

Charity Registration No. 1058536

Company Registration No. 3255850 (England and Wales)

**THE NEHEMIAH PROJECT**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

The  **ehemiah** Project

# THE NEHEMIAH PROJECT

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# THE NEHEMIAH PROJECT

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Charity number</b>	1058536
<b>Company number</b>	3255850
<b>Registered office</b>	47 Tooting Bec Gardens London SW16 1RF
<b>Auditor</b>	Begbies 9 Bonhill Street London EC2A 4DJ
<b>Bankers</b>	NatWest plc NatWest Bank Plc 145 Clapham High Street London SW4 7SN

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# THE NEHEMIAH PROJECT

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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The Trustees present their report and accounts for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019)

### Objectives and activities

The Nehemiah Project has over 25 years' experience of working with men with a history of addiction. Our clients are arguably some of the most marginalised and excluded individuals in society, with multiple and complex needs.

### Vision

A centre of excellence for rehabilitating men from crime and addiction through the transformation of their lives to become fulfilled, valuable members of the community.

### Mission

- To enable vulnerable men who are ex-offenders to break free from crime and addiction and to help them rebuild their lives
- To offer men, once released from prison, the resources to set new goals and give them hope for the future
- To assist in their reintegration into the community through the provision of supported housing immediately after release and beyond as well as the provision of rehabilitation programmes.

A key aim is to build resilience in our Residents so that when they move on they can deal with unexpected and challenging life events without resorting to old behaviours, and to provide coping strategies to avoid relapse.

The Board and all Nehemiah staff believe that anyone can change their life, and this underpins all our work. Our holistic, peer-group approach to recovery creates a safe place where men can go through the painful process of reviewing their lives and establishing a new foundation on which to build their future. We support each man to reach his potential, and we celebrate their success.

### 2021

In the past twelve months we:

- Completed substantial refurbishment work at 47 Tooting Bec Gardens, Streatham, our freehold first-stage house and main office.
- Remained operational, supporting 48 men despite Covid-19 and ongoing restrictions.
- Commenced our volunteering programme with volunteers and Residents working together to clean up our gardens and decorate rooms in one of our move on houses.

### 2022

Our priorities are to:

- Implement our strategy for growth and development towards the "Nehemiah Vision 100" (100 rooms by 2030).
- Fully return to our normal operations from the effects of Covid.
- Determine the location and timing of our next phase of growth.
- Continue to improve programme delivery and aftercare with the introduction of peer mentoring.
- Further develop an online programme to be offered to and delivered to other organisations.

# THE NEHEMIAH PROJECT

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 - Overview of 2021

We achieved our 2021 objectives with the following outcomes:

- We remained operational, supporting Residents despite further Covid-19 restrictions
- Whilst our financial figures are clearly affected by Covid, throughout the period we retained our staff and service, while improving our support in a number of areas and celebrating several graduations
- The loss we suffered in 2021 was as a direct effect of Covid, beginning in February 2020 with the tailing off of funding while we continued to operate. The Trustees believe that, as a result of the challenges created by the pandemic, both years 2020 and 2021 should be considered together as a one-off historical event. If viewed in this way the Charity lost just over £20,000 in the two years.
- We completed substantial refurbishment works at 47 Tooting Bec Gardens, Streatham, our freehold house used as a first stage house and offices.
- We have continued to explore our potential to operate beyond London, seeking additional properties. This is an area that we would like to move on more quickly as we emerge from the restrictions of Covid. It remains a complex area of work for us as we seek to achieve our ambition to have 100 rooms by 2030.
- Our new volunteering programme commenced with volunteers and Residents working together to clean up our gardens and decorate rooms in one of our move on houses.

### 2 – Performance Delivery

Nehemiah has an excellent record of both reducing reoffending and reducing drug and alcohol dependency. In 2021 we endeavoured to continue to improve our services and our outcomes.

	2014	2015	2016	2017	2018	2019	2020	2021
No. of Residents completing the first stage of the programme or still with us	19	14	21	28	26	31	27	28
No. of men worked with	28	40	31	37	39	48	41	42
Percentage of men remaining abstinent for one year	68%	64%	74%	75%	71%	71%	52% *	45% *
Residents obtaining full time employment	14	11	9	11	7	11	7	9
Residents in work, vocational training or voluntary work	12	19	10	8	20	14	21	10
No of Residents reoffending or recalled within one year of leaving Nehemiah	1	1	1	2	0	4	4 **	4 **

A New Future is a rolling programme which men can join at any point and complete the twelve modules. It is a 12-week programme delivered each weekday morning at our first-stage houses, focusing on recovery and resettlement through process groups and education sessions. We encourage the participating cohort to work through issues together, sharing experiences, challenging one another and learning to resolve conflict. This has helped build resilience to increase the men's ability to cope with the day-to-day social, emotional and practical pressures.

