

Annual Report and Financial Statements for the year ended 31st August 2017

Charity Number 1169328
Company Number 08959020

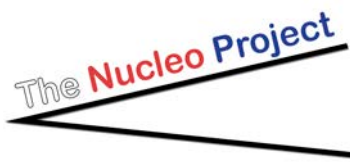


The Nucleo Project



Company Information	3
Introduction	4
Structure, Governance and Management	5
Objectives and Activities	6
Achievements and Performance	7
Plans for Future Periods	8
Financial Review	9
Independent Examiner's Report	10
Financial Statements	11





Company Information

Charity number 1169328

Company number 08959020

Trustees

The trustees are also the directors of the company for purposes of the Companies Act 2006. The trustees who served during the period were:

I C Brunner
R A Davey (co-chair) (appointed 15th April 2016)
S Hermer (appointed 10th May 2017)
C N C Hodges (co-chair)
S Reasbeck (appointed 7th November 2016)

H Cameron (resigned 19th April 2016)
L Gordon (resigned 19th April 2016)
E S S Jolliffe (resigned 19th April 2016)
J A R Navarro (resigned 19th April 2016)
M Wansbrough (resigned 19th April 2016)
M O Wolfson (resigned 17th May 2017)

Key Management

Lucy Maguire (CEO)



Registered office

9 St George's Yard
Farnham
Surrey GU9 7LW

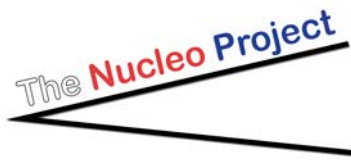
Bankers

Lloyds Bank
50 Notting Hill Gate
London W11 3JD

Independent examiner

Blackwood Fitcher & Co.
Chartered Accountants
9 St Georges Yard
Farnham
Surrey GU9 7LW





Introduction

The 2016-17 financial 'year' – our first year as a registered charity - was a period of terrific growth and development for The Nucleo Project.

'Year', because readers of this report will quickly note that it in fact covers a period of 17 months, from 1st April 2016 to 31st August 2017. The trustees this year made the wise decision to move The Nucleo Project's financial year-end to 31st August, in order to align our financial year with the school year, according to which our calendar of activities is planned.

At the start of the period covered, The Nucleo Project underwent a successful board restructuring. Over the course of the seventeen months, we managed to significantly increase fundraising in order to support equally significant growth and development in the organisation. As always, the ultimate goal of these developments was to be able to offer a constantly-improving programme to a greater number of children, and we succeeded in increasing our enrolment from 200 to 250 while also improving quality for all our children.

During the 2016-17 school year, a redesign of our Beginner String Orchestra programme for 4-7 year-olds enabled dramatically improved results for the children enrolled in this group, with a significant increase in parent engagement and satisfaction. The solid foundation laid at this early stage represents a very bright future for the programme!

Musical achievements for our older students were very exciting this year too, and our most advanced cohort continues to blaze a trail of musical excellence for our younger generations. On an organisational front, The Nucleo Project became a registered charity this year, hired an Operations Manager, and created a 3-year business plan.

In June 2017 The Nucleo Project, like the whole community of North Kensington, was deeply affected by the Grenfell Fire. Devastating though the tragedy was, we are proud to be working at the heart of such a strong and united community, and so thankful that all the Nucleo children living in the building escaped unhurt. As a project, we adapted in a time of crisis and came together to support those most affected, and to maintain as much continuity as possible for all our students and families. In lieu of our summer concert (which had to be cancelled as the venue, at the foot of the tower, was and still remains closed), our orchestras were invited to visit the recording studio at RAF Northolt, where we recorded our version of Stand By Me, as our own small response to the disaster. (The video can be seen here: <https://www.youtube.com/watch?v=rIO0b5wF2FI>) We are extremely grateful to RAF Music Services for making this possible.

We look forward to continuing to build our organisation in order to support the growth and development of our orchestras and the ever-greater achievements of our incredible young musicians. They are the best possible example of the inspiring things that can happen when every child has access to a high-quality, ensemble-based musical education.

Trustees' Report for the year ended 31st August 2017

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 1st April 2016 to 31st August 2017. The trustees have adopted the provisions of 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) (effective 1st January 2015).



Structure, Governance and Management

Governing Document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Organisation Structure

The trustees have overall authority for the charity, determining its strategic direction and ensuring compliance. Lucy Maguire, the founder and CEO, reports regularly to the board and works closely with the co-chairs.

