

REGISTERED COMPANY NUMBER: 05907385 (England and Wales)
REGISTERED CHARITY NUMBER: 1121751

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020
FOR
NEXUS INSTITUTE OF CREATIVE ARTS**

Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Leamington Spa
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NEXUS INSTITUTE OF CREATIVE ARTS

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for the year ended 31 August 2020**

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NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2020

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 year ended 31 August 2020. 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 1 January 2019).

OBJECTIVES AND ACTIVITIES

Vision and objectives

To be Europe's leading Christian institute for vocational arts and technology training.

Nexus is called to be a premier, global Christian institute known for the integration of faith, discipleship and vocational training in the service of God's people, His church and society.

Our mission

Through excellent training programs and comprehensive discipleship, Nexus leads Christian musicians and technicians from diverse background into an understanding of the full gospel of Jesus Christ; builds spiritual and musical foundations into individuals, essential for realising their full potential in life; and releases students into active participation in the building of God's kingdom across the whole Earth.

Public benefit

The trustees of the charity have had due regard to the Charity Commission guidance concerning public benefit.

ACHIEVEMENTS AND PERFORMANCE

Student numbers

The total number of students for 2019-2020 was 85 Undergraduates and 10+2 Post Graduates, which represented an overall drop in numbers.

1st Year (Level 4) - 33

2nd Year (Level 5) - 19

3rd Year (Level 6) – 33

MMus (Level 7) – 10 full time with 2 withdrawals, 2 part-time.

The addition of the post graduate Masters in Popular Music Performance in September 2019 was realised and there was a good take up in the first year. This helped to reduce the impact of the low year group; in 2019-20 being carried by the Level 5 cohort.

Results

The pass rate continues to be good and above average compared to National statistics. Although there has been a downward trend in the amount of first class degrees being awarded, upper second class continues to be strong and remaining consistent within a few percent.

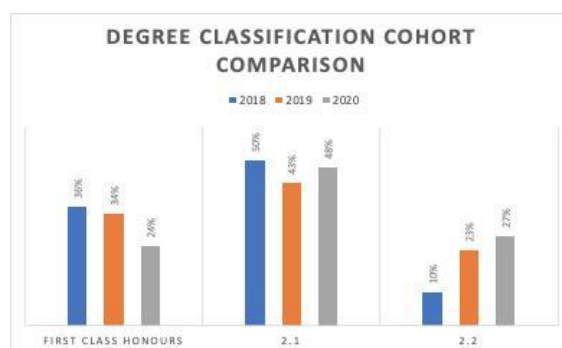
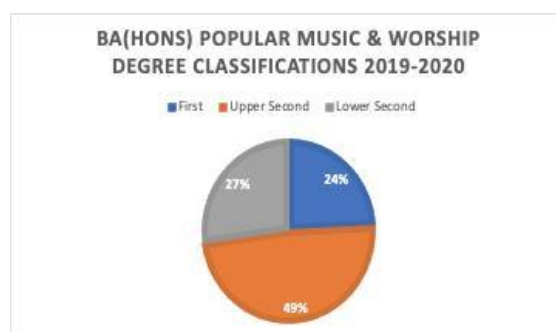
The Board remain happy with the results and the focus on the cohort rather than the numbers. Reporting a downward trend in first class degrees does not cause worry, and we have not required the Leadership Team to report an increase on that in the coming year. The broader focus and success of learning cannot be accurately displayed in results statistics.

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

Results (continued)



Graduation celebration

Due to the Pandemic, the large scale awards ceremony in the summer hosted by the University of West London was cancelled. Nexus students traditionally attend the November Graduation Ceremony; we are expecting that to also be cancelled. Nexus ICA hosted a pared back Commissioning Service and Third Year celebration in July, attended online by students. Given the circumstances, this was a success and well received by students and attending parents.

Recruitment

Having recognised this as an area of weakness in last year's report, the data shows a marked increase in the 2019-20 figures regarding attracting initial interest and completed applications. Financially, we achieved an ROI of 723% (up 22% from 2018-2019), with a CPA (cost per acquisition) of £611 (down 12% from 2018-2019).

We increased the amount of initial applications we received through more effective digital marketing, and a generally more efficient and effective comms team. This included retaining a 3rd party to manage our social media from January 2020.

The retaining of the 3rd party increased the effectiveness of our organic reach (non-paid). This has played a significant role in our efforts to increase digital marketing as a lead generation and conversion strategy.

In the 2019-2020 academic year, 45% of our students found out about Nexus ICA through digital channels. In 2018-2019 10% of our students found out about us through digital channels; a 35% increase which is partly due to the increased effectiveness of social media.

At end of August our total student intake stood at 45 students for the coming academic year, with 13 deferrals and 7 withdrawals. Deferrals and withdrawals were up overall, with an average in past years being 3 deferrals, and 2 withdrawals. In many cases, the Pandemic was given as a reason.