\* We consider this decrease to be a direct result of Covid-19

\*\* All were recalls of new Residents who did not settle into Nehemiah and relapsed in the first week; we have reviewed these and we suspect that this relates to the substantial changes to the prison regime (23-hour

# THE NEHEMIAH PROJECT

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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*lockups with no programmes running within prisons since March 20). As a consequence, the applicants are adjusting to this sudden change on release and this is further compounded by Nehemiah staff not being able to interview candidates in person prior to entry. Therefore, we have adjusted our entry process to try to ensure that candidates are better prepared for what Nehemiah involves, and a Meet and Greet system is helping new Residents to settle in.*

### 3 – Financial Prudence and Sustainability

Maintaining financial prudence is a key element of the success of any charity:

- We continued to build relationships with key funders, in a very challenging environment. A number of our multi-year grant funders came to an end in 2021.
- We maintained tight financial control with regular reporting to Trustees.

Covid has continued to have a negative effect on our financial position: trust income was low in the last quarter, and Housing Benefit has been lower than anticipated due to lower occupancy and retention. A major trust was inactive in 2021, and although our latest application is being considered in 2022, the effect of this came at a time where emergency Covid grants were much more limited and trusts themselves were reassessing their future strategy. In 2021 the Charity had a total income of £644,418 and a total expenditure of £827,048, showing a deficit of £182,630. Income decreased 32% from 2020, while expenditure increased by 5%, reflecting the addition of a new house, Lodge Rd, and the capital works to 47 Tooting Bec Gardens.

Designated funds include the £814,198 property capital fund, which is our investment in the freehold of the Charity's main property in Streatham. It is anticipated that these funds will remain invested in the property for the foreseeable future. Unless the property is sold or re-mortgaged, these funds are not directly accessible. However, it should be noted that the property is stated in the accounts at cost and Trustees believe that there is scope for a significant increase if compared to a current valuation.

Nehemiah's general unrestricted funds at the end of 2021 stand at £6,630, a decrease of £115,859 from 2020. Restricted funds held at the year end totalled £34,054, a decrease of £119,918 from £153,972 mostly due to fundraising in advance of the works to Tooting Bec Gardens. Total funds at the year end stood at £854,882.

Management will focus over the next two years on building these reserves back to meet the desired level of three months' operating funds.

#### Other events of note:

- In September 2021, we held a house refurbishment opening ceremony and Residents' Graduation, officiated by Terry Waite CBE
- Three Resident Graduations took place, two during lockdown, complying with Covid-19 restrictions.
- We continued to be active members of Prisons Week.
- As a Charity we continued to benefit from the Lloyds Enhance programme.

### Reserves Policy

The majority of our funding for operational costs comes from grants and donations, for which we are grateful. Budgeting for these is difficult as it depends on unpredictable timescales. For liquidity purposes, the Trustees would like to attain £245,000 cash reserves (three months' operating costs), which will be made up of restricted and unrestricted funds. The Charity has a strategy to continue to build its reserves as and when that becomes possible.

### Strategic Overview

In 2022, with the support from our partners, our aim is to continue to implement our strategy for growth and development towards "Nehemiah Vision 100". This will be achieved by identifying our first out-of-London first-stage and second-stage properties. The needs of the men coming to Nehemiah are complex, and we wish to continue to offer an improved programme with a variety of services to give them the best recovery for themselves, their families and the wider community.

# THE NEHEMIAH PROJECT

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 – Growth – enhance our housing provision

**Nehemiah's growth strategy has been to seek to add one new house per year.** Our immediate focus in 2022 is to identify premises in Suffolk or North Kent, building on relationships developed during 2021, where there is a demand for our service close to a cluster of releasing prisons.

**2 - Nehemiah has an excellent record of both reducing reoffending and reducing drug and alcohol dependency with our five-year average abstinence rate of 69% since 2000, however in 2021-22 this has decreased to just under 50% due to the effects of the pandemic.**

In 2022, we intend to continue to improve our services and the outcomes we deliver. To achieve this, we will:

- Continue to offer Family Support to those Residents who need to reconnect with their families, and to establish an external support group to offer to family members.
- Further develop our relationships within releasing prisons to make sure that Nehemiah is clearly 'signposted' to those who may benefit.
- Provide all Residents with an opportunity to secure meaningful employment or training through the 'Nehemiah Works' employment and training support.
- Implement a new peer mentoring programme through which former Nehemiah Residents support new Residents, especially at evenings and weekends.
- Implement an online recovery programme accessible to other partner organisations.
- Continue to develop a programme for staff wellbeing that will create resilience and effectiveness in our staff, resulting in a positive, rewarding, and creative work environment.
- Continue to update the IT infrastructure and equipment, including new Residents and Fundraising databases
- Integrate into our work the results of independent research based on our programme and outcomes.

### 3 - Financial Prudence and Sustainability

The aim of our growth is to increase the number of men we help annually, and to enhance our sector influence. At the same time we wish to ensure the Charity remains financially sound while recognising the need for continued external funding. Maintaining financial prudence and developing sustainability is a key element of the success of Nehemiah. To achieve this in 2022 we will:

- Closely monitor the achievement of our quarterly revenue and expenditure targets to sustain our growth.
- Fully implement Donorfy, our new CRM (Customer Relationship Management) database in order to steward our donors more effectively and improve our communications.
- Continue to collaborate with The British Association of the Sovereign Order of Malta to achieve our joint objectives.
- Build longer-term relationships with core funders, as well as recognising the contribution of our individual donors.
- Continue to raise the profile of Nehemiah through a variety of communication channels with a view to recruiting further supporters.

