

REGISTERED COMPANY NUMBER: 02786035 (England and Wales)
REGISTERED CHARITY NUMBER: 1035083

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
FOR
LEWISHAM NEXUS SERVICE**

LEWISHAM NEXUS SERVICE
CHARITABLE COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

REGISTERED OFFICE

84-86 Rushey Green
Catford
London
SE6 4HW

REGISTERED CHARITY NUMBER

1035083

COMPANY NUMBER

02786035

MANAGEMENT COMMITTEE

J Dutton
A Mossman
K Mafuba
Miss J M Holmes
N L Allwood
M Bryan
J Ung

SECRETARY

J Donnellan

BANKERS

NatWest Bank PLC
159 Rushey Green
London
SE6 4BJ

AUDITORS

Azets
2nd Floor,
Regis House
45 King William Street,
EC4R 9AN

LEWISHAM NEXUS SERVICE
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2021

The Management Committee (comprising the Board of Trustees for the purposes of the charity law and the Board of Directors for the purposes of company law) presents their report and financial statements for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The charity is a company limited by guarantee and was formed in April 1993. The charity is governed by its Memorandum and Articles of Association dated 2 February 1993 and reviewed on the 1st September 2020. The charity offers a comprehensive approach to supporting people who have learning disabilities as individuals.

The directors for the purposes of company law who served during the year are:

J Dutton
A Mossman
K Mafuba
P Norman-Brown - resigned 21 January 2021
J. Holmes
Nicole Allwood
Marcia Bryant
Julie Ung

All of the above are non-executive directors.

Operational management is made up of a Senior Management Team who provide regular reports on activities, progress against objectives and finance to the six-weekly Management Committee. Decisions on operational issues are made by the Chief Executive who is accountable to the management committee. Decisions on the strategic direction are taken by the Management Committee.

During the year under review, the Management Committee was composed of:

8 Non-Executive Directors (as listed above)
A. Wiggins (Chief Executive)
J. Donnellan (Service Manager and Company Secretary)
S. Hegarty (Service Manager)
J. Shepherd (Social Inclusion Lead)
M. Jewell (Corporate Compliance)-from December 2020

Voting is restricted to the Non-Executive Directors. At least three Non-Executive members need to be present for a meeting to be quorate. Decisions are made by majority vote with the Chair holding the casting vote where votes are tied.

The directors do not receive remuneration although some expenses are reimbursed.

The pay of the executive members of the Management Committee is generally reviewed alongside the periodic review of all staff salaries. Where necessary, the Non-Executives will discuss executive salaries in private.

The Management Committee has considered the risks that face the business. Delegated lines of authority and accountability for dealing with risk operate throughout the organisation. A risk register is in place. The Management Committee accepts the potential of risk in planning and strategy, and where possible mitigate against adverse risk.

Lewisham Council are our main funders and contracts are monitored through the learning disability commissioners.

Lewisham Nexus Services is on Lewisham Council's provider framework to provide services to people with learning disabilities which include supported living, outreach support, respite and day services.

LEWISHAM NEXUS SERVICE

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities

During the year under review, Lewisham Nexus Service provided services to 25 people in supported housing. In December 2020, we took on an additional supported living service for a further three people. Whilst we were not able to provide our day services through the whole of 2020/21 due to the pandemic, we were still able to provide support through outreach

Achievements and performance

In February 2020 we received an overall '*Outstanding*' rating from CQC. This was based on the standards achieved during the year under review. The individual ratings are:

Is the service Safe?	<i>Good</i>
Is the service Effective?	<i>Good</i>
Is the service Caring?	<i>Good</i>
Is the service Responsive?	<i>Outstanding</i>
Is the service Well Led?	<i>Outstanding</i>

Future Plans

In March 2020, we finalised a 3-year Business Plan based on consultation and feedback from a full range of stakeholders including:

- The board of trustees and the senior management team
- First line managers
- Our staff
- Lewisham learning disability commissioners
- People with learning disabilities
- Family and friends of people we support
- Local advocacy group
- Health and social care professionals

We have also reviewed feedback received in recent months, notably from:

- CQC Reports
- Contract monitoring reports

Our three-year strategic plan was launched in April 2020.