NEXUS INSTITUTE OF CREATIVE ARTS

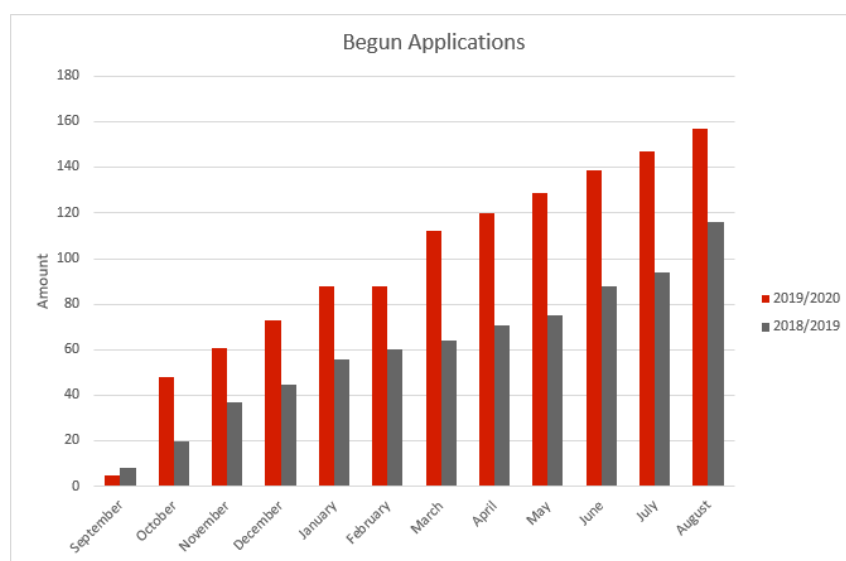
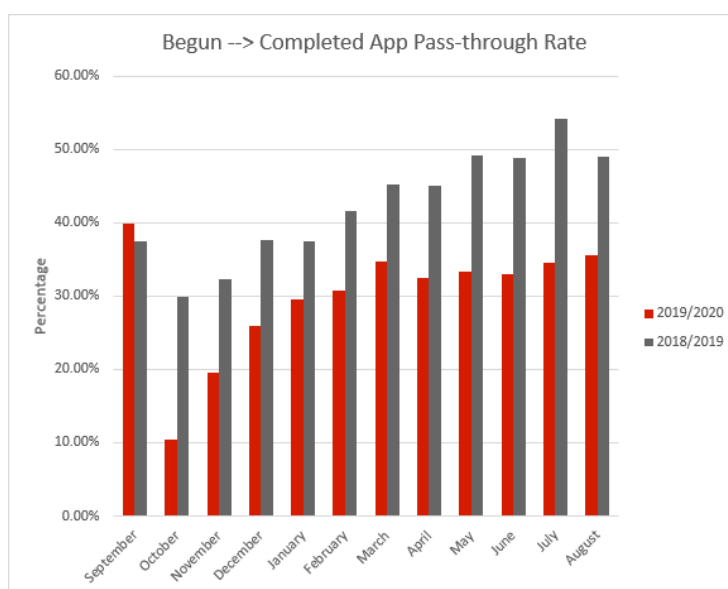
REPORT OF THE TRUSTEES for the year ended 31 August 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

Recruitment (continued)

Overall, we are on an upward trend regarding initial interest going through to applicants. Comparative figures here:

Socials: FB & IG 2019-2020 Target: 2018/2019 --> 2019/2020 growth of 25%				
		Instagram	Facebook	TOTAL
2018/2019	2018/2019	1443	3663	5106
	2017/2018	850	3473	4323
	Growth Rate (%)	70%	5%	18.11%

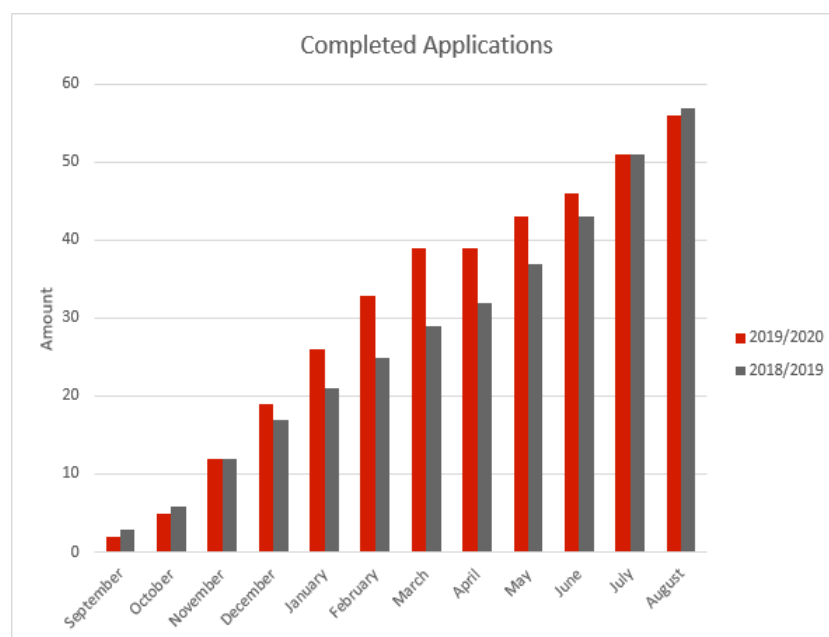


NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

Recruitment (continued)



Despite encouraging figures, our intake in the coming years must increase to be able to sustain and maintain the costs of delivery. Target for 2019-20 was 62 incoming over all courses – this includes Level 4, any new students on Levels 5 -6 and new Level 7 students. This remains a goal we would like to achieve for future years.

Website

The target of 5,138 visitors for 2019-20 was achieved by April 2020 representing an increase of 548% on last year's figures. Cumulative figures for the year shown below:

Aug-20	Amount (Current Year)	2401	2401
	Cumulative (Current Year)	22160	22160
	Cumulative (Previous Year)	3420	3420
	Difference (%)	548%	548%

Fundraising and additional streams of income

Apart from usual fundraising activities being curtailed, the whole area of fundraising remains a challenge. The perception of an Institution entirely and very well funded by the Government is hard to overcome, though we continue to work hard to state our case.

Additional streams of income are to be found mainly from hiring the building out during weekends and evenings. This was obviously curtailed or stopped completely during the Pandemic.