### 4 - Develop and initiate planning to implement "Nehemiah Vision 100" Where we wish to go

- Continue to develop 'Vision 100' which seeks to offer 100 bed spaces by no later than 2030.
- Ensure that we maintain the ethos of Nehemiah in each of our properties.
- When we reach that target, we will be helping a possible 300 residents every year and we believe that growth beyond that is possible.
- We seek to increase our reach by refining 'remote' delivery of our course in partnership with others who provide accommodation.
- What gives us the confidence to attempt this?
  - We have a stable platform which has withstood the ravages of the pandemic, lockdown and social distancing.
  - 'A New Future' produces a high proportion of positive outcomes (independently assessed and evaluated).
  - Our product is replicable and is cost-effective (it costs c.£10k per successful graduate compared with the cost of keeping someone in prison of £45k per person p.a.)

# THE NEHEMIAH PROJECT

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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- We have an experienced management team supported by a board with wide and relevant experience.
- We are encouraged and supported by the British Association of the Sovereign Order of Malta.
- Our priorities in implementing Nehemiah Vision 100:
  - New houses in the London area and in new areas outside London.
  - Building strong relationships with local prisons.
  - Acquire at least one freehold property to add to our portfolio.
  - Identify supporters and funders in those new areas.
  - Connect with individuals who will promote us in our target areas.
  - Access to local referral organisations, local officials, community leaders, churches and charities who are willing to help us at national, regional and local level.

### **Nehemiah's approach to fundraising**

Our supporters are key to everything we do. Each year they enable us to help vulnerable men recover their lives. We are committed to being fully transparent and accountable about how their gifts are used.

Our fundraising costs are kept to a minimum, with 9% of revenue being spent on the cost of raising funds. All fundraising is done in-house with no third-party involvement.

We are members of the Fundraising Regulator and as members we follow the Code of Fundraising Practice and the policy of dealing with vulnerable people.

In the financial year ending 31 December 2021 we did not receive any complaints about our fundraising.

We keep up to date on changing regulation and ensure we comply with it by changing processes where necessary.

### **Structure, governance and management**

The Nehemiah Project is a Company Limited by Guarantee, governed by its Memorandum as amended and adopted by Special Resolution in 2009, and Articles of Association dated 4th September 2019. The new Articles adopted in 2019 were drafted to streamline the procedural running of the Charity, but had no effect on the Charity's existing objects or purpose. The Nehemiah Project is a registered Charity with the Charity Commission of England and Wales. In the event of winding up, members' liabilities are limited to £1 each.

The Trustees, who are the Directors for the purposes of company law, and who served during the year were:

Mr. T. B. Aikens  
Mr. W. Ansell  
Mr. R. M. Atwater  
Mr. G. S. Boyle

Mrs. K. P. Hunter Johnston  
Mr. A. T. R. Nell (Chair)  
Mr. A. P. Watson  
Miss J. S. Whitaker

Trustees are appointed by resolution of the existing Trustees. Most new Trustees will be familiar with the practical work of Nehemiah and all Trustees attend information events to keep up-to-date. New Trustees receive all relevant information relating to Nehemiah, and undergo a thorough induction covering decision-making processes, key employees and future plans and objectives. They are also advised of their legal obligations as Trustees.

The Trustees meet quarterly and ad hoc as events dictate. Since March 23rd 2020 the Board has met electronically on a monthly basis due to Covid-19. Trustees have continued to receive regular financial reports and updates on Nehemiah's activities and fundraising despite the move to primarily electronic operation. The Board of Trustees is responsible for the overall legal, financial and strategic direction and development of Nehemiah.



# THE NEHEMIAH PROJECT

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Public Benefit

The Trustees consider that they have complied with the duty to have due regard to public benefit guidance published by the Charity Commission.

### Management Team

- Dr J. Patience, Chief Executive Officer
- Mrs L. Ravenscroft, Development Director
- Mrs L. Hawthorne, Operations Director
- Miss A. Sissuh, Supported Housing Manager

Day-to-day management, including finance, HR and operations, is the responsibility of the CEO. He is supported by the other members of the management team, who have been meeting weekly during 2021, and who take responsibility for the assets of Nehemiah, supported housing and fundraising. The Board of Trustees is responsible for setting the remuneration of the employees including the CEO.

### Risks

The Trustees review Nehemiah's main risks quarterly. They are responsible for approving and then overseeing the implementation of any changes to procedures, training or other actions to mitigate the risks Nehemiah faces. All areas are RAG rated, with high priority areas separately highlighted and reported.

A Risk Register is maintained and presented at each Directors' Meeting. Two risks were identified as High between February 2021 and December 2021; both of these were direct result of Covid-19:

- **Predicted financial shortfall in 2021 due to the effects of Covid-19 on the funding environment.** An immediate review of the 2021 budget was undertaken, expenditure was cut, and fundraising and Housing Benefit revenue revised downwards to account for the changing level of activity in the fundraising environment and lockdown restrictions on the admission of new Residents. This enabled the Charity to manage cash flow better during the crisis.
- **That we may be unable to fill the properties due to Covid-19.** As a result of Covid-19 virtually all programmes and support activities within prisons ceased over the last two years and as such men were not prepared for release and had not completed any recovery programmes. We responded to this in a number of ways in refocussing our support and actively targeting potential referrers.