Recruitment, Appointment, Induction and Training of Trustees

The trustees consider that a board size of six members is ideal for The Nucleo Project (at present we are seeking to add one more member to the board). Trustees are recruited with a view to filling any gaps in the expertise that we identify as important for a balanced and capable board. Before being appointed, all potential trustees attend one or two meetings as an observer, make a site visit to observe the project, and have a meeting with the co-chairs and/or the CEO to discuss the charity and the role of the trustees. Trustees are appointed to the board for a term of 2 years, and may serve for a maximum of three consecutive terms.



Related Organisations

The Nucleo Project is linked to Dalgarno Neighbourhood Trust, with whom we have a space hire agreement. The bulk of our activities are delivered on their premises.

The Nucleo Project is a part of the global El Sistema network, a network of organisations with a similar philosophy and aims, all of which work under the principal of 'social action through music'. In particular, The Nucleo Project maintains close relationships with Sistema England and with many other organisations in the Sistema Europe network, and is a member of the Sistema Europe association. No other organisation has control or influence over The Nucleo Project's policies, operations or activities, however, beyond the sharing of ideas and occasional collaborations on specific projects.



Objectives and Activities

Objectives

The Nucleo Project's charitable objects are to advance in life and help young people through:

- a) The provision of recreational and leisure time activities provided in the interest of social welfare, designed to improve their conditions of life; and
- b) Providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.

The Nucleo Project offers musical education and musical ensemble participation opportunities to children and young people, breaking down barriers to access by running our programme at no cost to participants. The project is based in North Kensington, an area with the second highest rate of child poverty in London (41%), and one of remarkable diversity and extreme socioeconomic contrast. The Nucleo Project strives to bring together children from across the full spectrum of the local community, to work together towards musical goals. Through our work, we aim to develop not only their musical abilities but also their personal skills and social attitudes, with the ultimate goal of helping to broaden their horizons and equip them to fulfil their potential as members of a community, and as individuals in whatever life paths they choose.





Activities

The Nucleo Project offers a programme of musical activities for children aged 2 to 18. All activities are free and instruments are provided (also for free) to all participants. The Nucleo Project is open to any child between the ages of 2 and 18 who is able to commit to attending the minimum number of weekly sessions required for his/her age group. Our core programme of activities consists of:

- Ages 2-4 - Early Years Programme (average 30 children, 1-2 sessions per child per week) - musicianship classes (ages 2-4) and group violin lessons (ages 3-4)
- Ages 4-7 – String Orchestra Programme (average 90 children, 3-5 sessions per child per week) – participation in a string orchestra and/or group instrumental lessons. Violin, viola, cello and double bass offered.
- Ages 7+ - Full Orchestra Programme (average 130 children, 4-6 sessions per child per week) – participation in an orchestra, including sectional rehearsals, workshops and instrumental group lessons. Violin, viola, cello, double bass, flute, oboe, clarinet, bassoon, French horn, trumpet, trombone, tuba, percussion offered.
- All ages – Musicianship Programme (all students, 1 session per child per week) – classes focused on musicianship, musical literacy and music theory
- All ages – Performances (all students who have begun learning an instrument, at least 1 performance per child per term)
- Advanced students – Scholarship Programme (20 to 30 most advanced musicians, 1 session per child per week) – additional individual instrumental lessons offered to students of advanced level and ability

Achievements and Performance

Access and Inclusion

During the period of reporting:

- Enrolment increased from 200 to 250
- 51% of the children enrolled in The Nucleo Project live in areas that are in the lowest decile nationally on the Income Deprivation Affecting Children Index (IDACI)
- 73% live in areas in the lowest 20%
- Students attend 40 different schools and speak over 30 different languages at home
- 5 children have Special Educational Needs and 2 have physical disabilities

Musical Excellence

During the period of reporting:

- 1 student won an Awards for Young Musicians grant
- 10 students passed ABRSM grade exams (ranging from grades 1 to 5, with seven achieving merit or distinction)
- 12 students competed at the LVS Ascot Music Festival, winning three gold, two silver and three bronze medals
- 4 students were invited to participate in the National Orchestra for All
- 3 students were invited to play in the Chineke! Juniors Orchestra
- 19 students were invited to participate in the Sistema England Young Leaders camp
- 4 students were invited to the Sistema Europe Youth Orchestra residency in Athens

Organisational Progress

During the period of reporting, The Nucleo Project:

- Became a registered charity
- Hired an Operations Manager
- Created a 3-year Business Plan
- Significantly increased fundraising



Plans for Future Periods

Our key objectives for the future are:

