving challenging unfair dismissal or discrimination
- 542 DWP or Housing Benefit/ Support appeals
- 926 Debt advice and management

Our pro bono service is built on partnerships with local solicitors firms. They provide pro bono appointments in areas of work for which legal aid has been severely curtailed. Over the year our volunteer solicitors helped advice 755 clients. In the main 3 areas of demand they helped with were:

- 253 Families with issues around divorce or children
- 329 Immigration case involving visa's and nationality
- 108 Housing possession or disrepair cases

We have continued to provide advice in community settings across the RBKC, both jointly with other community organisations i.e. North Kensington Food Kitchen or Pepperpot and at venues and pop up events at community using the Debt Bus and advice kiosk.

During the year, when another charitable organisation managing the Lido, in Ealing, went into receivership, we took over managing the community hub to help ensure access to services from the 7 charities based at the Lido.

To help improve access and meet the demand for advice, we have launched a number of Quick Advice session for local residents including sessions for Housing advice, Debt advice, Benefits forms and a social prescribing sessions for GP or NHS services.

In the World's End area, in RBKC, when the existing advice centre closed, we launched new advice services, jointly with CAKC, to help meet the need of local residents.

Due to the cost of living crisis, we have administered an emergency fund and a help towards fuel costs. With the help of KC Foundation we were able to launch a grant scheme to provide emergency cash and/ or 1 off direct payments into help pay off utility arrears. Over 22-23 we were able to distribute £128K to help our clients.

### **Public benefit statement**

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2). The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

### **FINANCIAL REVIEW**

The statement of Financial Activities showed a net deficit for the year of £161,844 (2022 – deficit £43,110) and total reserves stand at £857,493 (2022 – £1,019,337). As at the year end the free reserves carried forward excluding tangible fixed assets totalled to £340,949 (2022 - £348,777) of which £347,000 (2022 - £347,000) was designated to building maintenance, furniture and equipment, staff contingency and computer development. Restricted funds carried forward totalled to £201,586 (2022 - £346,472).

The Charity endeavours to run on a balance budget in delivering the various activities carried out by Nucleus. Over the year the trustees used reserves:

- Which had been set aside for repairs to carry out structural repairs and works to improve disabled access to the centre.
- To fund housing posts to continue to deliver much needed housing advice and retain skilled and expert staff in employment.

**NUCLEUS COMMUNITY ACTION LIMITED DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2023 (Cont. /d).**

**Risk management**

The Directors and Trustees have identified the major risks to which the Charity is exposed and believe that the systems in place are adequate to mitigate those risks. The Charity's Organisational Risk Assessment has been reviewed to this end.

We make little use of financial instruments other than an operational bank account and an investment in a common investment fund so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Charity.

The main risks are to us providing effective services to really tackle poverty are:

- Failure to demonstrate poverty and its detrimental effects on individual and society to decision makers or people in power.
- Reductions or cuts to core funding grants.
- Failure to meet agreed targets in service contracts, the service level agreements or grants.
- Project work failing to cover running costs i.e. funders or contracts failing to adequately cover project cost and not recognising the need for management and development costs.
- Failure to manage or control costs or expenditure and failing to take timely action.
- Loss of key personnel and skills.
- Failure to perform to the required specification for the quality assurance systems or regulations.
- Failure to develop new digitised services to meet service users' needs and develop a cost efficient service or failure to develop services to meet the needs of digitally excluded groups
- Failure to maintain and keep the buildings and offices in good repair and offer a good client experience.

The Trustees and the Director have taken steps to try to mitigate the risks. The main external risk to any small independent organisation, such as ours, is being too dependent generally on grants and contracts and/or 1 source of funding.

We do not have direct control of this but we try and minimise risks by diversifying the funding base and trying to ensure projects and cost centres cover costs of running them. We can also ensure we meet the requirements of the funders and internal risks i.e. failure to provide relevant effective services have been managed by having good governance and management.

The Trustees manage fundament failure by continually focusing on our charitable aims and actively challenging ourselves to better manage and deliver services.

We believe a key to we meeting our charitable aims is to keep user needs central to co-designing and developing services. The Trustees have, in place, mechanisms for user input across the organisation. Including having former service users on the board, engaging residents to get their input, encouraging feedback from users and having a transparent approach to all our work.

