

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 2016

THE NEHEMIAH PROJECT

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THE NEHEMIAH PROJECT

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr J M P Colman (Chair)
Mr T B Aikens
Mr W. Ansell
Mrs K. P. Hunter Johnston
Mr A. T. R. Nell
Mrs M. Pizzey
The Hon. Mrs. M. Rank
Mr A. P. Watson

Charity number 1058536

Company number 3255850

Registered office 47 Tooting Bec Gardens
London
SW16 1RF

Auditor Begbies
9 Bonhill Street
London
EC2A 4DJ

Bankers NatWest plc
NatWest Bank Plc
145 Clapham High Street
London
SW4 7SN

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees present their report and accounts for the year ended 31 December 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts 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) (effective 1 January 2015)-(Charity SORP (FRS 102) Revised)."

Objectives and activities

The Nehemiah Project is a registered charity working in the South East of England with vulnerable men with drug and alcohol addictions, most of whom are prisoners or ex-offenders. Nehemiah has over 20 years of experience working alongside people with addictions inside prison and out in the community. Our current focus is supporting men outside prison.

Vision

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

Mission

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

Our main aim is to build resilience in the men so that when they move on they are able to deal with unexpected and challenging life events without resorting to old types of behaviour and coping strategies that then lead to relapse and recidivism.

During their time with us, we work with residents to address fundamental issues, based on evidence - based factors (pathways) that contribute to desistance similar to those identified by the National Offender Management Service (NOMS). These are: Motivation and taking responsibility; Self-care and living skills; Managing money and personal administration; Social networks and relationships; Drug and Alcohol misuse; Physical health; Emotional and mental health; Meaningful use of time; Managing tenancy and accommodation, and Offending.

In 2016 we had five major objectives:

1. Optimise our services – put Nehemiah in a box

Outcome – We have an online referrals system, developed in close collaboration with our Supported Housing team, which has been operational since late summer and enables sharing of key information. It has streamlined the process and made monitoring more straightforward.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

2. Growth – a new house 2017 – through partnership. Our aim was to pursue as a priority a second 'First stage house' in partnership with The Order of Malta and The Catholic Bishops' Conference. This house would in all respects reflect our current operation in that it would be open to all applicants of any faith or none. The only difference would be that funding would be secured primarily through new partnerships arising out of this relationship, and that the new house would link more directly with the Catholic chaplaincy in prisons, and with local congregations. This would align with our present practice. The aim would be to have the second house operational in 2017.

Outcome – We are now working in partnership with The Order of Malta. Our plans are to have a new house opening as soon as a property can be located.

3. Improve the measurement of Impact and Outcomes

Outcome – we have started to share data with an external Medical Doctor who has agreed to work with us to help further evaluate our health impact.

4. To become the 'go to' service

Outcome – The publication of 'Rehabilitation by Design' has significantly raised the profile of Nehemiah as a charity connected with rehabilitation. The London Drug & Alcohol Forum hosted a joint seminar on 30th September with Professors Humpreys and Jewkes at the Guildhall. This was a successful event attended by MOJ, MOPAC and the Senior Policy Adviser to Liz Truss, the Secretary of State for Justice.

October Launch of 'Rehabilitation by Design' in the Houses of Parliament. <https://www.gleeds.com/en-us/NewsMedia/Videos/Rehabilitation-by-Design/>

We have since been invited to MOJ development groups for the new prisons and a Treasury and Cabinet Office group led by Professor Kirkham 'Understanding the performance of prisons (as major government projects) through the lens of complexity'

5. Secure new income streams ahead of 2018 Welfare Benefit changes

Outcome – The benefit changes were deferred to 2019/20, we have explained the potential impact to the Lead Officer, Housing Policy Division, Department for Work and Pensions. Our understanding of the impact of the Local Housing Allowance (LHA) changes is necessarily tempered by the limited information available. Our Fundraising strategic plan assumes the worst case scenario of a 50% reduction in benefit in 2019/20. Local Authorities will hold local top-up monies as such part of our strategy is to build new relationships with key boroughs.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Other events of note:

In January two Residents moved on successfully both having found jobs and accommodation. One has a caretaking role but continues with a few days paid work at Spires. The other is living on a boat he has purchased on the Thames as part of his new business.