- Strategic Objective 1 - we will increase the quality of service provision in line with our values and will be able to evidence this through our systems and processes
- Strategic Objective 2 – we will increase our knowledge and understanding of the Health needs of the people we support
- Strategic Objective 3 – we will increase our financial resilience
- Strategic Objective 4 – we will continue to grow and develop as an organization
- Strategic objective 5 – We will develop our workforce
- Strategic objective 6 - IT and Assistive technology
- Strategic Objective 7 – Day Opportunity services

For year one and two an operating plan was written and reviewed every three months. Despite the challenges and uncertainty Covid brought, we were still able to progress our strategic objectives in all areas.

LEWISHAM NEXUS SERVICE
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2021

Public Benefit Statement

The sections of this report above entitled "Objectives and Activities" and "Achievements and Performance" and "Future Plans" set out Lewisham Nexus Service's objectives and reports on the activity and successes in the year to 31st March 2021 as well as explaining the plans for the current and future financial years. Lewisham Nexus Services' work benefits the whole community by helping to integrate people with learning disabilities into community life. Lewisham Nexus Services provides employment for people with learning disabilities. We also provide work training for our employees.

The Directors have considered the Charity Commission's guidance on public benefit and concluded:

1. That the aims of the organisation continue to be charitable.
2. That the aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals' need.
3. That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay.
4. That there is no detriment or harm arising from the aims of activities.

Lewisham Nexus Services currently pays a minimum of the London Living Wage to its staff.

The contracts for supported living that Lewisham Nexus Services holds started in September 2019 and run for four years with an option for commissioners to extend for a further year.

Lewisham Nexus Services is heavily reliant on the funding it receives from Lewisham Council. However, we have been a successful local provider of services working mostly in one London borough for the past 27 years.

Post Balance Sheet Events:

- At the end of March 2021, it was announced that Lewisham Nexus Service would be merging with Aurora Options at the end of October 2021. Aurora is also a learning disability charity that works in Lewisham and also provides services in Bexley and Southwark.
- We were successful in being the support provider for a young man moving into his own home and would begin in May 2021.
- We were successful in winning a new day service contract within Bromley. This would initially be for one day per week, but could be increased to three days dependent on the interest and easing of the pandemic restrictions.

Coronavirus pandemic

Lewisham Nexus Service supports vulnerable adults across Lewisham as such many of the people we support were at increased risk to coronavirus.

The Senior Management Team met and updated and reviewed the Pandemic contingency plan in response to the pandemic. This included the closure of day services and moving staff into the supported living services.

The Senior Management Team met daily at the height of the pandemic to review the health of the people we support and staff teams and to plan ahead for risks.

The beneficiaries that we did not see daily we contacted weekly and provided support to them and their families in any way that we could. We took on new services during the pandemic as families became strained. All of this activity was reported weekly to our funders and later on bi-weekly.

In liaison with our main funder the funding of all services continued and Lewisham Nexus Service has been transparent with the funders as to how we have used the funding.

In addition, we received a 3% increase as a one off payment from Lewisham Borough Council of £13,396. We have also been in receipt of some grant funding to help with the additional costs of infection control, the grant amount available to us up to 31st March 2021 was £6272.17.

We do not envisage any impact on the financial situation of Nexus because of the coronavirus and are planning to change the way in which services are delivered to continue to offer the same level of service as previously.

LEWISHAM NEXUS SERVICE
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2021

Financial review

Lewisham Nexus Services made a surplus of £2,717 in the year end up to 31 March 2021 (2020: £28,267).

Income reduced from £2.36m to £2.26m and expenditure reduced from £2.33m to £2.26m.

Salaries and wages accounted for 91% of expenditure (90% in 2019/20).