Dave Silber left his employed position with Nexus ICA and moved to working on a consultancy basis. His work is focussed on Missional Development and Leadership and includes developing strategic connections and fundraising. This work grew in importance as usual streams of income became scarcer as the Pandemic took hold. The research and work of this role continues to target at grants and funding in the areas of Christian Higher Education and the Creative Arts.

In June of 2020 we applied for and were recipients of a Government Bounce Back Loan administrated by Nat West Bank. The loan of £25,000 will be used to carry out updates and renovations to the facility that were due to be paid for by fundraising, although this work will commence in the following year, 2020-21.

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

Fundraising and additional streams of income (continued)

Individual gifts from stakeholders and supporters remain a crucial part of our financial strategy, although regular monthly income from these sources is still decreasing. Raising awareness of the work and the cost of delivery needs to remain high on our fundraising agenda, as does finding sources of income that will strengthen the income received from student fees. Individual donations continued on an irregular basis. Aside from regular partner giving, donations amounted to £11,493. Management of donations is a collaborative decision between Board and Senior Leadership Team.

The Board are considering a rise in student fees for September of 2021 for incoming students, and the Senior Leadership Team are engaged in conversation with the University regarding this change.

Staff and student development

TedX Coventry

Assistant Principal and Director of Education was accepted to present at TedX Coventry on the subject of Person Centred Education. The event itself was well attended and the talk was well received. It presented a further opportunity to put our beliefs and ethos around education on the public stage.

Church Sound Summit

Dan Meakin, Sound and Lighting Tutor took a group of Nexus ICA students to this new initiative to provide essential services to the event and to meet others from the Christian sector of the industry. Dan was involved in the delivery of the programme, and the event also served to strengthen our relationship with the SFL group with whom we are partnered.

NAMM show

The annual opportunity to partner with American Music and Sound was in January of 2020. AMS support 3 Nexus students by sponsoring their flights to the NAMM show and paying entrance fees. In return, the students provide services and support for AMM setting up and tearing down the exhibition, assisting with services within the exhibition space and setting up and running the tech for the Nord VIP evening.

The students go through a careful selection process led by the Nexus Senior Leadership Team and attending the show represents a significant development opportunity for them both personally and in view of a career in the industry.

Nord sponsors Assistant Principal and Director of Creative Arts Matthew Cossey to attend the event and demonstrate equipment on behalf of Nord.

Creative arts

Songs of Praise Gospel Choir of the Year Competition 2019

The whole experience of entering into this competition was hugely developmental for the choir. From the BBC visit to our site in Coventry to the final performance the choir experienced performing and competing against established gospel choirs from around the country and receiving feedback from the judges. In addition, the competition served as a point of national profile for Nexus ICA.

Nexus Christmas Musical

The 2019 Annual Christmas Musical took a large step forward with the decision being made to use a performance venue outside of our own performance hall. This gave students an excellent opportunity to experience and practice the various skills needed to execute this complex operation. Students and staff were involved in many creative and practical areas which included greeting and hosting invited guests at a VIP Reception, designing and building easily transported set, and maintaining the professional standard in a non-familiar setting. The usual opportunities for collaboration, creativity and expansion of skills were all available such as writing and producing, costume making, photography, filming, acting, sound and lights, stage managing and set building.

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

Further Creative opportunities and Covid 19

Like all organisations involved in creative arts, the Covid 19 Pandemic disrupted all further performance plans. These included:

- Taking part in the University Gospel Choir of the Year Competition, due to be held March 2020;
- Friday Night In events which support local and student artists;
- Guest performances and Masterclasses;
- End of Year Showcase due to be held in July 2020.

Although severely disrupted, the Leadership Team continued to encourage creativity within allowed boundaries, including:

- Staff and student online performances, including collaborative work;
- Staff leading the way in finding ways of being creative at home; for example 'Lockdown loops' which encouraged students to record a creative chord sequence or melody around a theme;
- Blog posts on topics such as; how to be creative at home; how to keep rehearsal routines going; creative ideas for study; how to read the Bible and gain insight from it during unprecedented times;
- Continued staff to student connection.

Impact of Covid-19 Pandemic

Along with the whole global community we have been affected by the Pandemic. Most obviously, the attention would be drawn to us being in the Creative Sector, and the Higher Education Sector, both of which have experienced challenge and change.

The Trustees were kept up to date throughout by the Principal and the Senior Leadership Team regarding emergency budgets, risk assessments and the health and wellbeing of staff and students.

The Senior Leadership Team were quick to respond to government updates and guidance and communicated changes swiftly and in detail to students as they happened. Updates to our protocols and changes to systems were posted on our website

We are an organisation that embraces change, and this embracing is not only a key foundation of our journey in faith, but also a necessary skill for the contexts in which we exist. Creativity is not stagnant; education must change and adapt to remain relevant. In that regard, we had a staff who were able, despite difficulties, to embrace online learning, digital contact with students, online meetings, worship services without singing and many other elements. We looked for the positives in the development we were forced to actualise. These included:

- The roll out of a significantly strengthened digital communication portal between staff, and between staff and students using Microsoft Teams;
- The first steps towards online and blending learning – which we have been considering for some years and being able to test its success and challenges in real time;
- Rewriting of modules and assessments - in partnership with the University – which address current issues in a more direct manner, for example, how to promote oneself as a performer through online platforms and social media. Some of these modules are set to be retained for the upcoming Academic Year;
- Spiritual proximity being tested and implemented where physical proximity was not possible;
- Being assured that no student was disadvantaged through lack of appropriate digital equipment at home. Since every student is already given an iPad at the start of their studies, Nexus was able to slip seamlessly into online provision and lectures, workshops and discussion groups were designed in such a way that they could be accessed via the iPads;
- The work of the Operations Staff Team on ensuring that policies, systems and regulations were in place to make any return to and use of the building, Covid secure;
- New initiatives and systems were developed to mitigate against the negative impact of Covid regarding recruitment, for example, transitioning to Virtual Open Days and developing a prospectus to strengthen our lead conversion strategy.