- To continue to deliver a high-quality, ensemble-based music education programme for students in our community
- To continue to deliver a programme that attracts and brings together a wide range of families from across our diverse community
- To continue to support our students to achieve significant musical progress whatever their level, as we know that progress and excellence are the keys to empowering our students, not only in music but in all aspects of their lives
- To continue supporting our highest-achieving students to access additional opportunities beyond those that The Nucleo Project has to offer, while also continuing to develop our programme at a pace with their musical progress, so that we can continue to engage, stimulate and challenge them
- To gradually increase the number of children engaged in our programme from 250 (August 2017) to 300 (2017-18) and eventually 400 (2018-19)
- To continue to build and develop our team of employees and freelance consultants
- To develop communications and continue building our reputation as a leader in our field
- To diversify funding streams



Financial Review

Reserves Policy

It is the policy of The Nucleo Project that a minimum level of reserves should be held equivalent to:

- 1 month of staff costs
- 3 months of rent
- 18 months of telephone contract fees
- Plus any other contractual liabilities

Any current or new obligations should become effective in the actual reserves level within 24 months.



Risk Management

The trustees recognise their responsibility for the management of risks faced by the charity (both financial and otherwise). A risk register is maintained by one of the co-chairs and reviewed annually by the board, or whenever an arising risk is brought to their attention.

At present, the greatest risk to the charity is the human resource risk that arises due to significant dependence on key members of the delivery team. The charity plans to mitigate this over the coming years by building, developing and training the team in order to reduce this dependence.

Funding Sources

The principal funding source of The Nucleo Project during the reporting period has been grants from trusts and foundations to support our ongoing work and/or to deliver specific projects within the scope of our activities.

Public Benefit

The trustees have had due regard for the Charity Commission's guidance on public benefit and are confident that the activities of the charity provide current and on-going benefit to the public.

The Nucleo Project



**Independent Examiner's Report to the Trustees of
The Nucleo Project**

I report on the accounts for the period 1 April 2016 to 31 August 2017 set out on pages three to eight.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this period (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

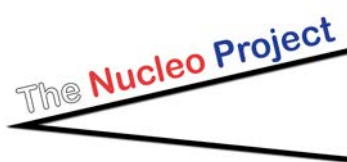
In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the 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) (effective 1 January 2015)have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

J Futcher

I R Futcher FCA
Institute of Chartered Accountants in England and Wales
Blackwood Futcher & Co.
Chartered Accountants
9 St George's Yard
Farnham
Surrey
GU9 7LW

Date: 01/05/2018



The Nucleo Project
Statement of Financial Activities
for the Period 1 April 2016 to 31 August 2017

	Notes	Unrestricted fund £	Restricted fund £	Period 1.4.16 to 31.8.17 Total funds £	Year Ended 31.3.16 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		262,948	36,000	298,948	111,263
Total		<u>262,948</u>	<u>36,000</u>	<u>298,948</u>	<u>111,263</u>
EXPENDITURE ON					
Charitable activities		195,711	19,441	215,152	120,469
Support costs		45,919	1,115	47,034	16,567
Total		<u>241,630</u>	<u>20,556</u>	<u>262,186</u>	<u>137,036</u>
NET INCOME/(EXPENDITURE)		<u>21,318</u>	<u>15,444</u>	<u>36,762</u>	<u>(25,773)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		(372)	-	(372)	25,401
TOTAL FUNDS CARRIED FORWARD		<u><u>20,946</u></u>	<u><u>15,444</u></u>	<u><u>36,390</u></u>	<u><u>(372)</u></u>
CONTINUING OPERATIONS					
All income and expenditure has arisen from continuing activities.					

The notes form part of these financial statements

RWA

The Nucleo Project

Balance Sheet
At 31 August 2017

	Notes	Unrestricted fund £	Restricted fund £	31.8.17 Total funds £	31.3.16 Total funds £
CURRENT ASSETS					
Debtors	5	640	-	640	558
Cash at bank		21,566	15,444	37,010	9,912
		<u>22,206</u>	<u>15,444</u>	<u>37,650</u>	<u>10,470</u>
CREDITORS					
Amounts falling due within one year	6	(1,260)	-	(1,260)	(10,842)
		<u>20,946</u>	<u>15,444</u>	<u>36,390</u>	<u>(372)</u>
NET CURRENT ASSETS/(LIABILITIES)					
		<u>20,946</u>	<u>15,444</u>	<u>36,390</u>	<u>(372)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>20,946</u>	<u>15,444</u>	<u>36,390</u>	<u>(372)</u>
NET ASSETS/(LIABILITIES)					
		<u>20,946</u>	<u>15,444</u>	<u>36,390</u>	<u>(372)</u>
FUNDS					
Unrestricted funds	7			20,946	(372)
Restricted funds				15,444	-
TOTAL FUNDS				<u>36,390</u>	<u>(372)</u>

The notes form part of these financial statements

The Nucleo Project

**Balance Sheet - continued
At 31 August 2017**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 August 2017.

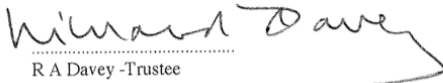
The members have not required the charitable company to obtain an audit of its financial statements for the period ended 31 August 2017 in accordance with Section 476 of the Companies Act 2006.