All other risks were assessed to be of medium or low severity.

### Relationship with other charities

Two of the Charity's move-on homes, The Chase and Pountney Road, both in South London, are owned by Sanctuary Housing. Since 2013 Nehemiah has been Managing Agent for these properties. As such the Residents are Sanctuary Housing Licensees, managed by Nehemiah. The Charity's fourth and fifth houses, 1-3 Frederick Gardens and 98 Lodge Road, Croydon, are owned by Croydon Churches Housing Association (CCHA). The Charity has signed a five-year lease with CCHA for these properties terminating in January 2024. This has enabled Nehemiah to support a greater number of vulnerable adults recovering from drug/alcohol addiction.

# THE NEHEMIAH PROJECT

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Statement of Trustees' responsibilities

The Trustees, who are also the directors of The Nehemiah Project for the purpose of company law, are responsible for preparing the Trustees' 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 that 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 judgements and estimates that are reasonable and prudent; and
- prepare the financial statements 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.

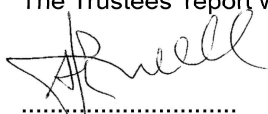
### Auditor

In accordance with Nehemiah's Articles, Trustees will appoint suitably-qualified Auditors.

### Disclosure of information to auditor

Each of the Trustees 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 auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



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Mr A. T. R. Nell (Chairman)

Trustee

Dated: 30/06/2022

# THE NEHEMIAH PROJECT

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE NEHEMIAH PROJECT

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#### Opinion

We have audited the financial statements of The Nehemiah Project (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 December 2021 and of its incoming resources and application of resources, 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 accounts 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 accounts 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 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.

# THE NEHEMIAH PROJECT

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE NEHEMIAH PROJECT

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

### **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 included within the Trustees' 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 trustees' 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 Trustees' report and from the requirement to prepare a strategic report.

### **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 purpose 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.

# THE NEHEMIAH PROJECT

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE NEHEMIAH PROJECT

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### **Extent to which the audit was capable of detecting irregularities, including fraud**

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

- Agreement of the financial statement disclosures to underlying supporting documentation to assess compliance with those laws and regulations having an impact on the financial statements and disclosure requirements. In particular, Accounting and Reporting by Charities: Statement of Recommended Practice;
- Enquiries and confirmation of management and the trustees as to their identification of any non-compliance with laws or regulations, or any actual or potential claims;
- Review of minutes of the Board meetings during the period;
- incorporating unpredictability into the nature, timing and/or extent of testing.
- Evaluation of the selection and application of the accounting policies chosen by the charity.
- In relation to the risk of management override of internal controls, by undertaking procedures to review journal entries and evaluating whether there was evidence of bias that represented a risk of material misstatement due to fraud; and
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Katherine Dee FCA (Senior Statutory Auditor)**  
for and on behalf of Begbies

08/07/22  
.....

**Chartered Accountants**  
**Statutory Auditor**

9 Bonhill Street  
London  
EC2A 4DJ

# THE NEHEMIAH PROJECT

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

### Current financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<b>Income from:</b>					
Donations and legacies	2	120,409	247,123	367,532	657,224
Charitable activities	3	276,878	-	276,878	292,204
Investments- bank interest		8	-	8	88
<b>Total income</b>		<b>397,295</b>	<b>247,123</b>	<b>644,418</b>	<b>949,516</b>
<b>Expenditure on:</b>					
Raising funds	4	55,685	-	55,685	51,976
<b>Charitable activities</b>					
Supported Housing Programme	6	462,469	301,771	764,240	734,817
A New Future Online	6	7,123	-	7,123	-
<b>Total charitable expenditure</b>		<b>469,592</b>	<b>301,771</b>	<b>771,363</b>	<b>734,817</b>
<b>Total resources expended</b>		<b>525,277</b>	<b>301,771</b>	<b>827,048</b>	<b>786,793</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(127,982)</b>	<b>(54,648)</b>	<b>(182,630)</b>	<b>162,723</b>
Gross transfers between funds		65,270	(65,270)	-	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(62,712)</b>	<b>(119,918)</b>	<b>(182,630)</b>	<b>162,723</b>
Fund balances at 1 January 2021		883,540	153,972	1,037,512	874,788
<b>Fund balances at 31 December 2021</b>		<b>820,828</b>	<b>34,054</b>	<b>854,882</b>	<b>1,037,511</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

# THE NEHEMIAH PROJECT

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes			
<b><u>Income from:</u></b>				
Donations and legacies	2	154,741	502,483	657,224
Charitable activities	3	292,204	-	292,204
Investments		88	-	88
<b>Total income</b>		<b>447,033</b>	<b>502,483</b>	<b>949,516</b>
<b><u>Expenditure on:</u></b>				
Raising funds	4	51,976	-	51,976
 <u>Charitable activities</u>				
Supported Housing Programme	6	330,082	404,735	734,817
<b>Total charitable expenditure</b>		<b>330,082</b>	<b>404,735</b>	<b>734,817</b>
<b>Total resources expended</b>		<b>382,058</b>	<b>404,735</b>	<b>786,793</b>
Gross transfers between funds		12,209	(12,209)	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>77,184</b>	<b>85,539</b>	<b>162,723</b>
Fund balances at 1 January 2021		806,355	68,433	874,788
<b>Fund balances at 31 December 2021</b>		<b>883,539</b>	<b>153,972</b>	<b>1,037,511</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