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

Impact of Covid-19 Pandemic (continued)

There have, of course, been challenges that we are still working to overcome. These include:

- Financial impact;
- Streams of income gained by hiring out the building were indefinitely paused;
- More students than average deferred for the upcoming year 2020/21 (see further report on student numbers);
- Giving in general was down across the charity sector, and financial support from stakeholders and other interested parties was down;
- Fundraising. All of our usual fundraising events, and in particular the yearly Rag Week fundraiser, were cancelled due to the Pandemic. Not only did this cause a drop in giving but meant that necessary work and refurbishment was under threat of not going ahead;
- Recruitment. Covid 19 resulted in high numbers of deferrals and withdrawals for this academic year's intake 2020/21;
- Teaching and Academic Quality. While we can be sure that the teaching remained of excellent quality, there were many challenges to overcome with the performance modules and assessments. Students had to work and rehearse in undesirable and extremely mixed circumstances. Staff remained diligent in supporting students through these difficulties. Student performances and recitals were necessarily modified to cope with the regulations of Lockdown and of the Pandemic in general, however, most of the practical assessments were achieved and we are proud of the way students and staff worked together;
- Teamwork and Collaboration. Our fundraising events, showcases and performances, and general ethos of education focus on building strength of character through collaboration and teamwork. This produces perseverance, determination, compassion, kindness, ability to see beyond one's own preferences, real time experience of following or leading, creative thinking, and development of skills outside one's personal field of experience. Without being physically able to encourage and build those life elements, we had to, and are continuing to have to find ways of developing character and the necessary life skills that studying within Higher Education has the possibility and opportunity to produce.

Mental wellbeing of staff

Mental Wellbeing of students. Although contact remained officially the same, and attendance was monitored, this was much harder to track for reasons such as;

- Inability to meet face to face;
- Students, despite guidance, choosing to keep their screens turned off;
- Pressures of the Pandemic and associated worries causing anxiety that students often delayed sharing.

Staff had to find new and creative ways to engage with students, especially concerning issues such anxiety around work and changes to assessments, feeling isolated, and having access to academic support. This was led by the Senior Leadership Team and outworked in conjunction with the Head of Wellbeing. Changes made to account for this have remained as strategies and systems as we go into the new academic year, examples being:

- Migrating all students to a Nexus ICA email address;
- Giving students access to staff via Microsoft Teams;
- Clarifying the role of the Head of Wellbeing;
- Changing emails signatures and automatic replies to indicate staff working hours.

Extra-Curricular Activity. While its title assumes activity that is not regarded as core, our person centred education approach relies on the strength of these activities to build essential qualities for life. Activity that was curtailed or cancelled completely included:

- Nexus ICA Gospel Choir;
- Student Placements in local churches and charities;
- Nexus Teams; an initiative which seeks to promote inter-disciplinary learning and cross collaborative teaching among Operations and Teaching staff members;
- Student societies and clubs.

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

Updates to facility

Updates planned for the year 2019-20 were delayed due to delays in funding. A larger project is now planned for September 2020 which will see the facility's accessibility arrangements significantly improved. Much of the work to the facility over the summer period was put towards reorganisation, cleaning and creating space for a Covid Secure environment.

In addition to the usual upkeep, updates that took place were the repainting of the front stairs and replacing of the lights in the main hall.

FINANCIAL REVIEW

Reserves policy

In line with Charities Commission guidelines, Nexus ICA keep a minimum of 3 months operating costs in strategic reserve. Funds in excess of three months operating costs have been held to mitigate against delays in the receipt of student fees payment from The University of West London for Quarter 1 of the financial year where cash flow is historically at its lowest point. At 31 August 2020 general funds were £758,464 (2019: £793,805) and restricted funds were £2,686 (2019: £2,686).

Principal risks and uncertainties

General considerations of risk and student numbers:

The main risk to sustainability is student numbers not hitting target or a number of students dropping out. The risk analysis factors in a 10% shortfall in student recruitment year on year plus a small percentage of students who leave the course early. It also includes a consideration for bad debt.

This can be mitigated by monitoring student numbers and staying on target with business plans to ensure targets are hit. The recruitment process involves reporting back on levels of applications, interviews and acceptances throughout the year as well as tracking it in relation to previous years.

As part of the management process, reports are prepared and presented to the Board ahead of each meeting throughout the year where adherence to the budget is monitored. These reports include historical data as well as forward cash flow projections which enable the board to make decisions on expenditure and, where necessary, instruct revised budgets to be drawn up.

Insufficient fund raising

After staffing costs, the biggest expenditures are facilities upgrades and updates. The Board's Fundraising Strategy addresses the need to raise funds for such expenditure; however the Board reserve the right to recommend a delay in facilities expenditure except where necessary upgrades or repair are unavoidable.

Unable to secure additional facilities

Space is an issue in terms of being able to deliver multiples programmes and timetabling. Additional space is currently being hired. If for any reason this becomes unavailable, Nexus ICA will extend the timetable day to facilitate it. Currently the timetable operates from 9am to 4:30pm Monday to Friday. There is scope to start at 8am and run till 10pm if required. Saturday operations would also be considered until additional premises may be secured.

If CAS allocation is withdrawn or Tier 4 license revoked

Currently, levels of international students are low enough not to impact the budget in an unmanageable way should Tier 4 be removed. Since Nexus ICA is a franchised partner of UWL, the students are UWL students and transfer onto a UWL course would be available within the 60-day time frame. This is low risk because we have successfully operated our license for several years. The small number of international students' currently attending means the impact is relatively low and investment decisions can be deferred.

