

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021
FOR
NEXUS INSTITUTE OF CREATIVE ARTS**

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

NEXUS INSTITUTE OF CREATIVE ARTS

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for the year ended 31 August 2021**

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NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2021

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 2021. 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 year 2020/21 began with 92 students across four programmes of study. The MMus number represents 5 full-time and 5 part-time students.

	Total	BA (Hons) Popular Music & Worship	BA (Hons) Event Technology	BA (Hons) Songwriting
Level 4	34	28	3	3
Level 5	32	32	-	-
Level 6	16	16	-	-
Level 7 (MMus)	10	-	-	-

Progression

Of those 92 students 88% of Level 4 and 100% of Level 5 progressed to the next year of their studies.

	Total	BA (Hons) Popular Music & Worship	BA (Hons) Event Technology	BA (Hons) Songwriting
Level 4	30	24	3	3
Level 5	32	32	-	-

Continuation

100% of part-time students continued with their studies.

	Total
Level 7 (MMus)	5

NEXUS INSTITUTE OF CREATIVE ARTS

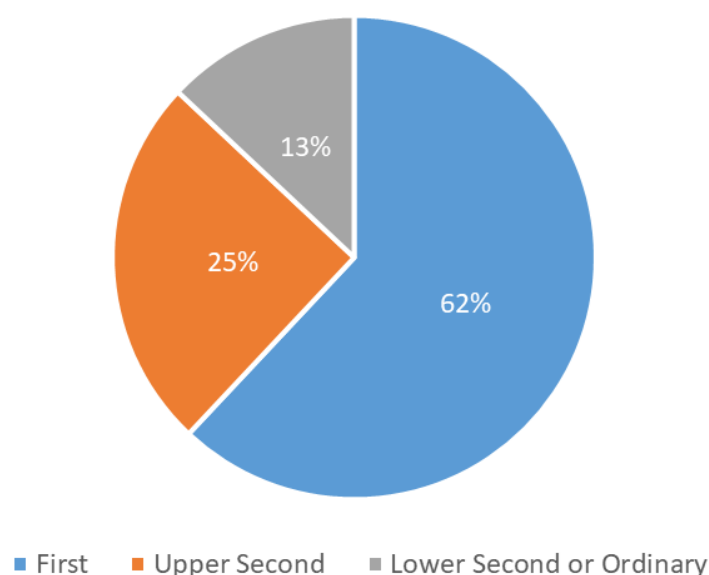
REPORT OF THE TRUSTEES for the year ended 31 August 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Student attainment

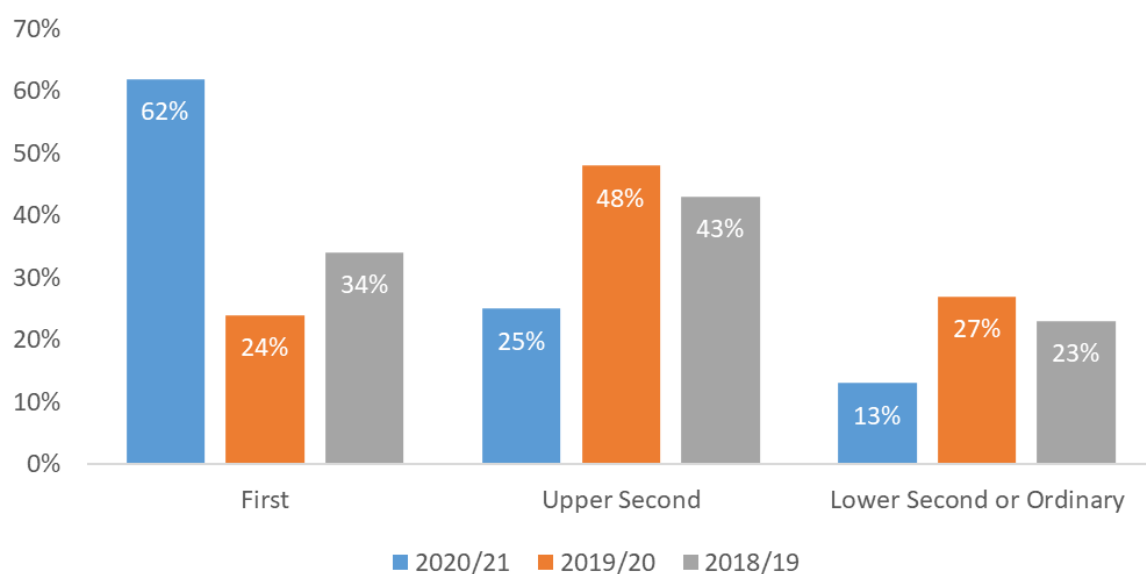
2020/21 saw a 100% graduation rate, 87% of which with a 'Good Degree' (Upper Second or First).