# THE NEHEMIAH PROJECT

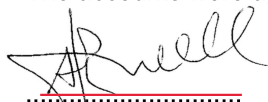
## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	9		904,198		851,050
<b>Current assets</b>					
Debtors	10	24,139		79,522	
Cash at bank and in hand		240,522		410,454	
		<u>264,661</u>		<u>489,976</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(187,050)</u>		<u>(167,682)</u>	
Net current assets			77,611		322,294
<b>Total assets less current liabilities</b>			981,809		1,173,344
<b>Creditors: amounts falling due after more than one year</b>	12		(126,927)		(135,833)
<b>Net assets</b>			<u>854,882</u>		<u>1,037,511</u>
<b>Income funds</b>					
Restricted funds	17		34,054		153,972
<u>Unrestricted funds</u>					
Designated funds	16	814,198		761,050	
General unrestricted funds		<u>6,630</u>		<u>122,489</u>	
			820,828		883,539
			<u>854,882</u>		<u>1,037,511</u>

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

The accounts were approved by the Trustees on 30/06/2022.....



Mr A. T. R. Nell  
Trustee

Company Registration No. 3255850



# THE NEHEMIAH PROJECT

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	23		(99,931)		179,483
<b>Investing activities</b>					
Purchase of tangible fixed assets		(65,270)		(12,209)	
Interest received		8		88	
<b>Net cash used in investing activities</b>			(65,262)		(12,121)
<b>Financing activities</b>					
Proceeds of new bank loans		-		50,000	
Repayment of bank loans		(4,739)		(47,904)	
<b>Net cash (used in)/generated from financing activities</b>			(4,739)		2,096
<b>Net (decrease)/increase in cash and cash equivalents</b>			(169,932)		169,458
Cash and cash equivalents at beginning of year			410,454		240,996
<b>Cash and cash equivalents at end of year</b>			240,522		410,454

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Charity information

The Nehemiah Project is a private company limited by guarantee incorporated in England and Wales. The registered office is 47 Tooting Bec Gardens, London, SW16 1RF.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. 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.

#### 1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the next 12 months. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

The free reserves of the charity are very low. However the charity has cash available to meet day to day activities due to the structure of long term borrowing. The charity also owns the freehold premises at 47 Tooting Bec Gardens which is stated in these accounts at cost. The trustees are of the opinion that were the charity in need of funds, further borrowing could be secured in the short term or the property could be sold.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds are a category of unrestricted fund set aside by the trustees for a specific purpose. The designated funds of The Nehemiah Project reflect the funds invested in the fixed assets of the charity and not available for day to day use, and the funds set aside by the trustees as detailed in the reserves policy.

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

#### 1.4 Incoming resources

Income is recognised when the charitable company 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 charitable company 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 or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

Grants are recognised at the point when the charity is notified of the grant and the charity is entitled to the income. Grants shown as donations are only deferred if they relate to a specific future time period as identified by the donor or the charity has received the income, but there is no entitlement to spend the funds at the year end. If the charity is not entitled to the funds without first meeting criteria which are yet to be met at the year end, and the funds have not been received, the funds will not be recognised in the accounts.

Grants are recognised as restricted if they are donated for a purpose more restrictive than the ongoing activities of the charity.

Grants are recognised as unrestricted if the donor either does not state any restriction on use or the restriction is to use funds for the supported housing project, as this is the only activity undertaken by the charity.

Grants that are received for the general operation of the charity, rather than on the basis of a contract for services or for meeting a specified level of services, the grant is shown as a donation.

Were a grant to be received with performance conditions it would be shown as income from charitable activities and would be deferred to the extent the charity has yet to fulfil the performance obligations.

Housing benefits and other rental contributions are accounted for when receivable.

Income from fundraising activities includes ticket sales, receipts from charity auctions and other income which is earned in the course of events run by the charity. Sponsorships for marathons, fun runs and other events are shown in donations as these are in effect gifts.

Income from events is included in the year in which the event has taken place.

### 1.5 Resources expended

Liabilities for costs are recognised in the statement of financial activities as they are incurred.

The charity has two charitable activities, being the operation of a supported housing programme and A New Future Online. The administrative activities are run from one of the supported housing buildings which is owned by the charity, and accordingly there is little general overhead cost.

The costs of fundraising activities and reporting to funders are separately identifiable and directly allocated.

General office costs are all allocated to the supported housing activity due to the immaterial size of those attributable to fundraising and online activities.

### 1.6 Tangible fixed assets

Tangible fixed assets costing over £500 are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
Leasehold improvements	Over the life of the lease
Fixtures, fittings & equipment	25% straight line
Computers	33% straight line

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

Freehold land and buildings, representing one of the supported housing homes, is not depreciated as the trustees consider the residual value to be higher than carrying value. The land and property is stated at cost and at the year end the open market value was considered to exceed the carrying value. The value of the home is reviewed annually for impairment.

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 is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

The charitable 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.