In June we installed five new computers in the dining area through a grant from Worshipful Company of Information Technologists. Each man has his own log-in, so we can ensure appropriate use of the machines. These have been extremely useful in one-to-one sessions on CV writing, completing application forms, and general computer tuition.

In September Sir Steve Redgrave visited the charity for the second time: the Residents and staff really enjoyed asking him questions. One of the first was 'I find the rowing machine the most boring piece of equipment in the gym – what's your advice?' Sir Steve agreed and gave some insights into motivation and the techniques used by the Olympic teams. It was remarkable how much of this could directly be applied to recovery and motivation in the charity.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

Services Provided in 2016

The transfer from custody to community is a critical time for vulnerable men, when positive changes can either be cemented or lost. Without employment, financial support, housing or effective family connections, there are endless opportunities for the men to slip back into previous patterns of substance misuse and crime. In our supported houses, we provide men with every form of practical and emotional support they require, giving them a greatly-increased chance of staying free from drugs and crime.

Our Supported Housing Programme is split into two stages.

- The first stage 'A New Future' is based in our house in Streatham, in which we care for eight Residents who stay for four months. During this time they will complete our regularly updated 12-week programme.
- Once the men have completed the programme and reached the necessary level of independence, they move to one of our two 'Move-On' houses in Clapham where they can stay for up to a year. There are 10 rooms available. This gives them the opportunity to develop sufficient independence to integrate safely into the community

2016 Programme Outcomes

Performance Indicators

In 2016 74% of Nehemiah Residents remained free from addiction, far exceeding the national average for remaining abstinent for a year (30%). As far as we know, only 5% of the men we have worked with in the last 5 years have reoffended. In comparison, nearly 50% of released prisoners UK-wide reoffend within 12 months. In London this figure increases to 60%.

In our move-on houses over the past year 90% have remained substance free.

	2010	2011	2012	2013	2014	2015	2016
No. of Residents completing the first stage of the programme or still with us	12	26	22	20	19	14	21
No. of men worked with	27	42	28	31	28	40	31
% of Residents completing the first stage of the original programme	44%	62%	79%	65%	-	-	-
No of men completing the first stage, 'A New Future'				4	12	12	11
Residents obtaining full time employment	n/a	n/a	n/a	11	14	11	9
Residents in work, vocational training or voluntary work	12	23	15	21	12	19	10

A New Future runs three to four times a year. It is a 12-week programme delivered each weekday morning at 47TBG, focusing on recovery and resettlement through process groups and educational sessions. We encourage the participating cohort to work through issues together, sharing experiences, challenging one another and resolving conflict. This has helped build resilience to increase the men's ability to cope with the day-to-day social, emotional and practical pressures. In 2016:

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

- 22 men started the programme,
- 11 graduated in 2016
- 5 are in our move-on house
- 6 are still completing A New Future

Challenges:

- 7 lapsed and were asked to leave
- 1 man returned to prison after lapsing
- 4 chose to leave the programme before graduation, but are living independently

Second Stage: 'Move-On' outcomes

At this stage the men receive support that mainly focuses around finding employment, education and training, rebuilding family relationships, dealing with life stressors while remaining abstinent and finding suitable and stable future accommodation.

Over the past year:

- 12 men have lived in our Move-On houses
- 90% have remained substance free
- 10 are still resident and are engaged in work or education/training
- 2 have moved into sustainable accommodation and employment
- 10 re-established or rebuilt their family relationships.