In the event of other business interruptions or financial difficulties

As part of the provision within the franchise agreement, UWL receives the fees from the Student Loan Company. Since 50% of fees are not paid out till May of the academic year it allows them to make provision for continuation should Nexus ICA cease trading for any reason. UWL would then deliver the course from London or transfer students onto one of their other courses. Nexus ICA's insurance policy also includes Business Interruption cover in the event of Force Majeure.

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2019

PLANS FOR FUTURE PERIODS

Nexus ICA exists within a context that is continuing to experience difficulty, challenge and opposition. Our belief is that the education we offer is excellent, necessary and relevant. Recruitment is up, which is a good sign. However, with students being our main source of income – and our main priority – it is absolutely imperative that we attract significantly more interest than we currently are. The value of Higher Education has been in question for some time among school leavers, parents and national leaders and now, with the added pressures of Covid 19, its reputation seems to be falling further with applications to Higher Education down across the sector. At Nexus we are proud to have continued to offer excellent education and student contact in all circumstances, despite the rising cost of delivering that education. Although the sector has been a recipient of a good deal of negative press, we are confident that to study with us remains a positive and plausible option, particularly in view of being a smaller provider and being able to continue with student support and face to face lectures as we intend to do.

To try to combat the reality of the context we find ourselves in, with applicants' hesitancy over beginning study at this time, Nexus ICA is already beginning to explore an increase in blended learning opportunities and distance learning. In addition to the two new courses introduced this year, a business case is underway for a new Postgraduate Degree in Contemporary Worship Studies which we hope will commence in 2021-2022.

We remain dedicated to the lives, futures and transformation of each of our individual students. The Board, our hard working Senior Leadership Team, our creative staff, and our committed student body will continue to work together to achieve the mission and vision of Nexus ICA into the future.

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.

The charity is a company limited by guarantee, incorporated on 16 August 2006, governed by its Memorandum and Articles of Association and became registered as a charity on 29 November 2007. The charity was formerly known as 'Nexus Trust' before officially changing its name to 'Nexus Institute of Creative Arts' on 19 February 2014.

Organisation and structure

The trustees who have served during the year and since the year end are shown on page 10. The trustees are appointed by the existing board of trustees and meet on a regular basis in order to oversee the work of the charity. The trustees delegate the day to day running of the organisation to a senior leadership team who are in turn responsible to the body of trustees. The trustees have the power to invest the resources of the organisation in such assets as they see fit.

Recruitment of trustees

Although efforts have been made to recruit new members, they have so far been unsuccessful. The Executive Chair is currently able to take much of the workload, and robust policies and guidelines remain in place to ensure that the work is collaborative, transparent, managed accurately by the Board as a whole and done in conjunction with the Senior Leadership Team. Due to this working pattern, the Board though small, continues to function effectively.

Jane Moffat took up an Advisory role to the Board in November 2019 in the area of Safeguarding.

Induction and training of new trustees

New trustees are appointed by the existing trustees. The trustees are given an introduction to the Charity and are given the guidance from the Charity Commission on the roles and responsibilities of trustees. All trustees are reminded to monitor the Charity Commission's website for any updates of these responsibilities on a regular basis.

Key management remuneration

Remuneration for key management personnel is set as part of the annual budget process with reference to benchmarking of pay and benefits for similar organisations.

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance responsibilities – notable developments

Safeguarding

Under the guidance of the Safeguarding advisor to the Board, policies have been significantly improved in this area and the DSL role was clarified and reappointed.

Health and Safety

Risk assessments, facility management, policies and protocols were under constant review due to the Pandemic, and monitored by the Board. Changes made remain in place until further notice.

Student Wellbeing

The role of Head of Student Wellbeing was created and appointed in January 2020. This role incorporates many areas for which the Senior Leadership Team hold responsibility including but not limited to; pastoral care, oversight for Personal Tutors, physical and mental health of students, connection with NHS and other local provision. The Head of Student Wellbeing reports directly to the Principal.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05907385 (England and Wales)

Registered Charity number

1121751

Registered office

Astoria House
71 Albany Road
Coventry
West Midlands
CV5 6JR

Auditors

Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

Bankers

National Westminster Bank
118 Walsgrave Road
Coventry
West Midlands
CV5 6JR

Trustees

Kate Silber (Executive Chair)
David Bertram
Jet Jones
Matthew Ling

Senior Leadership Team

David Ashworth (Principal)
Hannah Proudfoot
Matthew Cossey
Matthew Donald

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Nexus Institute Of Creative Arts for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 29 March 2021 and signed on its behalf by:

.....
D Bertram - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF NEXUS INSTITUTE OF CREATIVE ARTS

Opinion

We have audited the financial statements of Nexus Institute Of Creative Arts (the 'charitable company') for the year ended 31 August 2020 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 August 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However not all future events or conditions can be foreseen. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company and the wider economy. The trustee's views on the impact of COVID-19 are disclosed in note 2 of the notes to the financial statements.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF NEXUS INSTITUTE OF CREATIVE ARTS

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

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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. 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 trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

for and on behalf of Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

29 March 2021

NEXUS INSTITUTE OF CREATIVE ARTS

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	33,906	-	33,906	37,735
Charitable activities	6				
Tuition and performance		643,171	-	643,171	590,386
Other trading activities	4	75	-	75	13,285
Investment income	5	<u>17</u>	<u>-</u>	<u>17</u>	<u>31</u>
Total		677,169	-	677,169	641,437
EXPENDITURE ON					
Charitable activities	7				
Tuition and performance		712,510	-	712,510	716,621
NET INCOME/(EXPENDITURE)		(35,341)	-	(35,341)	(75,184)
RECONCILIATION OF FUNDS					
Total funds brought forward		793,805	2,686	796,491	871,675
TOTAL FUNDS CARRIED FORWARD		<u>758,464</u>	<u>2,686</u>	<u>761,150</u>	<u>796,491</u>