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

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

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.10 Employee benefits

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 charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

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

### 2 Donations and legacies

	Total	Total
	2021	2020
	£	£
Donations and gifts	44,341	43,058
Grants towards ongoing operations	428,777	609,633
Less: deferred income	(106,369)	(10,000)
Other	783	14,533
	<u>367,532</u>	<u>657,224</u>

Note 21 contains details of donations by related parties.

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Donations and legacies

(Continued)

	Total	Total
	2021	2020
	£	£
<b>Grants receivable for core activities</b>		
Allchurches Trust	-	5,000
B&Q Neighbourly Foundation	5,000	-
Bernard Sunley Foundation	-	25,000
Cicely Northcote	-	14,600
Charles Hayward Foundation	25,000	25,000
CRASH	6,294	10,602
Croydon Relief in Need	-	10,000
Drapers' Charitable Funds	20,000	20,000
Help the Homeless	5,000	-
Hinchley Charitable Trust	-	30,000
Lloyds Bank Foundation	33,000	25,000
London Borough of Lambeth	5,000	-
Maurice & Hilda Lang Charitable Trust	5,000	-
National Lottery Community Fund	50,000	-
Nationwide Community Fund	50,000	-
Screwfix Foundation	5,000	-
Tara Getty Foundation	10,000	-
The 29th May 1961 Charitable Trust	5,000	5,000
The Clothworkers' Foundation	-	20,000
The Global Fund for Forgotten People	104,948	113,068
The Edward Gostling Foundation	-	5,000
The Henry Smith Charity	59,100	58,100
The Leathersellers' Company Charitable Fund	-	15,000
The London Community Response Fund	-	74,963
The Merchant Taylors' Livery and Freeman Fund	-	9,900
The Jerusalem Trust	-	40,000
The Albert Hunt Trust	-	5,000
The Garfield Weston Foundation	-	30,000
The Souter Charitable Trust	-	5,000
The Worshipful Company of Mercers	20,000	20,000
The Worshipful Company of Vintners	10,000	10,000
The Tony and Sheelagh Williams Charitable Foundation	-	-
Repayment of unused grants	-	-
Other £3,000 and below	10,435	33,400
	<u>428,777</u>	<u>609,633</u>

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Charitable activities

	<b>Supported housing income 2021 £</b>	Supported housing income 2020 £
Housing benefit and other rental income	276,878	292,204

### 4 Raising funds

	<b>2021 £</b>	<b>2020 £</b>
Seeking donations, grants and legacies	5,738	5,818
Staff costs	49,947	46,158
Costs of operating fundraising events	55,685	51,976

### 5 Description of charitable activities

#### Supported Housing Programme

In recent years the Charity has solely provided residential supported housing services for those recovering from addiction. In 2021, the Charity has started to create a programme which can be delivered online, either directly or through partner organisations.

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Charitable activities

	Supported Housing Programme 2021 £	A New Future Online 2021 £	Total 2021 £	Supported Housing Programme 2020 £
Staff costs	371,305	-	371,305	330,665
Depreciation and impairment	12,122	-	12,122	9,548
Staff and volunteer expenses, recruitment and training	163	-	163	119
Rent and rates	115,874	-	115,874	76,708
Repairs and renewals	63,413	-	63,413	125,336
Light and heat	28,468	-	28,468	24,262
Motor and travel	939	-	939	568
Residents needs	2,571	-	2,571	5,497
Consultancy, clinical supervision and other professional fees	18,205	7,123	25,328	15,281
Subscriptions and licences	1,441	-	1,441	630
Cleaning materials and refuse disposal	3,935	-	3,935	3,508
Food	1,961	-	1,961	1,378
Special projects	8,769	-	8,769	10,987
Insurance	18,699	-	18,699	15,520
Programme costs	3,709	-	3,709	2,347
Sundry costs	1,079	-	1,079	332
Temporary & agency staff costs	-	-	-	7,892
	<u>652,653</u>	<u>7,123</u>	<u>659,776</u>	<u>630,578</u>
Share of support costs (see note 7)	99,830	-	99,830	92,938
Share of governance costs (see note 7)	11,757	-	11,757	11,301
	<u>764,240</u>	<u>7,123</u>	<u>771,363</u>	<u>734,817</u>
<b>Analysis by fund</b>				
Unrestricted funds	462,469	7,123	469,592	330,082
Restricted funds	301,771	-	301,771	404,735
	<u>764,240</u>	<u>7,123</u>	<u>771,363</u>	<u>734,817</u>

2021 supported housing consultancy fees includes £13,832 for counselling and £2,080 clinical supervision. 2021 A New Future Online consultancy comprises the initial costs of writing the online programme.

2020 consultancy fees included £4,616 connected to the leasing of the additional residential home for the 2020 expansion plan, £4,980 of programme monitoring and evaluation and £2,033 of HMO licencing costs.



# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Staff costs	50,862	-	50,862	51,413
Printing, postage and stationery	15,334	-	15,334	9,924
Telephone	6,250	-	6,250	7,847
Staff recruitment	2,756	-	2,756	790
HR support and professional fees	4,617	-	4,617	7,357
Computer expenses	17,009	-	17,009	10,060
Loan interest	585	-	585	2,722
Sundry expenses	1,003	-	1,003	918
Training and staff subscription costs	1,414	-	1,414	1,907
Audit fees	-	5,880	5,880	5,880
Accountancy	-	2,292	2,292	2,520
Legal and professional	-	3,585	3,585	2,901
	<u>99,830</u>	<u>11,757</u>	<u>111,587</u>	<u>104,239</u>
Analysed between				
Charitable activities	<u>99,830</u>	<u>11,757</u>	<u>111,587</u>	<u>104,239</u>

Support costs are allocated to charitable activities in proportion to salary costs incurred.

Governance costs includes payments to the auditors of £5,880 including VAT (2020- £5,880) for audit fees and £2,292 including VAT (2020- £2,520) for the provision of management accounts during the year.

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	14	13

#### Employment costs

	2021 £	2020 £
Wages and salaries	426,641	387,188
Social security costs	38,094	34,253
Defined contribution pension costs	7,379	6,795
	472,114	428,236

The number of employees whose annual remuneration, excluding employers' national insurance and pension contributions, was £60,000 or more were:

	2021 Number	2020 Number
£60,001-£70,000	1	1

### 9 Tangible fixed assets

	Land and buildings £	Leasehold improvements £	Fixtures, fittings & equipment £	Computers £	Total £
<b>Cost</b>					
At 1 January 2021	827,600	15,845	155,080	38,168	1,036,693
Additions	56,494	-	3,256	5,520	65,270
At 31 December 2021	884,094	15,845	158,336	43,688	1,101,963
<b>Depreciation and impairment</b>					
At 1 January 2021	-	6,338	142,860	36,445	185,643
Depreciation charged in the year	-	3,169	5,565	3,388	12,122
At 31 December 2021	-	9,507	148,425	39,833	197,765
<b>Carrying amount</b>					
At 31 December 2021	884,094	6,338	9,911	3,855	904,198
At 31 December 2020	827,600	9,507	12,220	1,723	851,050

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Other debtors	11,665	64,077
Prepayments and accrued income	12,474	15,445
	<u>24,139</u>	<u>79,522</u>

### 11 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	13	8,333	4,167
Other taxation and social security		10,083	28,276
Deferred income	14	116,369	10,000
Trade creditors		34,153	57,151
Other creditors		-	1,319
Accruals		18,112	66,769
		<u>187,050</u>	<u>167,682</u>

Accruals at 2020 included a provision of £53,811 for the costs of the refurbishment of 47 Tooting Bec Gardens carried out at the balance sheet date, and trade creditors included a further £38,211. The refurbishment was completed in 2021, and at the 2021 balance sheet date there were no equivalent trade creditors and an accrual of £4,125 relating to a contractor retention.

### 12 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	13	36,927	45,833
Britland Charitable Trust loan		90,000	90,000
		<u>126,927</u>	<u>135,833</u>

### 13 Loans and overdrafts

	2021 £	2020 £
Bank and trust funding	<u>135,260</u>	<u>140,000</u>
Payable within one year	8,333	4,167
Payable after one year	<u>126,927</u>	<u>135,833</u>

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Loans and overdrafts

(Continued)

During the 2020 year the charity repaid its Charity Bank loan with a NatWest Bounce Back loan. The loan has a fixed interest rate of 2.5% and is repayable over six years, with no interest or repayments for the first twelve months. The Bounce Back loan is unsecured.

The £90,000 Britland Trust loan is unsecured, non interest bearing and has no fixed repayment date. No amounts have been recognised in the accounts for the donation in kind of interest forgone or in respect of discounting to net present value due to no agreed schedule of repayments.

### 14 Deferred income

	2021 £	2020 £
Performance related grants	16,000	-
Grants for a future time period	100,369	10,000
	<u>116,369</u>	<u>10,000</u>

All deferred income is expected to reverse within one year.

### 15 Retirement benefit schemes

#### Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees under an auto enrolment pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £7,379 (2020 - £6,795)

### 16 Designated funds

The unrestricted income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2020 £	Resources expended £	Transfers £	Balance at 1 January 2021 £	Resources expended £	Transfers £	Balance at 31 December 2021 £
Property capital fund	758,389	(9,549)	12,209	761,050	(12,122)	65,270	814,198
	<u>758,389</u>	<u>(9,549)</u>	<u>12,209</u>	<u>761,050</u>	<u>(12,122)</u>	<u>65,270</u>	<u>814,198</u>

Property capital fund - Income invested in the charity's residential homes, furnishings and equipment. The Britland Trust loan was made to the charity to fund the purchase of 47 Tooting Bec Gardens and has been allocated to this fund to identify where resources are used.