Net current assets remained steady at £1.08m at the close of 2019/20 and £1.05m at the close of 2020/21. Cash reserves decreased from £0.99m to £0.87m while debtors increased from £0.21m to £0.37m and creditors increased from £0.14m to £0.21m.

Where appropriate to our activities, we apply for grants from other bodies. We do not otherwise fund raise or employ a fundraiser.

Money is received in the form of contracts for services.

The management committee has agreed a reserves policy comparing an adjusted figure for reserves against an upper and lower parameter of the reserves we believe to be necessary to hold against the cost of winding up the company without falling into deficit.

Our free reserves are calculated as unrestricted funds less fixed assets. At the 31 March 2021 balance sheet values, this figure is £880,781 (2020: £927,816). Our minimum requirement for reserves is an estimate of the redundancy costs for staff that would not TUPE transfer to another provider which is approximately £88,000 plus the cost of buying out current lease commitments (property, dilapidations and some equipment) and giving a value of £120,000 plus winding up administration costs of £50,000. This gives a minimum value of £258,000. To this we add three months' direct costs of the projects currently calculated as £450,000 giving an upper parameter of £708,000.

Our current reserves are therefore £172k above the maximum level. We will review reserves in the new financial year.

Commitments and Contingencies

In the accounts for 2019/20 a designated fund was set aside from reserves of £50,000 for extraordinary costs related to the coronavirus pandemic. £5,000 of this was utilised in the year to 31st March 2021. In view of the continuing disruption caused by the pandemic, we are adding back the £5,000 from free reserves to top-up the designated reserve.

In addition we are establishing a further designated fund of £50,000 from free reserves to cover extraordinary expenses related to the merger with Aurora Options.

Asset cover for funds

The charity's assets are sufficient to meet its obligations on a fund by fund basis.

LEWISHAM NEXUS SERVICE

**REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2021**

Management Committee's responsibilities in relation to the financial statements

The trustees (who are also directors of Lewisham Nexus Service for the purposes of company law) are responsible for preparing the Management Committee's Report 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 the year. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 auditor is 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 auditor is aware of that information.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

In accordance with the Companies Act 2006, a resolution proposing that Azets be appointed as auditors of the company will be put to the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: 'Accounting and Reporting by Charities' and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller entities.

On behalf of the Management Committee



J Dutton

Trustee

Dated: 17/12/2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LEWISHAM NEXUS SERVICE

Opinion

We have audited the financial statements of Lewisham Nexus Service (the 'charitable company') for the year ended 31 March 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LEWISHAM NEXUS SERVICE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Reviewing the reports of any regulatory inspections carried out in the year;
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LEWISHAM NEXUS SERVICE**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

John Howard (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Statutory Auditor, Chartered Accountants
2nd Floor, Regis House
45 King William Street
London
EC4R 9AN

Date: *06 January 2022*

LEWISHAM NEXUS SERVICE

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds		Restricted	Total 2021	Total 2020
		General 2021	Designated 2021	Funds 2021		
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	21,206	-	-	21,206	10,345
Charitable activities	3	2,240,583	-	-	2,240,583	2,340,614
Investment income	4	(1,668)	-	-	(1,668)	4,133
Other incoming resources	5	2,607	-	-	2,607	2,867
Total income		<u>2,262,728</u>	<u>-</u>	<u>-</u>	<u>2,262,728</u>	<u>2,357,959</u>
EXPENDITURE ON:						
Charitable activities	6	2,255,011	5,000	-	2,260,011	2,329,692
Total expenditure		<u>2,255,011</u>	<u>5,000</u>	<u>-</u>	<u>2,260,011</u>	<u>2,329,692</u>
Net incoming resources before transfers		7,717	(5,000)	-	2,717	28,267
Gross transfers between funds		(55,000)	55,000	-	-	-
NET MOVEMENT IN FUNDS		<u>(47,283)</u>	<u>50,000</u>	<u>-</u>	<u>2,717</u>	<u>28,267</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		951,413	50,000	-	1,001,413	973,146
Total funds carried forward	17	<u>904,130</u>	<u>100,000</u>	<u>-</u>	<u>1,004,130</u>	<u>1,001,413</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 14 to 22 form part of these financial statements