Retaining good staff is an ongoing issue for any charity. We recognise that, we need to try by paying reasonable wages close to the market levels. To this end we endeavour to try and ensure pay, for all staff, at least the London Living Wage. Furthermore we will endeavour to improve terms and conditions for staff to encourage people from a diverse background to help join us in delivering our mission. We have embraced hybrid to help create a flexible working environment and to allow staff to better manage their work life balance.

### **Principal funding sources**

The principal funding sources are shown under notes 2 and 3 and comprise a mix of statutory funding, grants from charitable trusts and commercial organisations. The Charity also raises funds through a number of sponsored initiatives.

Nucleus aims to develop a diverse funding base for its activities, currently we receive funding from:

- The Royal Borough of Kensington & Chelsea
- The Camden Charities
- The London Borough of Ealing
- Money and Pensions Advice Services (Debt Free Advice)
- London Legal Support Trust
- KC Foundation
- AB Foundation
- GLA Mayor's Fund.

We would like to offer a sincere thanks to all the above funders for their continued support. Without their understanding of the issues we would not be able to do any of our work.

Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish. It endeavours to maximise interest income from use of free financial resources.

### **Reserves policy**

The Directors and Trustees consider it prudent to maintain an adequate level of unrestricted reserves to cover the Charity's contractual commitments and provide sufficient working capital and have set this at minimum of between three and nine months expenditure.

This is to help preserve our independence: by allowing us underwrite new projects, protect existing projects and pump prime funding. It also helps use to protect employment so as not lose key skills /services in between projects or whilst applying for and securing funding.

The Directors and Trustees have identified adequate direct and indirect compensation as a newly, emerging and growing risk to service efficacy. Traditionally the Charity has remained competitive and attracted suitable, competent staff by offering indirect benefits and non-monetary compensation i.e. flexible working especially around WFH, child and caring needs.

The Director and Trustees, recognise acting as a model good employer is essential in meeting aims to being a progressive anti-poverty charity. Staff remuneration and rights need to be kept in review and protected. The Directors and Trustees re-commit to developing and maintaining direct and indirect remuneration for all staff.

### **FUTURE PLANS AND DEVELOPMENTS**

The need for our services is greater than ever. We reviewed recent demand for our help. We found out that over the last 3 years:

- Demand for Debt advice queries has increased by 231%
- Demand for Housing advice queries has increased by 212%
- Demand for Welfare advice queries has increased by 211%

In our experience, too many Londoners face an insecure precarious existence: many are on low pay which coupled with high housing costs, has resulted in poor housing affordability. Many of our clients are spending on average 40% of their income on housing. Many are using money for food and heating to hand on to their housing.

Our in-depth review, in December 2023, of what help our users wanted showed us that 40% of callers wanted help with housing advice. Our client feedback showed that they most wanted "an affordable home for my

family" and to just be "debt free".

In the coming year nucleus plans to continue to develop services to tackle poverty and its effects. We will focus on developing and delivering a comprehensive holistic advice service providing housing, debt and benefit advice services.

A key objective will be to build further partnerships or consortia and to work with statutory and voluntary services to get better outcomes.

#### **Charitable and political donations.**

During the year the Charity made no political or charitable donations.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Company Number: 1202541

Charity Number: 269325

#### **Directors / Trustees:**

Alan Murdie	(Chairman)
Roy Hiscock	(Treasurer)
Charles Donkoh	
Charles Eder	
Lady Jasmine Cowper-Coles	Resigned 19/1/23
Robert Allan	
Chantal German	Appointed 19/6/23

#### **Secretary:**

Baljit Badesha

#### **Senior Management Team:**

Baljit Badesha – Director  
Megan Redhouse – Service Development Manager  
Kehinde Anifowose – Debt Services Manager.

#### **Registered Office:**

298 Old Brompton Road, London SW5 9JF

#### **Auditors:**

Grant Harrod Lerman Davis LLP, 1<sup>st</sup> Floor, Healthaid House, Marlborough Hill Harrow, HA1 1UD

#### **Bankers:**

Lloyds Bank Plc. P.O. Box 1000, BX1 1LT  
CCLA Investment Management Ltd, 80 Cheapside, London EC2V 6DZ  
Charity Bank Ltd, 194 High Street, Tonbridge, Kent TN9 1BE  
Hampshire Trust Bank, PO Box 74003, London EC2P 2QR  
Nationwide BS, Nationwide House, Pipers Way, Swindon SN38 1NW

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

Nucleus Community Action Limited is a company limited by guarantee and not having a capital divided by shares.