2020/21 Degree Classifications



This was a particularly strong year compared to previous years. It should be noted that even though the number of Lower Second or Ordinary degrees being awarded is low, this number is made up of 100% Ordinary Degrees, that is degrees awarded without Honours, a qualification to those who have not completed the full diet of study for an BA (Hons).

Student Attainment Comparision



By way of comparative data, this academic year demonstrates a significant improvement in student attainment from previous years.

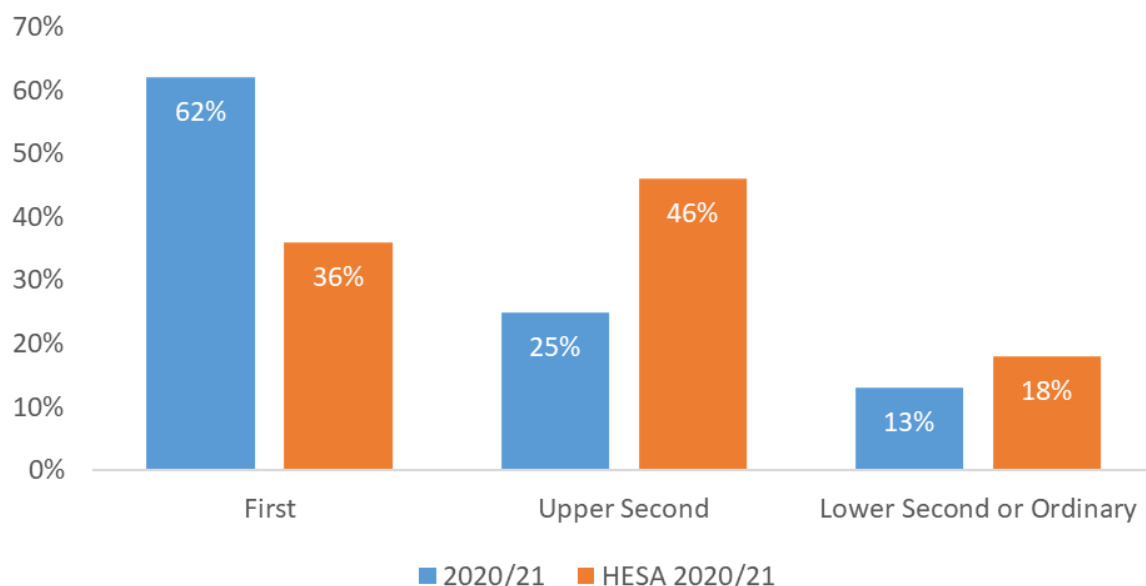
NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Student attainment (continued)

Nexus ICA vs HESA National Average



Our results in this academic year track nicely ahead of the national average in HE for this same year.

Please note, the student numbers on this academic year were particularly low, which impacts the comparative figures.

Graduation celebration

Thanks to the pandemic restrictions lifting, a graduation ceremony was held by UWL in December for students from this and the previous academic year. It was a particularly special occasion to celebrate two years of achievement and many of the graduating students from the year before we had not seen for a long time.

Due to an outbreak of Covid-19 within the Nexus ICA community an in-person celebration was cancelled but we joined together online.

Recruitment

With uncertainty continuing around Covid 19, recruitment continued to be an area of difficulty. The Higher Education Sector came under scrutiny from the press and did not necessarily emerge in a good light. At Nexus ICA, the student experience was wholly different to that reported in the press, we nonetheless suffered the impact of that and received a higher than average number of withdrawals and deferrals from students accepted to study in the 20-21 academic year.

Engagement on socials and website saw an increase, and further spending was allocated towards the area to try to boost recruitment. A new website was planned for release in the academic year 21-22.

Social media followers

The figures below are as of August in each academic year.

	2019/20	2020/21	Growth
Facebook	3,663	3,891	6.2% increase
Instagram	2,342	2,591	10.6% increase

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REPORT OF THE TRUSTEES for the year ended 31 August 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Recruitment (continued)

Website Visitors

The target of 5,138 visitors for 2020-21 was achieved by November 2020. In the previous year this target wasn't reached until April.