LEWISHAM NEXUS SERVICE

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

PRIOR FINANCIAL YEAR - 2020	Unrestricted funds		Restricted	Total 2020	Total 2019
	General 2020	Designated 2020	Funds 2020		
	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	10,345	-	-	10,345	10,017
Charitable activities	2,340,614	-	-	2,340,614	2,258,811
Investment income	4,133	-	-	4,133	740
Other incoming resources	2,867	-	-	2,867	-
Total income	<u>2,357,959</u>	<u>-</u>	<u>-</u>	<u>2,357,959</u>	<u>2,269,568</u>
EXPENDITURE ON:					
Charitable activities	2,329,094	-	598	2,329,692	2,267,842
Total expenditure	<u>2,329,094</u>	<u>-</u>	<u>598</u>	<u>2,329,692</u>	
Net incoming/(outgoing) resources before transfers	28,865	-	(598)	28,627	1,726
Gross transfers between funds	(50,000)	50,000	-	-	-
NET MOVEMENT IN FUNDS	<u>(21,135)</u>	<u>50,000</u>	<u>(598)</u>	<u>28,267</u>	<u>1,726</u>
RECONCILIATION OF FUNDS					
Total funds brought forward	<u>972,548</u>	<u>-</u>	<u>598</u>	<u>973,146</u>	<u>971,420</u>
Total funds carried forward	<u>951,413</u>	<u>50,000</u>	<u>-</u>	<u>1,001,413</u>	<u>973,146</u>

The notes on pages 14 to 22 form part of these financial statements

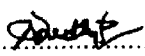
LEWISHAM NEXUS SERVICE

BALANCE SHEET
AT 31 MARCH 2021

	Note	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		23,349		23,597
CURRENT ASSETS					
Debtors	11	366,070		206,310	
Cash and cash equivalents		<u>871,779</u>		<u>988,295</u>	
		1,237,849		1,194,605	
CREDITORS					
Amounts falling due within one year	12	<u>(212,068)</u>		<u>(141,789)</u>	
NET CURRENT ASSETS			<u>1,025,781</u>		<u>1,052,816</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,049,130		1,076,413
Provisions for liabilities					
	13		<u>(45,000)</u>		<u>(75,000)</u>
NET ASSETS			<u>1,004,130</u>		<u>1,001,413</u>
FUNDS					
Restricted funds	14		-		-
<u>Unrestricted funds</u>					
Designated Funds	15	100,000		50,000	
General unrestricted Funds	16	<u>904,130</u>		<u>951,413</u>	
TOTAL FUNDS			<u>1,004,130</u>		<u>1,001,413</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2016 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 17/12/2021 and were signed on its behalf by:


.....
J. Dutton - Trustee

Company Registration number 02786035

The notes on pages 14 to 22 form part of these financial statements

LEWISHAM NEXUS SERVICE
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash (absorbed by) operations	21		(105,540)		(33,391)
INVESTING ACTIVITIES					
Purchase of tangible fixed assets		(9,308)		(26,975)	
Interest received		(1,668)		4,133	
Net cash (used in) investing activities			(10,976)		(22,842)
Net cash (used in)/generated from financing activities			-		-
Net (decrease) in cash and cash equivalents			(116,516)		(56,233)
Cash and cash equivalents at the beginning of the year			988,295		1,044,528
Cash and cash equivalents at the end of the year			<u>871,779</u>		<u>988,295</u>

The notes on pages 14 to 22 form part of these financial statements

LEWISHAM NEXUS SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

1.1 Company information

Lewisham Nexus Service is a private limited company limited by guarantee in England and Wales, registration number 02786035. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 2.

1.2 Accounting convention

The financial statements have been prepared in accordance with charity's Memorandum and Articles of Association, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Lewisham Nexus Service meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling (£) which is the functional currency for the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

As stated in the Report of the Management Committee, the trustees have considered the effect of the Covid-19 outbreak on the Charitable Company.