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 17 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 January 2020	Movement in funds			Transfers	Balance at 1 January 2021	Movement in funds			Transfers	Balance at 31 December 2021
		£	Incoming resources	Resources expended			£	Incoming resources	Resources expended		
Family support programme	6,933	-	-	(6,933)	-	-	-	-	-	-	-
Salaries Fund	-	205,184	-	(197,317)	-	7,867	178,179	-	(186,046)	-	-
A New Future supported housing	-	46,900	-	(46,900)	-	-	37,500	-	(37,500)	-	-
Programme expansion	-	41,951	-	(18,885)	(11,533)	11,533	-	-	(11,533)	-	-
Property repairs and refurbishments	61,500	120,368	-	(109,775)	-	72,093	21,444	-	(41,311)	(52,226)	-
Nehemiah Works	-	9,600	-	(9,600)	-	-	5,000	-	(5,000)	-	-
IT costs	-	50,000	-	(1,005)	(529)	48,466	5,000	-	(6,368)	(13,044)	34,054
13 Frederick Gardens	-	10,000	-	(10,000)	-	-	-	-	-	-	-
Residents needs	-	4,250	-	(3,247)	-	1,003	-	-	(1,003)	-	-
Counselling	-	14,230	-	(1,220)	-	13,010	-	-	(13,010)	-	-
	68,433	502,483	(12,062)	(404,882)		153,972	247,123	(301,771)	(65,270)		34,054

Family Support Programme

Salaries Fund

A New Future supported housing

Programme expansion

Property repairs

Nehemiah Works

IT costs

13 Frederick Gardens

Residents needs

Counselling

To fund work with families.

To fund the cost of specific salaries and posts.

For funding the cost of the first stage core rehabilitation programme.

For funding programme expansion into additional residential units.

For the refurbishment of 47 Tooting Bec Gardens and other property expenses

An employment and training programme

To fund IT improvements

House specific funding

Personal grants and other items for residents

To fund the costs of a professional counsellor

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 18 Analysis of net assets between funds

Fund balances at 31 December 2021 are represented by:

Tangible assets  
Current assets/(liabilities)  
Long term liabilities

	Unrestricted free reserve 2021 £	Property capital fund 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted free reserve 2020 £	Property capital fund 2020 £	Restricted funds 2020 £	Total 2020 £
	-	904,198	-	904,198	-	851,050	-	851,050
	43,557	-	34,054	77,611	168,322	-	153,972	322,294
	(36,927)	(90,000)	-	(126,927)	(45,833)	(90,000)	-	(135,833)
	6,630	814,198	34,054	854,882	122,489	761,050	153,972	1,037,511

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 19 Limited by guarantee

The charitable company's legal structure is that of a company limited by guarantee. In the event of the company winding-up each member is liable to contribute to any deficit to a maximum of £1 per member.

### 20 Operating lease commitments

#### Lessee

The 'Move On' house and Pountney Road are rented from Sanctuary Housing Trust under a management agreement. The agreed prevailing rent is £28,198 and £12,862 respectively and requires that the Charity provide support services to the residents. No adjustment to the rent is made in these accounts for the support provided to the residents. In April 2020 a two year agreement was signed, and this has been extended for a further two years in 2021. There is a one year notice period in the event either party wishes to terminate the agreement.

Fredrick Gardens is occupied from January 2019 under a five year lease with an annually reviewed rent. The agreed prevailing rent stands at £20,740 at the balance sheet date. The lease does not contain a break clause and so at the year end the charity was committed to a further two years of rental charge.

98 Lodge Road is occupied from September 2020 under a 4 year three month lease. The agreed prevailing rent stands at £34,000 and at the year end the charity was committed to a further three years of rental charge. The charity has also committed to redecoration of the property at the end of the lease to a maximum cost of £10,000.

The total of the above payments is £194,540.

During 2017 the charity signed a lease agreement for photocopier and telephone system rental. At the year end there were 3 quarterly instalments remaining of an initial 5 years and 3 months agreement, with a total cost of £22,680 including VAT of which £3,240 is outstanding at the year end.

# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 21 Related party transactions

Mr R. Atwater is a Trustee of Sovereign Military Hospitaller Order of St John of Jerusalem, of Rhodes and of Malta (the Order of Malta). The Nehemiah Project has received significant financial assistance from The Global Fund for Forgotten People, a fund with close ties to the Order of Malta, but has not received funding from the Order of Malta itself. The Trustees Report contains details of the work carried out with this funding and the income is disclosed in note 2.

During the year the charity received £1,578 (2020- £2,300) in giving from Trustees. These funds were not subject to any restrictions to activities beyond those normally undertaken by the charity.

The charity purchased trustees liability insurance as part of a combined insurance package and accordingly no cost has been attributed to governance and support costs.

None of the Trustees (or any persons connected with them) received any remuneration, travel expenses or benefits from the charitable company during the year.

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation including pension and employers' national insurance	76,317	75,755

No financial guarantees have been given or received by related parties.

### 22 Analysis of changes in net funds

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	410,454	(169,932)	240,522
Loans falling due within one year	(4,167)	(4,166)	(8,333)
Loans falling due after more than one year	(45,833)	8,906	(36,927)
	360,454	(165,192)	195,262



# THE NEHEMIAH PROJECT

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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23 Cash generated from operations	2021 £	2020 £
(Deficit)/surplus for the year	(182,630)	162,723
Adjustments for:		
Investment income recognised in statement of financial activities	(8)	(88)
Depreciation and impairment of tangible fixed assets	12,122	9,548
Movements in working capital:		
Decrease/(increase) in debtors	55,383	(60,980)
(Decrease)/increase in creditors	(91,167)	97,330
Increase/(decrease) in deferred income	106,369	(29,050)
<b>Cash (absorbed by)/generated from operations</b>	<u>(99,931)</u>	<u>179,483</u>

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