The notes form part of these financial statements

NEXUS INSTITUTE OF CREATIVE ARTS

BALANCE SHEET
31 August 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	14	700,303	-	700,303	708,606
CURRENT ASSETS					
Debtors	15	48,825	-	48,825	16,368
Cash at bank and in hand		<u>297,850</u>	<u>2,686</u>	<u>300,536</u>	<u>355,688</u>
		346,675	2,686	349,361	372,056
CREDITORS					
Amounts falling due within one year	16	<u>(65,941)</u>	-	<u>(65,941)</u>	<u>(72,002)</u>
NET CURRENT ASSETS		<u>280,734</u>	<u>2,686</u>	<u>283,420</u>	<u>300,054</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		981,037	2,686	983,723	1,008,660
CREDITORS					
Amounts falling due after more than one year	17	<u>(222,573)</u>	-	<u>(222,573)</u>	<u>(212,169)</u>
NET ASSETS		<u><u>758,464</u></u>	<u><u>2,686</u></u>	<u><u>761,150</u></u>	<u><u>796,491</u></u>
FUNDS	20				
Unrestricted funds				758,464	793,805
Restricted funds				<u>2,686</u>	<u>2,686</u>
TOTAL FUNDS				<u><u>761,150</u></u>	<u><u>796,491</u></u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2020.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

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 audited under the requirements of Section 145 of the Charities Act 2011.

The notes form part of these financial statements

NEXUS INSTITUTE OF CREATIVE ARTS

BALANCE SHEET - continued
31 August 2020

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 29 March 2021 and were signed on its behalf by:

.....
D Bertram - Trustee

The notes form part of these financial statements

NEXUS INSTITUTE OF CREATIVE ARTS

**CASH FLOW STATEMENT
for the year ended 31 August 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	(44,862)	(34,495)
Interest paid		<u>(10,542)</u>	<u>(11,123)</u>
Net cash used in operating activities		<u>(55,404)</u>	<u>(45,618)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(12,336)	(17,414)
Sale of tangible fixed assets		300	135
Interest received		<u>17</u>	<u>31</u>
Net cash used in investing activities		<u>(12,019)</u>	<u>(17,248)</u>
Cash flows from financing activities			
New loans in year		25,000	-
Loan repayments in year		<u>(12,729)</u>	<u>(12,148)</u>
Net cash provided by/(used in) financing activities		<u>12,271</u>	<u>(12,148)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(55,152)	(75,014)
Cash and cash equivalents at the beginning of the reporting period		<u>355,688</u>	<u>430,702</u>
Cash and cash equivalents at the end of the reporting period		<u><u>300,536</u></u>	<u><u>355,688</u></u>

The notes form part of these financial statements

NEXUS INSTITUTE OF CREATIVE ARTS

**NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 August 2020**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(35,341)	(75,184)
Adjustments for:		
Depreciation charges	20,639	23,026
Profit on disposal of fixed assets	(300)	(135)
Interest received	(17)	(31)
Interest paid	10,542	11,123
(Increase)/decrease in debtors	(32,457)	1,886
(Decrease)/increase in creditors	<u>(7,928)</u>	<u>4,820</u>
Net cash used in operations	<u>(44,862)</u>	<u>(34,495)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank and in hand	<u>355,688</u>	<u>(55,152)</u>	<u>300,536</u>
	<u>355,688</u>	<u>(55,152)</u>	<u>300,536</u>
Debt			
Debts falling due within 1 year	(13,781)	(1,868)	(15,649)
Debts falling due after 1 year	<u>(212,169)</u>	<u>(10,404)</u>	<u>(222,573)</u>
	<u>(225,950)</u>	<u>(12,272)</u>	<u>(238,222)</u>
Total	<u>129,738</u>	<u>(67,424)</u>	<u>62,314</u>

The notes form part of these financial statements

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

1. GENERAL INFORMATION

Nexus Institute of Creative Arts is a company limited by guarantee and is incorporated in England. It is also a registered charity as regulated by the Charity Commission for England and Wales. The address of the registered office is given in the administrative information on page 10 of these financial statements.

2. 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 2019)', 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.

The trustees are aware of the possible impact of COVID-19 and are confident sufficient steps have been taken to mitigate these impacts. The trustees believe that the charity can meet its liabilities as they fall due and the charity shall remain a going concern. As such the financial statements have been prepared on this basis

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.

Allocation and apportionment of costs

Direct costs attributable to a single activity are allocated directly to that activity. Costs which contribute to more than one activity are apportioned on the basis of staff time incurred on each activity. Support costs which are not attributable to a single activity are apportioned between the activities being supported on the basis of staff time incurred on each activity.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- straight line over 50 years
Improvements to property	- 4% on cost
Equipment	- 25% on cost

Assets are capitalised when they cost £1,000 or more and have a useful life of more than one year.

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.