	2019/20	2020/21	Growth
Total web visits	22,160	33,425	51% increase

Our intended goal of increasing recruitment was not met, and discussions started in August 2021 at Board and Senior Leadership level regarding the future sustainability of Nexus ICA as an ongoing business.

Student experience

Despite discouraging recruitment figures, student feedback concerning experience remains strong, and staff response to feedback remains consistent in application.

Fundraising and additional streams of income

For the second year in a row, fundraising activities were curtailed but not the extent of the 2019-20 academic year.

In consultation with students and stakeholders, a fundraising 'RAG' week took place in June 2021. Three events took place:

Yorkshire Three Peaks Hike
Coast to Coast Cycle
Heart of England Way Walking Relay

Our fundraising target was **£15,000**. Our total fundraising revenue from the three events was **£14,234.96**. After expenses this was **£11,401.66**

We did not achieve our target for fundraising but the final total of £11k was a good amount to reach after a complete break in the previous year. Trustees and Senior Leadership Team began discussions on employing a fundraiser and beginning a high profile fundraising event in the near future.

It was agreed that fees for students would be increased in line with the University's procedures and policies, from September 2021. The fees were set at £7,500 for Undergraduate study and £8,000 for Post Graduate.

Staff and student development

Staff development

As ever Nexus ICA staff continue to push themselves academically and creatively and this year was no different.

Daniel Meakin presented his conference paper 'The wireless handheld microphone as a symbol of spiritual authority: a comparison between western and African church practice' at Birmingham University in October.

Assistant Principal Hannah Proudfoot completed her undergraduate degree in Management & Leadership in November with a first.

Daniel Johnson continues to grow as voice in the faith-based academic community with several presentations, publications or panels in his name during this year.

Lecturer Joel Payne and his worship organisation Resound released their album Doxecology. Thirteen new, congregational worship songs that celebrate the wonder of creation, acknowledge our failures, and anticipate a glorious restoration in Christ.

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Creative arts

Nexus Christmas show

Although we were hoping to host an onsite and online Christmas show, guidance for the Higher Education Sector recommended no extra curricular events should take place. Instead, the Director of Creative Arts organised a selection of online Christmas collaborations which included Alumni members. This made an excellent contribution to the strategy of strengthening relationships with Nexus Alumni.

The Nexus Virtual Christmas Overture featured students and staff past and present from all around the globe, including South Africa, USA, Germany, the Netherlands and the UK.

End of year show

Extensive preparations were made for an End of Year Show, but it was cancelled due to a Covid case in the staff body. The safety of our guests and students was considered greater than the opportunity of running the show. Requests were sent out to guests to ask for a donation of their previously purchased tickets since plans for fund-raising announcements were curtailed.

Staff continued to encourage creativity within allowed boundaries as they had done in the previous year:

- Staff and student online performances, including collaborative work, continued.
- 'How To' blogs continued, encouraging students to remain creative and engaged at home.
- An interview was conducted at Nexus ICA with BBC Songs of Praise and the footage was released in June of 2021.

Updates to facility

During the Academic year 2020-21 we were able to complete several larger projects. Right at the beginning of the year we were able to replace the back door, rework the disabled toilet and add a power assisted door mechanism from reception to the corridor to improve accessibility around the building.

Early on in the year we also removed the old built in stage and replaced it for a new steel deck platform to help improve our performance area. We were then able, over the summer, to reconfigure the reception area, moving the admin office into the old female toilet, allowing us to add a more suitable meeting room off the reception area.

In addition to these projects, we continued with ongoing upkeep and decoration to the building throughout the year.

Impact of Covid-19 pandemic

Although a situation that was managed very well by Senior Leadership Team and staff, this continued to have an impact. Face to face sessions were restored where appropriate, and social distancing remained in place for the whole year. Remote lectures and remote support continued, and an extensive review of online provision was carried out, resulting in some changes to the teaching approach. The gradual return to face to face classes was planned and executed while ensuring boundaries and the preference of students was maintained. Classes and other sessions continued to be streamed online until the end of the academic year for those isolating or who needed a gradual return for personal reasons.

Virtual Open Days continued, with a hope that in person Open Days will commence in September of 2021.