The company was incorporated on 5th March 1975 and is a registered charity constituted as a Limited Company under the Memorandum and Articles of Association. The charity registration number is 269325 and the company registration number is 1202541.

### **Trustee induction and training**

The Trustees maintain a working knowledge of charity and company law and best practice by attendance at charity and company courses run by outside providers. New Trustees are given copies of the Memorandum and Articles of Association and Policies and Procedures of the organisation.

New members are provided with an induction by the Director. This involves a set of meetings and being provided with a committee handbook. They are offered an opportunity for co-mentoring with other members. All new and existing members are offered on-going subject based and skilled based external training. All committee members take an active part in the organisation's strategy during committee meetings and an annual strategy day.

### **Appointment of trustees**

As set out in the Articles of Association the Chair of Trustees is nominated by Nucleus Community Action Limited Management Board. Membership of the Management Board is agreed by the charity's members at an Annual General Meeting.

The Directors in office in the year are set out on page 4. The Directors have no beneficial interest in the company other than as members and all guarantee to contribute £1 in the event of a winding up. The Board has the power to appoint additional Directors and Trustees with special expertise as it considers fit. They also have unlimited investment powers.

### **Organisation**

The company is structured so that the Directors and Trustees meet regularly in order to manage its affairs, with Nucleus Community Action Limited Management Board meeting approximately every six weeks. The Management Board comprises individuals from a variety of backgrounds, stakeholders and users. Board members' backgrounds include care, advice and legal professions as well as finance and management. A Finance & Personnel Sub-committee is in place, meeting regularly and reporting in turn to the Management Board.

### **Related parties**

There are no related parties to the charity other than the trustees. There were no related party transactions in the year under review.

### **Pay policy of senior staff**

The arrangement for setting the pay and remuneration of the company's staff is done by the board of directors/trustees and included within the company's budgeting process.



## STATEMENT OF DISCLOSURE TO AUDITOR

So far as the Directors and Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware. Additionally, the Directors and Trustees have taken all the necessary steps that we ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Nucleus Community Action Limited for the purposes of company law) are responsible for preparing the preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 Directors 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 company and of its income and expenditure for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures
- disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the
- Charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and the financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

## AUDITORS

A resolution will be proposed at the Annual General Meeting that Grant Harrod Lerman Davis LLP - Chartered Accountants re-appointed as auditors of the Charity for the ensuing year. The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

## APPROVAL

This report was approved by the Board and signed on its behalf by:

Trustee



15<sup>th</sup> December 2023

**Report of the Independent Auditors to the  
Member of Nucleus Community Action Limited**

**Opinion**

We have audited the financial statements of Nucleus Community Action Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

## **Report of the Independent Auditors to the Member of Nucleus Community Action Limited**

### **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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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 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.

### **Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of trustees and inspection of policy documentation as to the Charity's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Charity's revenue transactions are simple and low value with few, if any, judgmental aspects to revenue recognition. We are not aware of any incentives or pressures linked to revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of fraud risk management controls.

**Report of the Independent Auditors to the  
Member of Nucleus Community Action Limited**

We also performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Context of the ability of the audit to detect fraud or breaches of law or regulation.

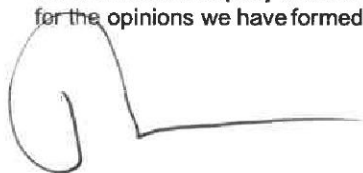
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**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 auditors' 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.



Jeremy Harrod FCCA (Senior Statutory Auditor)  
for and on behalf of Grant Harrod Lerman Davis LLP  
Chartered Accountants  
Statutory  
Auditors 1st  
Floor Healthaid  
House  
Marlborough Hill  
Harrow  
Middlesex  
HA1 1UD

Date: 15/12/2023

NUCLEUS COMMUNITY ACTION LIMITED  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2023  
SUMMARY INCOME AND EXPENDITURE  
ACCOUNT