Challenges:

- 1 lapsed and was asked to leave

Overall

- Average length of stay for those graduating is 46 weeks

The majority of the men we work with feel that they would have re-offended had they not come to Nehemiah. According to published figures, it could be argued that we save the state £40,873 a year for every man we keep out of the criminal justice system. To analyse this further, we would like to explore our Social Return on Investment (SROI). However, to do so will require additional resource and funding.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

Other 2016 Achievements

Volunteers and Mentors

Nehemiah continued to benefit from the contribution of a number of volunteers, who enrich our lives as well as our work. Five hardy souls ran the London Marathon for us, raising the staggering amount of £11,000, and the men enjoyed a day out to cheer them on. We had two cyclists in the Prudential Classic 100 bike ride at the end of July, one of them being a Resident, who set himself the target of raising £1,000 in sponsorship and achieved this. A Give & Gain Day team from Gleeds Worldwide visited us on May 16th and overhauled our garden, planting vegetables and herbs, so that the Residents could benefit from home-grown produce during the summer months. This meant that the garden was looking stunning for our Summer Barbecue in August.

Following on from our 2015 win at the Pilotlight London awards we saw our great RBS team hand over their project to a team from the student charity Enactus, based at BPP University. This team continue the good work in matching us with organisations that provide training or work for our Residents, and offering Residents support in computer studies and job-hunting skills.

In the summer 2015 we worked with a team of GCSE students from The Challenge Network, who got to know the charity, and helped design the decorations for our Summer Graduation and Barbecue. They brought a breath of fresh air to the event, but their best innovation was the presentation of mortar boards to the Graduates. This was so popular that it has become part of every graduation.

The Mercers' Company Charity generously awarded us money to start a Families Programme, which seeks to reconcile Residents with family members, in particular children, from whom they have become estranged. The programme was launched in late summer 2015 and has seen some great successes. One of the Families team is our Christian Chaplain, who has worked successfully with men of many faiths and their families, reinforcing our inclusive ethos. There is evidence that family support is a strong motivator for men not to re-offend, and so we intend to maintain the work that this successful programme does and would hope to add to the existing work.

Toward the end of the year Nehemiah created the new role of Ambassador. This seeks to recognise those who have contributed to the work, growth and standing of the project. We are fortunate in that we now have two Ambassadors:

Monseigneur Roger Reader – Prisons Adviser to the Catholic Bishops Conference of England and Wales. Fr Roger Reader is a priest of the Diocese of Westminster. He was ordained in 1995 and has worked full time in prisons since 1998, first as chaplain at HM Prison Whitemoor (three years) and then for 12 years at HM Prison Feltham. He is a former Anglican and worked part-time for six years at HM Prison Pentonville during his nine years as an Anglican clergyman. Fr Roger has a passion to see men coming out of prison better supported and has been instrumental in establishing the partnership with the Order of Malta.

Richard Steer – Worldwide Chairman of Gleeds Richard has unstintingly supported Nehemiah in the past two years by personally directing the Fundraising Ball in 2015 at the Guildhall that was such a success, and then in initiating and promoting the 'Rehabilitation by Design' document developed in partnership with Gleeds.

Financial review

In 2016 the charity had a total income of £425,496 and a total expenditure of £367,598. There was a surplus of £57,898. The surplus will be used to maintain a reserve equivalent to 3 months operating costs. In 2016, we maintained a tight control on expenditure and we will continue to do this in 2017. The budgeted income and expenditure in 2017 is projected to build towards our reserves goal. No adverse movement has occurred in the period to date to cause us to alter that projection.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

Reserves policy

The trustees would like to retain reasonably liquid reserves of approximately 3 months of operating costs (£92,000). The level set takes account of the fact that very vulnerable people are dependent on the services supplied, and the charity is dependent on voluntary gifts and donations in order to meet the costs of providing these services. Over the previous years it has been difficult to hold reserve in a liquid form, but in the last two years the charity had moved towards achieving this figure with respective surpluses of £57,898 and £77,389 respectively. The Charity's operations are supported by a loan from the Charity Bank of £77,195.