The Leadership Team and Site Management team did an excellent job keeping up with changes, recommendations and requirements. A full daily cleaning schedule continues.

Extra-curricular activity was again either curtailed or cancelled for a second year. Since these opportunities form a vital part of the student-centred learning environment we provide, it has been increasingly difficult to maintain a sense of community and to track growth and developing maturity in students.

Although a business case was re-written and put forward for the Postgraduate Degree in Contemporary Worship Studies it was agreed by the Trustees and by the University that this should be indefinitely paused until a greater level of financial stability and student numbers is achieved.

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2021

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 2021 general funds were £729,779 (2020: £758,464) and restricted funds were £2,686 (2020: £2,686).

Principal risks and uncertainties

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been implemented to mitigate those risks.

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.

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.

PLANS FOR FUTURE PERIODS

While we have seen many successes, personal stories of transformation and a continuation of excellent pastoral support, the year has not been without its challenges. A decreasing student body naturally means decreased income and we have spent much of the year looking for ways that this can be mitigated, while still continuing with our vision to offer distinctively Christian, and distinctively different education within the Higher Education Sector.

Alongside many other Higher Education providers, we are considering our current situation with sober assessment. Plans for the future will include continuing to discuss business cases with our validating University, re-examining our business plans and recruitment strategy and strengthening current courses.

We continue to celebrate the achievements and highlights of the year, which all revolve around the growth and development of our staff and students.

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2021

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 9. 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

With one resignation and one appointment, the Board has remained small but continues to be effective. Communication between Board members is frequent and transparent and working relationship with the Principal remains strong, with frequent meetings and discussions.

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.

Health and Safety

Risk assessments, facility management, policies and protocols continued to be under constant review due to the Pandemic. The Board were kept updated on the developments and face to face classes were resumed in part towards the end of the year.

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

NEXUS INSTITUTE OF CREATIVE ARTS

REPORT OF THE TRUSTEES for the year ended 31 August 2021

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Bankers

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

Trustees

Kate Silber (Executive Chair)
David Bertram
Jet Jones (resigned 24 May 2021)
Matthew Ling
Rachel Dekam (appointed 24 May 2021)

Senior Leadership Team

Matthew Cossey (Interim Principal)
Hannah Proudfoot (Assistant Principal)
Matthew Donald (Assistant Principal)

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 12 May 2022 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 2021 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 2021 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.

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 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.

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.

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

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- Reviewing minutes of meetings of those charged with governance; and
- Enquiry of management to identify any instances of non-compliance with 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. 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

12 May 2022

NEXUS INSTITUTE OF CREATIVE ARTS

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	67,123	2,250	69,373	38,706
Charitable activities					
Tuition and performance	6	567,683	-	567,683	638,371
Other trading activities	4	14,160	-	14,160	75
Investment income	5	<u>11</u>	<u>-</u>	<u>11</u>	<u>17</u>
Total		648,977	2,250	651,227	677,169
EXPENDITURE ON					
Charitable activities					
Tuition and performance	7	679,912	-	679,912	712,510
NET INCOME/(EXPENDITURE)		(30,935)	2,250	(28,685)	(35,341)
Transfers between funds	20	<u>2,250</u>	<u>(2,250)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(28,685)	-	(28,685)	(35,341)
RECONCILIATION OF FUNDS					
Total funds brought forward		758,464	2,686	761,150	796,491
TOTAL FUNDS CARRIED FORWARD		<u>729,779</u>	<u>2,686</u>	<u>732,465</u>	<u>761,150</u>

NEXUS INSTITUTE OF CREATIVE ARTS

BALANCE SHEET
31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	14	689,160	-	689,160	700,303
CURRENT ASSETS					
Debtors	15	38,600	-	38,600	48,825
Cash at bank and in hand		<u>281,805</u>	<u>2,686</u>	<u>284,491</u>	<u>300,536</u>
		320,405	2,686	323,091	349,361
CREDITORS					
Amounts falling due within one year	16	<u>(75,884)</u>	-	<u>(75,884)</u>	<u>(65,941)</u>
NET CURRENT ASSETS		<u>244,521</u>	<u>2,686</u>	<u>247,207</u>	<u>283,420</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		933,681	2,686	936,367	983,723
CREDITORS					
Amounts falling due after more than one year	17	<u>(203,902)</u>	-	<u>(203,902)</u>	<u>(222,573)</u>
NET ASSETS		<u><u>729,779</u></u>	<u><u>2,686</u></u>	<u><u>732,465</u></u>	<u><u>761,150</u></u>
FUNDS	20				
Unrestricted funds				729,779	758,464
Restricted funds				<u>2,686</u>	<u>2,686</u>
TOTAL FUNDS				<u><u>732,465</u></u>	<u><u>761,150</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 2021.