	Notes	Unrestricted funds £	Restricted funds £	2023 £	2022 £
<b>Income</b>					
Grants, donations and legacies	2	0	200,700	200,700	212,315
<b>Income from charitable activities</b>					
Donations, Grants and Contracts	3	255,482	248,492	503,974	724,647
<b>Investment income</b>					
Bank interest	4	6,784	0	6,784	5
<b>Total income</b>		<u>262,266</u>	<u>449,192</u>	<u>711,458</u>	<u>936,967</u>
<b>Expenditure</b>					
<i>Expenditure on charitable activities</i>					
Grants paid to individual clients				0	0
Other	5, 6	279,225	594,077	873,302	980,077
<b>Total expenditure</b>		<u>279,225</u>	<u>594,077</u>	<u>873,302</u>	<u>980,077</u>
<b>Net income/(expenditure) and net movements in funds for the year before transfers</b>		(16,959)	(144,885)	(161,844)	(43,110)
Transfer from Unrestricted to Restricted funds				0	0
		<u>(16,959)</u>	<u>(144,885)</u>	<u>(161,844)</u>	<u>(43,110)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		672,865	346,472	1,019,337	1,062,447
		<u>655,906</u>	<u>201,587</u>	<u>857,493</u>	<u>1,019,337</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

An incoming resources and resources expended derive from continuing activities.

The notes on pages 16 to 25 form part of these accounts


NUCLEUS COMMUNITY ACTION LIMITED

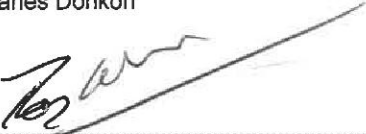
BALANCE SHEET AT 31 MARCH 2023

	Notes	2023	2022
Fixed assets			
Tangible fixed assets	10	314,958	324,088
Current assets			
Debtors	11	51,967	89,884
Cash at bank and in hand		715,381	852,234
		<u>767,349</u>	<u>942,118</u>
Liabilities			
Creditors falling due within one year	12	224,814	246,870
		<u>542,534</u>	<u>695,248</u>
Net current assets		<u>857,492</u>	<u>1,019,336</u>
		<u>=====</u>	<u>=====</u>
The funds of the charity			
Unrestricted funds			
General	14	308,907	325,865
Designated	14	347,000	347,000
Restricted funds	14	201,586	346,472
		<u>857,492</u>	<u>1,019,337</u>
		<u>=====</u>	<u>=====</u>

The trustees have prepared accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These accounts were approved by the Board of Directors and Trustees on <sup>15<sup>th</sup></sup> December 2023 and were signed on its behalf by

  
 ..... Trustee  
 Charles Donkoh

  
 ..... Treasurer  
 John Roy Hiscock

Company Number: 1202541

The notes on pages 16 to 25 form part of these accounts.

NUCLEUS COMMUNITY ACTION LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Net cash (used in)/generated from operating activities		(143,637)	71,769
Cash flows from investing activities			
Purchase of tangible fixed assets		-	-
Interest received		6,784	5
Interest paid		-	-
Cash (used in)/generated by investing activities		6,784	5
Change in cash and cash equivalents in the year		(136,853)	71,774
Cash and cash equivalents at the beginning of the year		852,234	780,460
Cash and cash equivalents at the end of the year		715,381	852,234

NUCLEUS COMMUNITY ACTION LIMITED  
NOTES TO THE FINASNCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies

1.1 Basis of preparation of accounts.

The financial statements have been prepared in accordance with Accounting and Reporting for Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1<sup>st</sup> January 2019 – Charity SORP FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £. Nucleus Community Action Limited meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

1.2 Preparation of accounts on a going-concern basis

The charity's financial statements show a net deficit of £161,844 for the year and the free reserves excluding designated funds of £308,907. The trustees are of the view that these results and fundraising plans have secured the immediate future of the charity for the next 12 months and on this basis the charity is a going concern.

1.3 Income recognition

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

- Income received by way of grants, donations and legacies are included in full in the Statement of Financial Activities when received, unless they relate to a specified future period, in which case they are deferred.
- Income from charitable activities received by way of revenue grants and donations are credited to restricted incoming resources on the earlier date of when they are received and when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- Grants, donations and legacies of a general nature which are not conditional on delivering certain levels of service are included as part of Grants, Donations and Legacies as shown under Notes 2 and 3.
- Income from activities includes income recognised as earned (as related to goods and services provided) under contract. Share of clients' compensation income are recognised when the compensation has been received.
- Investment income is included when receivable

1.4 Volunteers and donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit for the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refers to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity, which is the amount that the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market: a corresponding amount is then recognised in expenditure in the period of receipt. No such donations were received during the year.