Whilst still within the midst of the pandemic, it is uncertain what the implications of the Covid-19 pandemic will have on the organisation and the wider economy. However, Lewisham Nexus Service effectively broke even in the year to 31 March 2021. As at 31 March 2021 the organisation had approximately £1m in reserves. At the beginning of November 2021, the Charitable Company merged with Aurora Options which made a surplus in the year to 31 March 2021 and has reserves of approximately £1.4m. We anticipate an overall turnover in the coming year in the order of £7m (rising to £10m in 2022/23 when the full effect of the merger is realised) with reserves well in excess of £2m after settling all expenses related to the merger.

As such, the trustees have reasonable expectation that the Charitable Company can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements and thus the financial statements have been prepared on a going concern.

1.4 Charitable funds

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds are unrestricted funds that have been set aside by the trustees for a specific purpose. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes of the uses of the restricted funds are set out in the notes to the financial statements.

1.5 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

LEWISHAM NEXUS SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES – continued

1.6 Resources expended

Expenditure is recognised on an accruals basis.

Expenditure relating to Supported Housing and Day Services are those elements of expenditure directly incurred in performing these activities.

Support costs represent costs that cannot be directly attributed to charitable activities but are necessarily incurred in the running of the charity.

Governance costs includes those costs incurred in the governance of the charity's assets and are primarily associated with constitutional and statutory requirements.

1.7 Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	over the term of the lease
Fixtures, fittings & equipment	25% straight line
Motor vehicles	Over 7 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and its recognised in net income/(expenditure) for the year.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic financial instruments' and Section 12 'Other financial instruments issues' of FRS 102 to all of its financial instruments.#

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.9 Provisions

Provisions are recognised when the charity has a legal or constructive present obligations as a result of a past event, it is probable that the charity will be required to settle that obligations and a reliable estimate can be made of the amount of the obligation.

1.10 Employee benefit

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

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

1.11 Critical accounting and estimates and judgements

In the application of the charity's accounting policies, the Management Committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The trustees are required to make estimates in respect of the provision of dilapidations. The basis of recognition is provided within the accounting policies (policy 1.8).

LEWISHAM NEXUS SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. DONATIONS AND LEGACIES	Unrestricted Funds General	
	2021	2020
	£	£
Donations	400	10,345
Government grants – Job Retention Scheme	20,806	-
	21,206	10,345
3. CHARITABLE ACTIVITIES	Supported housing and day services	
	2021	2020
	£	£
Supported housing and other services	2,240,583	2,340,614
Analysis by fund		
Unrestricted funds – general	2,240,583	2,340,614
Restricted funds	-	-
4. INVESTMENT INCOME	Unrestricted Funds General	
	2021	2020
	£	£
Interest receivable	(1,668)	4,133
5. OTHER INCOMING RESOURCES	Unrestricted Funds General	
	2021	2020
	£	£
Profit on disposal of tangible fixed assets	-	2,867
Other incoming resources	2,607	-
	2,607	2,867

LEWISHAM NEXUS SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. CHARITABLE ACTIVITIES	Supported housing and day services	
	2021	2020
	£	£
Staff costs (note 9)	2,002,910	2,057,111
Depreciation and impairment	9,556	9,717
Rent and rates	77,174	76,075
Insurance	15,264	16,903
Light and heat	(1,019)	7,274
Repairs and maintenance	(685)	25,471
Postage, printing and stationary	5,094	5,253
Telephone and fax	14,325	14,270
Motor expenses	1,765	2,120
Travelling	2,109	1,772
Staff recruitment, welfare and training	15,205	33,926
Professional fees	14,682	3,120
Sundry expenses	11,034	11,563
Subscriptions	2,808	3,622
Bank charges	1,046	1,172
Other charitable expenditure	7,541	9,887
Marketing	2,540	-
Bad debts	29,084	-
	<u>2,210,433</u>	<u>2,279,256</u>
Share of support costs (note 7)	43,578	44,316
Share of governance costs (note 7)	6,000	6,120
	<u>2,260,011</u>	<u>2,329,692</u>
Analysis by fund		
Unrestricted funds – general	2,260,011	2,329,094
Restricted funds	-	598
	<u>2,260,011</u>	<u>2,329,692</u>