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.

NEXUS INSTITUTE OF CREATIVE ARTS

BALANCE SHEET - continued
31 August 2021

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 12 May 2022 and were signed on its behalf by:

.....
D Bertram - Trustee

NEXUS INSTITUTE OF CREATIVE ARTS

**CASH FLOW STATEMENT
for the year ended 31 August 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	18,676	(44,862)
Interest paid		<u>(10,123)</u>	<u>(10,542)</u>
Net cash provided by/(used in) operating activities		<u>8,553</u>	<u>(55,404)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(14,585)	(12,336)
Sale of tangible fixed assets		3,567	300
Interest received		<u>11</u>	<u>17</u>
Net cash used in investing activities		<u>(11,007)</u>	<u>(12,019)</u>
Cash flows from financing activities			
New loans in year		-	25,000
Loan repayments in year		<u>(13,591)</u>	<u>(12,729)</u>
Net cash (used in)/provided by financing activities		<u>(13,591)</u>	<u>12,271</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(16,045)	(55,152)
Cash and cash equivalents at the beginning of the reporting period		<u>300,536</u>	<u>355,688</u>
Cash and cash equivalents at the end of the reporting period		<u>284,491</u>	<u>300,536</u>

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 August 2021

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

	2021 £	2020 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(28,685)	(35,341)
Adjustments for:		
Depreciation charges	21,751	20,639
Loss/(profit) on disposal of fixed assets	410	(300)
Interest received	(11)	(17)
Interest paid	10,123	10,542
Decrease/(increase) in debtors	10,225	(32,457)
Increase/(decrease) in creditors	<u>4,863</u>	<u>(7,928)</u>
Net cash provided by/(used in) operations	<u>18,676</u>	<u>(44,862)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank and in hand	<u>300,536</u>	<u>(16,045)</u>	<u>284,491</u>
	<u>300,536</u>	<u>(16,045)</u>	<u>284,491</u>
Debt			
Debts falling due within 1 year	(15,649)	(5,079)	(20,728)
Debts falling due after 1 year	<u>(222,573)</u>	<u>18,671</u>	<u>(203,902)</u>
	<u>(238,222)</u>	<u>13,592</u>	<u>(224,630)</u>
Total	<u>62,314</u>	<u>(2,453)</u>	<u>59,861</u>

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2021

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 13 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 2021

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 9. 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

	2021	2020
	£	£
Donations and grants	28,974	29,228
Gift aid	2,831	4,678
Coronavirus Job Retention Scheme	<u>37,568</u>	<u>4,800</u>
	<u>69,373</u>	<u>38,706</u>

4. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Fundraising events (Rag Week)	<u>14,160</u>	<u>75</u>

5. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>11</u>	<u>17</u>

6. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
Training fees	Tuition and performance	562,148	611,688
Merchandise and tuck sales	Tuition and performance	267	30
Hall and equipment hire	Tuition and performance	3,624	15,409
Events income	Tuition and performance	-	8,519
Other income	Tuition and performance	<u>1,644</u>	<u>2,725</u>
		<u>567,683</u>	<u>638,371</u>

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2021

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Tuition and performance	<u>380,521</u>	<u>299,391</u>	<u>679,912</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021 £	2020 £
Staff costs	223,431	227,683
Merchandise and tuck costs of sale	336	20
Equipment costs	68	-
Events	4,814	10,091
Training and activities	44,430	57,856
Validation fees	107,400	114,150
CAS number fees	<u>42</u>	<u>-</u>
	<u>380,521</u>	<u>409,800</u>

9. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Tuition and performance	<u>274,837</u>	<u>10,988</u>	<u>13,566</u>	<u>299,391</u>