NUCLEUS COMMUNITY ACTION LIMITED  
NOTES TO THE ACCOUNTS (Continued.)  
FOR THE YEAR ENDED 31 MARCH 2023

1.5 Expenditure recognition 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

- a) Cost of raising funds, comprising costs of seeking donations and legacies, costs related to property rentals, and their associated support costs.
- b) Expenditure on charitable activities, which include expenditure associated with the main objectives of the charity and includes both direct costs and their associated support costs. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Allocation of support costs.

Support costs are those functions which assist the work of the charity but do not undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities.

These costs have been allocated between costs of raising funds and charitable activities. The basis on which support costs have been allocated are set out in Note 7.

1.7 Fund Structures.

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the Board Management.

The designated fund comprises the general fund set aside to be used for a specific purpose as agreed by the trustees. These funds can be reallocated back to the general fund on the agreement of the trustees when the fund is no longer needed for the particular purpose.

The restricted funds are monies raised for, and use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Individual fixed assets costing £1,000 or more are capitalised at cost.

Depreciation is charged at rates calculated to write off the cost or valuation of the fixed assets, less their estimated residual value, over their expected useful lives, on the following bases:

Leasehold land and buildings - 2% per annum

Plant and equipment - 25-50% per annum

Fixtures and fittings - 25%

1.9 Impairment of fixed assets.

At each reporting end date, the charity reviews the carrying amount of its tangible assets to determine whether those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

NUCLEUS COMMUNITY ACTION LIMITED  
NOTES TO THE ACCOUNTS (Continued.)  
FOR THE YEAR ENDED 31 MARCH 2023

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and wherever there is an indication that the asset may be impaired, appropriate provision is made.

1.10 Debtors

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

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 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 discount due.

1.13 Financial instruments.

The charity has elected to apply the provisions of Section 11, "Basic Financial Instruments" and Section 12 "Other Financial Instruments issues" of FRS 102 to all its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and bank balances, are initially measured at transaction price and include transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are de-recognised when the charity's contractual obligations expire or are discharged or cancelled.

NUCLEUS COMMUNITY ACTION LIMITED  
NOTES TO THE ACCOUNTS (Continued.)  
FOR THE YEAR ENDED 31 MARCH 2023

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the Statement of Financial Activities on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in economic benefits from the lease asset are consumed.

1.15 Employee benefits.

The cost of any unused holiday entitlement is recognised in the period in the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Taxation

The charity is a registered charity and therefore is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

1.18 Judgement and key sources of estimation uncertainty

In the application of the charity's accounting policies, the charity is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

	Unrestricted funds £	Restricted funds £	£	2023	2022 £
2 DONATIONS AND LEGACIES					
Grant received from Royal Borough of Kensington & Chelsea	0	200,700		200,700	212,315
	0	200,700		200,700	212,315

NUCLEUS COMMUNITY ACTION LIMITED  
NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2023

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2023 £	2022 £
Performance related grants	145,959.76	258,491.51	404,451.27	640,911
Clients compensation	0.00	0.00	0.00	61,066
Garfield Weston – grant	20,000.00	0.00	20,000.00	0.00
AB Charitable Foundation - grant	20,000.00	0.00	20,000.00	0.00
Mayor's Fund	9,474.00	0.00	9,474.00	0.00
GLA Mayor's Fund	7,122.50	0.00	7,122.50	0.00
Income from Room Hire and post service	21,617.00	0.00	21,617.00	0.00
Student Placement	10,600.00	0.00	10,600.00	0.00
Donations	10,709.05	0.00	10,709.05	22,670
	245,482.31	258,491.51	503,973.82	724,647
Performance related grants				
London Borough of Ealing	120,615.77	0.00	120,615.77	120,616
West Ealing Triage	2,465.00	0.00	2,465.00	0
Toynbee Hall	0.00	140,238.97	140,238.97	187,027
Toynbee Hall – Training	0.00	30,372.54	30,372.54	73,433
Campden Charities	0.00	77,880.00	77,880.00	79,500
Oak Foundation	0.00	0.00	0.00	118,935
Specialist Housing /advice	0.00	10,000.00	10,000.00	0
Employment advice/tribunal income	(7,817.01)	0.00	(7,817.01)	17,500
KC Foundation - Administration Fees	8,500.00	0.00	8,500.00	6,400
Cost of Living Project	7,500.00	0.00	7,500.00	0
Ealing Warm Space Project	2,500.00	0.00	2,500.00	0
Covid-19 related grants				
Access 2 Justice	12,196.00	0.00	12,196.00	0
Oak Foundation	0.00	0.00	0.00	37,500
	145,959.76	258,491.51	404,451.27	640,911