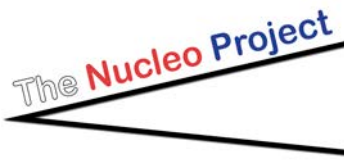
The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 29 April 2018 and were signed on its behalf by:


R A Davey -Trustee



The Nucleo Project

**Notes to the Financial Statements
for the Period 1 April 2016 to 31 August 2017**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 August 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the period ended 31 August 2017 nor for the year ended 31 March 2016.

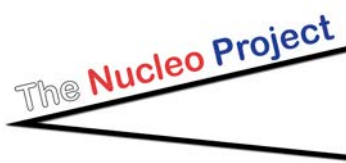
3. STAFF COSTS

The average monthly number of employees during the period was as follows:

Period	Year Ended
1.4.16	
to	31.3.16
31.8.17	
2	-
==	==

No employees received emoluments in excess of £60,000.

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The Nucleo Project

Notes to the Financial Statements - continued
for the Period 1 April 2016 to 31 August 2017

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	111,263	-	111,263
Total	111,263	-	111,263
EXPENDITURE ON			
Charitable activities	120,469	-	120,469
Support costs	16,567	-	16,567
Total	137,036	-	137,036
NET INCOME/(EXPENDITURE)	(25,773)	-	(25,773)
RECONCILIATION OF FUNDS			
Total funds brought forward	25,401	-	25,401
TOTAL FUNDS CARRIED FORWARD	(372)	-	(372)

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17 £	31.3.16 £
Other debtors	-	200
Prepayments	640	358
	640	558

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17 £	31.3.16 £
Accrued expenses	1,260	10,842

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The Nucleo Project

Notes to the Financial Statements - continued
for the Period 1 April 2016 to 31 August 2017

7. MOVEMENT IN FUNDS

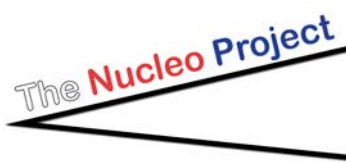
	At 1.4.16 £	Net movement in funds £	At 31.8.17 £
Unrestricted funds			
General fund	(372)	21,318	20,946
Restricted funds			
Restricted	-	15,444	15,444
TOTAL FUNDS	<u>(372)</u>	<u>36,762</u>	<u>36,390</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	262,948	(241,630)	21,318
Restricted funds			
Restricted	36,000	(20,556)	15,444
TOTAL FUNDS	<u>298,948</u>	<u>(262,186)</u>	<u>36,762</u>

8. RELATED PARTY DISCLOSURES

During the period under review donations of £14,000 (2016 £Nil) were made to The Nucleo Project by R A Davey, a Trustee of the charity. Further Trustee donations of less than £1,000 have not been itemised.



The Nucleo Project
Detailed Statement of Financial Activities
for the Period 1 April 2016 to 31 August 2017

	Period 1.4.16 to 31.8.17 £	Year Ended 31.3.16 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	298,948	111,263
Total incoming resources	<u>298,948</u>	<u>111,263</u>
EXPENDITURE		
Charitable activities		
Teaching fees	159,118	73,954
Instruments and related costs	18,259	14,522
Hall and event hire	29,389	19,646
Tickets and trips	4,928	9,116
Repairs and renewals	3,458	3,231
	<u>215,152</u>	<u>120,469</u>
Support costs		
Salaried support staff	40,237	8,750
Insurance	1,101	534
Accountancy	1,710	1,713
Telephone	583	352
Postage and stationery	954	1,718
Advertising	570	3,458
Sundries	73	42
Training	1,484	-
Professional fees	315	-
Bank charges	7	-
	<u>47,034</u>	<u>16,567</u>
Total resources expended	<u>262,186</u>	<u>137,036</u>
Net income/(expenditure)	<u><u>36,762</u></u>	<u><u>(25,773)</u></u>

This page does not form part of the statutory financial statements

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