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

	2021 Tuition and performance £	2020 Total activities £
Administration salary costs	179,786	185,589
Social security	7,980	7,452
Pensions	4,138	6,727
Water and rates	5,904	5,882
Insurance	4,370	4,169
Light and heat	9,829	11,805
Telephone	703	781
Printing, postage and stationery	170	1,221
Advertising	29,443	25,151
Child protection costs	515	381
Repairs, maintenance and security	7,705	8,543
Subscriptions	2,543	1,970
Depreciation of tangible fixed assets	21,751	20,639
Finance charges	455	519
Loss/(profit) on disposal of tangible fixed assets	410	(300)
Interest payable and similar charges	10,123	10,542
Auditors' remuneration	4,653	3,933
Legal fees	<u>4,796</u>	<u>4,160</u>
Carried forward	295,274	299,164

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2021

9. SUPPORT COSTS - continued

	2021	2020
	Tuition and performance £	Total activities £
Brought forward	295,274	299,164
Accountancy fees	<u>4,117</u>	<u>3,546</u>
	<u><u>299,391</u></u>	<u><u>302,710</u></u>

10. NET INCOME/(EXPENDITURE)

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

	2021	2020
	£	£
Auditors' remuneration	4,653	3,933
Depreciation - owned assets	21,751	20,639
(Deficit)/surplus on disposal of fixed assets	<u>410</u>	<u>(300)</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

K S Silber, an employee of the charity, was appointed as a trustee on 1 March 2019. £707 remuneration was paid to K S Silber, in her occupational capacity in the year (2020: £13,084). 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 2021 nor for the year ended 31 August 2020.

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 £138,765 (2020: £134,370).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

12. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	381,292	391,237
Social security costs	21,686	21,194
Other pension costs	<u>12,357</u>	<u>15,020</u>
	<u><u>415,335</u></u>	<u><u>427,451</u></u>

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2021

12. STAFF COSTS - continued

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

	2021	2020
Training	8	9
Administration	16	19
	<u>24</u>	<u>28</u>

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

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	38,706	-	38,706
Charitable activities			
Tuition and performance	638,371	-	638,371
Other trading activities	75	-	75
Investment income	<u>17</u>	<u>-</u>	<u>17</u>
Total	677,169	-	677,169
EXPENDITURE ON			
Charitable activities			
Tuition and performance	712,510	-	712,510
	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)	(35,341)	-	(35,341)
RECONCILIATION OF FUNDS			
Total funds brought forward	793,805	2,686	796,491
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u>758,464</u>	<u>2,686</u>	<u>761,150</u>

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2021

14. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Equipment £	Totals £
COST				
At 1 September 2020	650,000	120,518	52,569	823,087
Additions	-	6,630	7,955	14,585
Disposals	-	-	(3,977)	(3,977)
At 31 August 2021	<u>650,000</u>	<u>127,148</u>	<u>56,547</u>	<u>833,695</u>
DEPRECIATION				
At 1 September 2020	39,000	35,272	48,512	122,784
Charge for year	<u>13,000</u>	<u>5,013</u>	<u>3,738</u>	<u>21,751</u>
At 31 August 2021	<u>52,000</u>	<u>40,285</u>	<u>52,250</u>	<u>144,535</u>
NET BOOK VALUE				
At 31 August 2021	<u>598,000</u>	<u>86,863</u>	<u>4,297</u>	<u>689,160</u>
At 31 August 2020	<u>611,000</u>	<u>85,246</u>	<u>4,057</u>	<u>700,303</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	40,729	44,081
Bad debt provision	(19,013)	(19,013)
Other debtors	5,194	6,859
Prepayments	<u>11,690</u>	<u>16,898</u>
	<u>38,600</u>	<u>48,825</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 18)	20,728	15,649
Trade creditors	13,461	10,595
Social security and other taxes	6,202	5,945
Other creditors	9,223	8,880
Accruals	5,070	7,272
Deferred income	<u>21,200</u>	<u>17,600</u>
	<u>75,884</u>	<u>65,941</u>

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

	2021 £	2020 £
Balance as at 1 September 2020	17,600	35,815
Amount released to income earned from charitable activities	(17,600)	(35,815)
Amount deferred in year	<u>21,200</u>	<u>17,600</u>
Balance as at 31 August 2021	<u>21,200</u>	<u>17,600</u>

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2021

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

	2021	2020
	£	£
Bank loans (see note 18)	<u>203,902</u>	<u>222,573</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>20,728</u>	<u>15,649</u>

Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>20,728</u>	<u>20,233</u>

Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>61,741</u>	<u>60,698</u>

Amounts falling due in more than five years:

Repayable by instalments:		
Bank loans more than 5 years	121,433	141,642

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:

	2021	2020
	£	£
Within one year	7,213	2,508
Between one and five years	<u>9,959</u>	<u>1,237</u>
	<u>17,172</u>	<u>3,745</u>

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2021

20. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	726,371	(27,635)	2,250	700,986
Property improvement grants	<u>32,093</u>	<u>(3,300)</u>	<u>-</u>	<u>28,793</u>
	758,464	(30,935)	2,250	729,779
Restricted funds				
Building fund	1,200	-	-	1,200
Bursary fund	1,486	-	-	1,486
Access all areas fund	<u>-</u>	<u>2,250</u>	<u>(2,250)</u>	<u>-</u>
	<u>2,686</u>	<u>2,250</u>	<u>(2,250)</u>	<u>2,686</u>
TOTAL FUNDS	<u>761,150</u>	<u>(28,685)</u>	<u>-</u>	<u>732,465</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	648,977	(676,612)	(27,635)
Property improvement grants	<u>-</u>	<u>(3,300)</u>	<u>(3,300)</u>
	648,977	(679,912)	(30,935)
Restricted funds			
Access all areas fund	<u>2,250</u>	<u>-</u>	<u>2,250</u>
TOTAL FUNDS	<u>651,227</u>	<u>(679,912)</u>	<u>(28,685)</u>

Comparatives for 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>

NEXUS INSTITUTE OF CREATIVE ARTS

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 August 2021

20. MOVEMENT IN FUNDS - continued

Comparative 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><u>677,169</u></u>	<u><u>(712,510)</u></u>	<u><u>(35,341)</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.

The access all areas fund represents monies received to improve access to the building for users who are physically impaired.

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 £21,686 (2020: £15,020).

Included within creditors is a balance due to pension providers of £4,184 (2020: £2,431) 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 £Nil (2020: £14,861). In addition, during the year consultancy fees were paid to D Silber totalling £14,280 (2020: £11,760).

Tuition fees totalling £6,165 were received from the son of M Ling in the year.

NEXUS INSTITUTE OF CREATIVE ARTS

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and grants	28,974	29,228
Gift aid	2,831	4,678
Coronavirus Job Retention Scheme	<u>37,568</u>	<u>4,800</u>
	69,373	38,706
Other trading activities		
Fundraising events (Rag Week)	14,160	75
Investment income		
Deposit account interest	11	17
Charitable activities		
Training fees	562,148	611,688
Merchandise and tuck sales	267	30
Hall and equipment hire	3,624	15,409
Events income	-	8,519
Other income	<u>1,644</u>	<u>2,725</u>
	567,683	638,371
Total incoming resources	651,227	677,169
EXPENDITURE		
Charitable activities		
Salaries - training	201,506	205,648
Social security	13,706	13,742
Pensions	8,219	8,293
Merchandise and tuck costs of sale	336	20
Equipment costs	68	-
Events	4,814	10,091
Training and activities	44,430	57,856
Validation fees	107,400	114,150
CAS number fees	<u>42</u>	<u>-</u>
	380,521	409,800
Support costs		
Management		
Administration salary costs	179,786	185,589
Social security	7,980	7,452
Pensions	4,138	6,727
Water and rates	5,904	5,882
Insurance	4,370	4,169
Carried forward	202,178	209,819

NEXUS INSTITUTE OF CREATIVE ARTS

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2021**

	2021 £	2020 £
Management		
Brought forward	202,178	209,819
Light and heat	9,829	11,805
Telephone	703	781
Printing, postage and stationery	170	1,221
Advertising	29,443	25,151
Child protection costs	515	381
Repairs, maintenance and security	7,705	8,543
Subscriptions	2,543	1,970
Depreciation of tangible fixed assets	<u>21,751</u>	<u>20,639</u>
	274,837	280,310
Finance		
Finance charges	455	519
Loss/(profit) on disposal of tangible fixed assets	410	(300)
Bank loan interest	<u>10,123</u>	<u>10,542</u>
	10,988	10,761
Governance costs		
Auditors' remuneration	4,653	3,933
Legal fees	4,796	4,160
Accountancy fees	<u>4,117</u>	<u>3,546</u>
	<u>13,566</u>	<u>11,639</u>
Total resources expended	<u>679,912</u>	<u>712,510</u>
Net expenditure	<u><u>(28,685)</u></u>	<u><u>(35,341)</u></u>