4 INVESTMENT INCOME

Interest		<u>6784</u>	<u>5</u>
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5 ANALYSIS OF EXPENDITURE

	Debt £	2023 £	2022 £
Staff costs	685,713.21	685,713.21	769,070
Staff and volunteer training expenses	27,727.39	27,727.39	17,669
Communications	19,684.24	19,684.24	21,896
Equipment rental	1,976.64	1,976.64	2,109
Subscriptions and insurance	14,111.70	14,111.70	16,531
Computer and websites	3,713.92	3,713.92	96
Depreciation	9,130.00	9,130.00	9,130
Support costs (Note 6)	101,289.69	101,289.69	135,775
Governance costs (Note 5)	9,955.00	9,955.00	7,800
	873,301.79	873,301.79	980,076

NUCLEUS COMMUNITY ACTION LIMITED  
NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2023

6 SUPPORT COSTS

The charity initially identifies the costs of its support functions and then identifies those cost which relate to the Governance function. Governance costs and other support costs are apportioned separately between the charity's key activities undertaken (see Note 5) in the year. All general support and governance costs have been apportioned to various charitable activities on the basis of staff time allocated to each activity.

	General support	Governance Function	2023	2022
	£	£	£	£
Office expenses and supplies	10,664		10,664	9,311
Marketing and advertising	4,999		4,999	5,630
Premises and equipment costs	6,886		6,886	67,573
Premises refurbishment	83,917		83,917	0
Computer consumables and maintenance	0		0	11,594
Web design	8,560		8,560	0
Fundraising	0		0	24,000
Legal and professional costs	788		788	3,093
Bookkeeping	7,427		7,427	5,154
Bank charges	203		203	188
Sundry	(24,783)		(24,783)	7,444
Audit fees		9,955	9,955	7,800
Management committee expenses		0	0	0
Consultancy	2,629		2,629	1,789
	101,290	9,955	111,245	143,576

7 Net income/expenditure for the year  
This is after charging

	2023	2022
	£	£
Depreciation of tangible fixed assets	9,130	9,130
Auditors' remuneration	9,955	7,800

8 Analysis of staff costs, trustees' remuneration and expenses, and cost of key management personnel

	2023	2022
	£	£
Salaries	616,570	685,937
National insurance	56,914	66,375
Pension contribution	12,229	16,758
	685,713	769,070

No employee had employee benefits in excess of £60,000 (2022 - nil)

The aggregate remuneration and employee benefits payable to key management personnel in the year totalled £140,982 (2022 - £62,689).

No trustee or person connected therewith received any remuneration or benefits from the charity during the year

There were no Trustee expenses in the year (2022 - none).

NUCLEUS COMMUNITY ACTION LIMITED  
NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2023

9 Staff numbers

The average number of full-time equivalent employees (including casual and part-time staff) was as follows:

	2023	2022
Advice	17	21
Administration	2	2
	19	23

10 Tangible fixed assets

	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 2022	486,757	42,427	61,796	590,980
Additions	0	0	0	0
Disposals	0	0	0	0
	486,757	42,427	61,796	590,980
Depreciation				
At 1 April 2021	162,669	42,427	61,796	266,892
Charge for year	9,130	0	0	9,130
Disposals	0	0	0	0
	171,799	42,427	61,796	276,022
Net book value at 31 March 2023	314,958	0	0	314,958
Net book value at 31 March 2022	324,088	0	0	324,088

11 Debtors	2023 £	2022 £
Trade debtors	44,763	61,516
Other debtors	(3,071)	22,714
Prepayments and accrued income	10,276	5,654
	51,967	89,884

12 Creditors: amounts falling due within one year	2023 £	2022 £
Social security and other taxation	10,598	30,597
Trade creditors	3,0586	62,665
Other creditors	154,190	151,163
Accruals and deferred income	29,439	2,444
	224,814	246,869

13 DEFERRED INCOME

There is no deferred income at the year-end (2022) - nil  
Deferred income at the year-end (2022) - £17,795