7 SUPPORT COSTS	Support Costs £	Governance Costs £	2021 £	Support Costs £	Governance Costs £	2020 £
Staff costs	43,578	-	43,578	44,316	-	44,316
Audit fees	-	6,000	6,000	-	6,120	6,120
	<u>43,578</u>	<u>6,000</u>	<u>49,578</u>	<u>44,316</u>	<u>6,120</u>	<u>50,436</u>

LEWISHAM NEXUS SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. MANAGEMENT COMMITTEE

No (2020: one) members of the Management Committee received reimbursed travel expenses of £nil during the year (2020: £289). None of the management committee (or any persons connected with them) received any remuneration or benefits during the year (2020: £Nil). For the purposes of this disclosure, the "Management Committee" comprises the board of trustees only, it does not include Senior Management Team.

9. EMPLOYEES

	2021	2020
	Number	Number
The average monthly number of employees during the year was:		
Supported housing and other services	66	71
Support staff	9	11
	75	88

	2021	2020
	£	£
Employment costs:		
Wages and salaries	1,834,279	1,869,647
Social security costs	159,452	165,477
Other pension costs	52,757	66,303
	2,046,488	2,101,427

The senior management team, as listed on page 2 of the Management Committee's Report, received total remuneration of £236,580 (2020: £437,303).

	2021	2020
	Number	Number
The number of employees whose annual remuneration was £60,000 or more were:		
£60,000 - £69,999	1	1

LEWISHAM NEXUS SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. TANGIBLE FIXED ASSETS	Short leasehold improvements £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Costs				
At 1 April 2020	118,434	99,488	38,892	256,814
Additions	-	9,308	-	9,308
At 31 March 2021	<u>118,434</u>	<u>108,796</u>	<u>38,892</u>	<u>266,122</u>
Depreciation and impairment				
At 1 April 2020	118,434	75,891	38,892	233,217
Depreciation on charged in the year	-	9,556	-	9,556
AT 31 March 2021	<u>118,434</u>	<u>85,447</u>	<u>38,892</u>	<u>242,773</u>
Carrying amount				
At 31 March 2021	<u>-</u>	<u>23,349</u>	<u>-</u>	<u>23,349</u>
At 31 March 2020	<u>-</u>	<u>23,597</u>	<u>-</u>	<u>23,597</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021 £	2020 £
Trade debtors	177,126	152,978
Other debtors	7,112	2,768
Prepayments and accrued income	181,832	50,564
	<u>366,070</u>	<u>206,310</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021 £	2020 £
Trade creditors	23,980	3,184
Other creditors	61,423	3,587
Other taxation and social security	44,088	50,658
Accruals and deferred income	82,577	84,360
	<u>212,068</u>	<u>141,789</u>

Included within the accruals and deferred income line above is £nil (2020: £2,746) of deferred income, relating to services that will be provided in the next financial year.

LEWISHAM NEXUS SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. PROVISION FOR LIABILITIES	2021	2020
	£	£
Provision for dilapidations	45,000	75,000

The brought forward provision relates to the Trustees' estimate of the costs that will need to be incurred to bring the property (84-86 Rushey Green) back to its original state. The provision has been reviewed during the year in light of changed circumstances for both the newly merged business which will use the former Aurora Options offices, and our current Landlady's plans for changed use of our current offices.

14. RETIREMENT BENEFIT SCHEMES

The Charity operates defined contribution pension schemes for all qualifying employees with Standard Life. The assets of the scheme are held separately from those of the charity in independently administered funds. 71 staff are currently paying into these schemes.