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 August 2020

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Company status

The charity is a company limited by guarantee, which was incorporated on 16 August 2006. The members of the company are the trustees named on page 10. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	29,228	37,735
Gift aid	4,678	-
	<u>33,906</u>	<u>37,735</u>

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Fundraising events (Rag Week)	<u>75</u>	<u>13,285</u>

5. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>17</u>	<u>31</u>

6. INCOME FROM CHARITABLE ACTIVITIES

		2020	2019
	Activity	£	£
Training fees	Tuition and performance	611,688	539,536
Merchandise and tuck sales	Tuition and performance	30	3,390
Hall and equipment hire	Tuition and performance	15,409	27,003
Events income	Tuition and performance	8,519	16,943
Other income	Tuition and performance	2,725	3,514
Income received under the furlough scheme	Tuition and performance	<u>4,800</u>	<u>-</u>
		<u>643,171</u>	<u>590,386</u>

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Tuition and performance	<u>409,800</u>	<u>302,710</u>	<u>712,510</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	227,683	213,896
Merchandise and tuck costs of sale	20	1,288
Events	10,091	15,607
Training and activities	57,856	71,340
Donations	-	4,405
Validation fees	<u>114,150</u>	<u>104,400</u>
	<u>409,800</u>	<u>410,936</u>

9. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Tuition and performance	<u>280,310</u>	<u>10,761</u>	<u>11,639</u>	<u>302,710</u>

Support costs, included in the above, are as follows:

	2020 Tuition and performance £	2019 Total activities £
Administration salary costs	185,589	162,025
Social security	7,452	4,063
Pensions	6,727	9,315
Water and rates	5,882	6,500
Insurance	4,169	4,126
Light and heat	11,805	14,968
Telephone	781	813
Printing, postage and stationery	1,221	1,540
Advertising	25,151	24,816
Bad debts	-	1,073
Child protection costs	381	289
Repairs, maintenance and security	8,543	14,683
Subscriptions	1,970	3,758
Depreciation of tangible fixed assets	20,639	23,026
Finance charges	519	838
Profit on disposal of tangible fixed assets	(300)	(135)
Interest payable and similar charges	10,542	11,123
Auditors' remuneration	3,933	4,820
Legal fees	4,160	6,954
Accountancy fees	<u>3,546</u>	<u>11,090</u>
	<u>302,710</u>	<u>305,685</u>

NEXUS INSTITUTE OF CREATIVE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020**

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	3,933	4,820
Depreciation - owned assets	20,639	23,026
Surplus on disposal of fixed assets	<u>(300)</u>	<u>(135)</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

K S Silber, an employee of the charity, was appointed as a trustee on 1 March 2019. £13,084 remuneration was paid to K S Silber, in her occupational capacity in the year (2019: £11,345). The remuneration was paid under the legal authority of the charity's Memorandum and Articles of Association. K S Silber resigned as an employee of the charity on 30 September 2020.

There were no other trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

The key management personnel of the charity comprise the trustees and the senior leadership team. The total employee benefits of the key management personnel of the charity were £134,370 (2019: £105,888).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

12. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	391,237	358,009
Social security costs	21,194	11,316
Other pension costs	<u>15,020</u>	<u>19,974</u>
	<u>427,451</u>	<u>389,299</u>

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

	2020	2019
Training	9	9
Administration	<u>19</u>	<u>16</u>
	<u>28</u>	<u>25</u>

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

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	36,735	1,000	37,735
Charitable activities			
Tuition and performance	590,386	-	590,386
Other trading activities	13,285	-	13,285
Investment income	<u>31</u>	<u>-</u>	<u>31</u>
Total	640,437	1,000	641,437
EXPENDITURE ON			
Charitable activities			
Tuition and performance	715,621	1,000	716,621
NET INCOME/(EXPENDITURE)	(75,184)	-	(75,184)
RECONCILIATION OF FUNDS			
Total funds brought forward	868,989	2,686	871,675
TOTAL FUNDS CARRIED FORWARD	<u>793,805</u>	<u>2,686</u>	<u>796,491</u>

14. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Equipment £	Totals £
COST				
At 1 September 2019	650,000	109,032	55,519	814,551
Additions	-	11,486	850	12,336
Disposals	<u>-</u>	<u>-</u>	<u>(3,800)</u>	<u>(3,800)</u>
At 31 August 2020	<u>650,000</u>	<u>120,518</u>	<u>52,569</u>	<u>823,087</u>
DEPRECIATION				
At 1 September 2019	26,000	30,738	49,207	105,945
Charge for year	13,000	4,534	3,105	20,639
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(3,800)</u>	<u>(3,800)</u>
At 31 August 2020	<u>39,000</u>	<u>35,272</u>	<u>48,512</u>	<u>122,784</u>
NET BOOK VALUE				
At 31 August 2020	<u>611,000</u>	<u>85,246</u>	<u>4,057</u>	<u>700,303</u>
At 31 August 2019	<u>624,000</u>	<u>78,294</u>	<u>6,312</u>	<u>708,606</u>

NEXUS INSTITUTE OF CREATIVE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	44,081	32,780
Bad debt provision	(19,013)	(19,013)
Other debtors	6,859	1,454
Prepayments	<u>16,898</u>	<u>1,147</u>
	<u>48,825</u>	<u>16,368</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 18)	15,649	13,781
Trade creditors	10,595	5,435
Social security and other taxes	5,945	5,999
Other creditors	8,880	6,291
Accruals	7,272	4,681
Deferred income	<u>17,600</u>	<u>35,815</u>
	<u>65,941</u>	<u>72,002</u>

Deferred income comprises training and registration fees that have been received in advance of the forthcoming academic year.

	2020	2019
	£	£
Balance as at 1 September 2019	35,815	32,910
Amount released to income earned from charitable activities	(35,815)	(32,910)
Amount deferred in year	<u>17,600</u>	<u>35,815</u>
	<u>17,600</u>	<u>35,815</u>

Balance as at 31 August 2020

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 18)	<u>222,573</u>	<u>212,169</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>15,649</u>	<u>13,781</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>20,233</u>	<u>13,781</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>60,698</u>	<u>41,343</u>

NEXUS INSTITUTE OF CREATIVE ARTS

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020**

18. LOANS - continued

	2020	2019
	£	£
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more than 5 years	141,642	157,045
Bank loans comprise a 2.5% p.a. Bounce Back loan repayable in July 2026 and a 5 year fixed rate 3.67% p.a. over Base Rate bank loan repayable in October 2032.		
The bank loan is secured by a first legal charge over the charity's freehold property.		