NUCLEUS COMMUNITY ACTION LIMITED  
NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2023

14 MOVEMENT IN FUNDS

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
<b>Restricted funds</b>					
Redundancy	857				857
Debt counselling	267,791	449,192	594,077		122,906
City Bridge Money Project	817				817
Trust for London	0				0
<b>Covid-19 related grants</b>					
Toynbee Hall	41,600				41,600
Access to Justice	4,642				4,642
Kensington & Chelsea Foundation	9,356				9,356
City of London	11,807				11,807
National Lottery	9,601				9,601
CAF Coronavirus Emergency Fund	0				0
<b>Transfer of funds</b>					
	346,471	449,192	594,077	0	201,586
<b>Designated funds</b>					
Staff contingency fund	185,000				185,000
Building maintenance	85,000				85,000
Furniture and equipment	12,000				12,000
Computer development	20,000				20,000
New office fund	45,000				45,000
	347,000	0	0	0	347,000
<b>General funds</b>	325,865	262,267	279,225	0	308,907
<b>Transfer of funds</b>					
<b>Total unrestricted funds</b>	672,865	262,267	279,225	0	655,907
<b>Total funds</b>	1,019,336	711,458	873,302	0	857,492

NUCLEUS COMMUNITY ACTION LIMITED  
NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2023

14 MOVEMENT IN FUNDS

Movement in funds - previous year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
<b>Restricted funds</b>					
Redundancy	857			0	857
Debt counselling	256,033	708,710	(696,952)	0	267,791
City Bridge Money Project	817	0	0	0	817
Trust for London	0	17,500	(22,643)	5,143	0
Covid-19 related grants					0
Toynbee Hall	41,600	0	0	0	41,600
Access to Justice	13,976	0	(9,334)	0	4,642
Kensington & Chelsea Foundation	17,737	0	(8,381)	0	9,356
City of London	11,807	0	0	0	11,807
National Lottery	9,733	0	(132)	0	9,601
CAF Coronavirus Emergency Fund	0				0
Transfer of funds				(5,143)	
	352,560	726,210	(737,442)	0	346,471
<b>Designated funds</b>					
Staff contingency fund	185,000				185,000
Building maintenance	85,000				85,000
Furniture and equipment	12,000				12,000
Computer development	20,000				20,000
New office fund	45,000				45,000
	347,000	0	0	0	347,000
<b>General funds</b>	362,886	210,757	(242,635)	(5,143)	325,865
Transfer of funds					
<b>Total unrestricted funds</b>	709,886	210,757	(242,635)	(5,143)	672,865
<b>Total funds</b>	1,062,446	936,967	(980,077)	(5,143)	1,019,336



NUCLEUS COMMUNITY ACTION LIMITED  
NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2023

15 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	314,958	0	314,958
Net current assets/(liabilities)	340,949	201,587	542,535
	<u>655,907</u>	<u>201,587</u>	<u>857,493</u>
Analysis of fund balances between net assets - previous year			
	Unrestricted £	Restricted £	Total £
Tangible fixed assets	324,088	0	324,088
Net current assets/(liabilities)	348,777	346,472	695,249
	<u>672,865</u>	<u>346,472</u>	<u>1,019,337</u>

16 Reconciliation of net movement in funds to net cash flow from operating leases

	2,023 £	2,022 £
Net movement in funds	(161,844)	(43,110)
Investment income	(6,784)	(5)
Add back: depreciation	9,130	9,130
Decrease/(increase) in debtors	37,917	6,416
Increase/(decrease) in creditors	(22,056)	99,339
	<u>(143,637)</u>	<u>71,770</u>

17 PENSION COSTS

The charity operated an occupational pension scheme under NEST, for all its qualifying employees. The assets OF THE scheme are held separately from those of the company in an independently administered fund.

Pensions payable for the year totalled £12,229 (2022 - £16,758). For some staff not subscribed to the company's Pension scheme, contributions are paid into their personal pension schemes. At the year end, contributions of £16,571 £ (2022 - nil) was due.

18 SHARE CAPITAL

The charity is constituted as a company limited by guarantee without share capital.

19 RELATED PARTY TRANSACTIONS

There were no related party transactions apart from those reported in Note 8 to these financial statements.

20 OPERATING LEASE COMMITMENTS

At the reporting date, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
Within one year	18,208	30,300
Within 2-5 years		50,008