Two Lewisham Nexus Service staff continue to pay into the NHS pension Scheme. Details of the scheme can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other doxies allowed under the direction of the Secretary of State. Eligible employees of Lewisham Nexus Services fall into this latter category.

The latest assessment of the liabilities of the scheme is contained in the Scheme Actuary report which forms part of the annual NHS pension Scheme (England and Wales) Resource Account, published annually. These financial statements can be viewed on the NHS Pensions website.

The charge to the profit and loss in respect of the above schemes was £52,757 (2020 - £66,303).

15. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:-

	Balance at 1 April 2019	Incoming Resources	Resources Expended	Balance at 1 April 2020	Resources Expended	Balance at 31 March 2021
	£	£	£	£	£	£
Mencap Cranston Grant	598	(598)	-	-	-	-
	598	(598)	-	-	-	-

Funding was received in 18/19 financial year from Mencap Cranston. Mencap Cranston supports both Lewisham branch of Mencap, they provide support and care to parents and carers of children and adults with learning disabilities.

LEWISHAM NEXUS SERVICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. DESIGNATED FUNDS

	Movement in funds				Balance at 31 March 2021 £
	Balance at 31 March 2020 £	Incoming Resources £	Resources Expended £	Transfers £	
Covid-19 related commitments	50,000	-	(5,000)	5,000	50,000
Merger costs	-	-	-	50,000	50,000
	<u>50,000</u>	<u>-</u>	<u>(5,000)</u>	<u>55,000</u>	<u>100,000</u>

In 2019/20 a £50,000 designated reserve was set up for Covid-19 related expenditure. £5,000 of the reserve was utilized in 2020/21. In the light of continuing disruption of services related to Covid-19 it was decided to top the reserve back up to £50,000 for 2021/22.

During the year an additional Merger related reserve has been set up, for anticipated costs in 2021/2022.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2021 £	Designated fund 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Designated fund 2020 £	Total 2020 £
Fund balances at 31 March are represented by:						
Tangible assets	23,349	-	23,349	23,597	-	23,597
Current assets/liabilities	925,781	100,000	1,025,781	1,002,816	50,000	1,052,816
Provisions	(45,000)	-	(45,000)	(75,000)	-	(75,000)
	<u>904,130</u>	<u>100,000</u>	<u>1,004,130</u>	<u>951,413</u>	<u>50,000</u>	<u>1,001,413</u>

18. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

The Employment Appeal Tribunal (EAT) ruled in April 2017 that care sector employees on sleep-in shifts were entitled to be paid at least the National Minimum Wage (NMW) for each hour they were onsite with a client. In July 2018 the Court of Appeal overturned this decision, this was further challenged and went to the High Court in 2020. In March 2021 the Supreme Court ruled that sleep-ins could be delivered at a value below National Minimum Wage and therefore no contingent liability exists in Lewisham Nexus Service.

19. OPERATING LEASE COMMITMENTS

2021	2020
£	£

LEWISHAM NEXUS SERVICE
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Within one year	54,644	54,644
Between two and five years	-	109,287
	54,644	163,931
	54,644	163,931

20. RELATED PARTY TRANSACTIONS

There were no disclosable related party transactions during the year (2020: none).

21. CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Surplus for the year	2,717	28,267
Adjustments for:		
Investment income recognised in income and expenditure	1,668	(4,133)
Depreciation and impairment of tangible fixed assets	9,556	9,717
Movements in working capital:		
(Increase)/decrease in debtors	(159,760)	(45,351)
Increase/(decrease) in creditors	40,279	(21,891)
	(105,540)	(33,391)
Cash (absorbed by) operations	(105,540)	(33,391)

22. POST BALANCE SHEET EVENTS

Lewisham Nexus Service and Aurora Options merged on 31 October 2021. This involved dissolving Aurora Options as a Company and Charity; this was a business decision to minimise disruption and cost. The charitable company is trading as Aurora-Nexus from 1 November 2021 under the Lewisham Nexus Company and Charity registration numbers.