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	1,271	8,470
Between one and five years	<u>-</u>	<u>1,271</u>
	<u>1,271</u>	<u>9,741</u>

20. MOVEMENT IN FUNDS

	At 1.9.19	Net movement in funds	At 31.8.20
	£	£	£
Unrestricted funds			
General fund	758,412	(32,041)	726,371
Property improvement grants	<u>35,393</u>	<u>(3,300)</u>	<u>32,093</u>
	793,805	(35,341)	758,464
Restricted funds			
Building fund	1,200	-	1,200
Bursary fund	<u>1,486</u>	<u>-</u>	<u>1,486</u>
	<u>2,686</u>	<u>-</u>	<u>2,686</u>
TOTAL FUNDS	<u>796,491</u>	<u>(35,341)</u>	<u>761,150</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	677,169	(709,210)	(32,041)
Property improvement grants	<u>-</u>	<u>(3,300)</u>	<u>(3,300)</u>
	<u>677,169</u>	<u>(712,510)</u>	<u>(35,341)</u>
TOTAL FUNDS	<u>677,169</u>	<u>(712,510)</u>	<u>(35,341)</u>

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	830,296	(71,884)	758,412
Property improvement grants	<u>38,693</u>	<u>(3,300)</u>	<u>35,393</u>
	868,989	(75,184)	793,805
Restricted funds			
Building fund	1,200	-	1,200
Bursary fund	<u>1,486</u>	<u>-</u>	<u>1,486</u>
	<u>2,686</u>	<u>-</u>	<u>2,686</u>
TOTAL FUNDS	<u><u>871,675</u></u>	<u><u>(75,184)</u></u>	<u><u>796,491</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	640,437	(712,321)	(71,884)
Property improvement grants	<u>-</u>	<u>(3,300)</u>	<u>(3,300)</u>
	640,437	(715,621)	(75,184)
Restricted funds			
Building fund	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
TOTAL FUNDS	<u><u>641,437</u></u>	<u><u>(716,621)</u></u>	<u><u>(75,184)</u></u>

The general fund represents the free funds which are not designated for particular purposes.

The property improvement grants fund represents monies set aside by the trustees in recognition of grants received to assist in financing the rebuilding of the front steps and the new heating and air conditioning installations. The improvement costs were capitalised and included within tangible fixed assets.

The building fund represents monies received to enable improvements to be made to the building.

The bursary fund has been set up to aid students in financial difficulty cover their fees.

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2020

21. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due to the scheme and amounted to £15,020 (2019: £19,974).

Included within creditors is a balance due to pension providers of £2,431 (2019: £2,346) representing contributions owed to the fund.

22. RELATED PARTY DISCLOSURES

Several trustees, and members of the senior management team, are regular supporters of the charity's activities. The regular donations made are less than £1,200 per contributor.

During the year remuneration was paid to D Silber, spouse of K S Silber, totalling £14,861 (2019: £36,427). In addition, during the year consultancy fees were paid to D Silber, spouse of K S Silber, totalling £11,760 (2019: £nil).

NEXUS INSTITUTE OF CREATIVE ARTS

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	29,228	37,735
Gift aid	<u>4,678</u>	<u>-</u>
	33,906	37,735
Other trading activities		
Fundraising events (Rag Week)	75	13,285
Investment income		
Deposit account interest	17	31
Charitable activities		
Training fees	611,688	539,536
Merchandise and tuck sales	30	3,390
Hall and equipment hire	15,409	27,003
Events income	8,519	16,943
Other income	2,725	3,514
Income received under the furlough scheme	<u>4,800</u>	<u>-</u>
	643,171	590,386
Total incoming resources	677,169	641,437
EXPENDITURE		
Charitable activities		
Salaries - training	205,648	195,984
Social security	13,742	7,253
Pensions	8,293	10,659
Merchandise and tuck costs of sale	20	1,288
Events	10,091	15,607
Training and activities	57,856	71,340
Donations	-	4,405
Validation fees	<u>114,150</u>	<u>104,400</u>
	409,800	410,936
Support costs		
Management		
Administration salary costs	185,589	162,025
Social security	7,452	4,063
Pensions	6,727	9,315
Water and rates	5,882	6,500
Insurance	4,169	4,126
Light and heat	11,805	14,968
Carried forward	221,624	200,997

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NEXUS INSTITUTE OF CREATIVE ARTS

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2020

	2020 £	2019 £
Management		
Brought forward	221,624	200,997
Telephone	781	813
Printing, postage and stationery	1,221	1,540
Advertising	25,151	24,816
Bad debts	-	1,073
Child protection costs	381	289
Repairs, maintenance and security	8,543	14,683
Subscriptions	1,970	3,758
Depreciation of tangible fixed assets	<u>20,639</u>	<u>23,026</u>
	280,310	270,995
Finance		
Finance charges	519	838
Profit on disposal of tangible fixed assets	(300)	(135)
Bank loan interest	<u>10,542</u>	<u>11,123</u>
	10,761	11,826
Governance costs		
Auditors' remuneration	3,933	4,820
Legal fees	4,160	6,954
Accountancy fees	<u>3,546</u>	<u>11,090</u>
	<u>11,639</u>	<u>22,864</u>
Total resources expended	<u>712,510</u>	<u>716,621</u>
Net expenditure	<u>(35,341)</u>	<u>(75,184)</u>

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