The charity ended the year with £16,568 of restricted funds in liquid reserves and £760,279 of unrestricted funds mostly in illiquid reserves. The unrestricted funds are represented by £744,052 invested in the charity's rehabilitation home and other fixed assets, leaving £14,805 of unrestricted free reserves. The trustees have designated £92,000 as an operational reserve in line with the stated reserves policy, leaving a deficit on general unrestricted funds of £75,733. The trustees are confident that given the freehold value of the charity's home, these provisions will enable the charity to continue in the event of a significant drop in funding.

Nehemiah 2017

Strategic Overview

The Prison System continues to experience crises and the implications for Nehemiah are that the level of issues and dysfunction that Residents have faced before they arrive is increased (in the State of the Sector report – Clinks 2016 55% of organisations said that the severity of their clients' needs has increased). Equally opportunities exist particularly with the new Reform Prisons to work in new forms of partnership. Governors will now have a statutory duty to ensure rehabilitation on release 'It shall be the duty of the prison service to encourage the reform and rehabilitation of offenders, in particular through education and the development of social, emotional and behavioural skills, and to identify and account for the resources it specifically provides for this purpose.' Although the Bill has yet to become law Governors will be starting to consider how they will fulfil this new duty.

Changes to Welfare Benefits are impacting the sector in terms of affordable accommodation and at the same time larger Registered Providers are withdrawing from the supported sector – The impact on Nehemiah is possible risk to HB funding stream if in 2019/20 all benefits are moved to Local Housing Allowance (LHA), secondly, move-on accommodation from our houses will become increasingly limited.

Local Authorities will be facing their most challenging period next year as the Spending Review will leave them facing cuts of 56% over the next 5 years.

Growth of faith-based organisations seeking to meet needs in the sector – both the Catholic Church and the Church of England have new strategies to address some of the needs they see through the faith community, Church of England Hope 2017 and the Catholic Bishops' Strategy for Prisons. The opportunity is that in this complex area, organisations like Nehemiah can offer a genuine way for churches to become involved.

Development of new prisons and new ways to support rehabilitation in prison and on release. In part this is the official responsibility of Community Rehabilitation Companies and MOJ. The document 'Rehabilitation by Design' produced in partnership with Gleeds Worldwide opens up the possibility of future involvement in prison design and behavioural change.

The voluntary sector may be seen as part of the solution to the divisions created by Brexit according to the NCVO review of the voluntary sectors operating environment. The report also suggested that those who see themselves 'left behind' are more likely through voluntary organisations to be able to 'transform their capabilities to find hope and a fresh start' (Feb. 2017).

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

Objectives 2017

The objectives in 2017 are a consolidation and further development of those initiated in 2016.

1 Growth – new houses in 2017 – through partnership

To pursue new houses in partnership with The Sovereign Order of Malta and with the support of The Catholic Bishops' Conference. These houses would in all respects reflect our current operation in that they would be open to all applicants of any faith or none. The only difference would be that funding would be secured primarily through new partnerships arising out of this relationship and networks and that the new houses would link more directly with the Catholic chaplaincy in prisons and local congregations. This would be in an almost identical way to our present operation. The aim would be to have the further houses operational in 2017/ early 2018.

The Sovereign Order of Malta is a lay religious order of the Catholic Church founded in 1113; it is neutral, impartial and apolitical. Its work involves caring for people in need through its medical, social and humanitarian works, with a particular focus on support for forgotten or excluded members of society, and in some countries, particularly the USA, they have a strong track record of prison chaplaincy and support for families. We have forged links to work together for our mutual benefit whereby the Order will help to expand our existing work and establish new houses. In this way Nehemiah retains its full independence but has access to additional property to enable us to grow. The Order of Malta is able to fulfil its charitable objectives through support and volunteering.

2 Develop our fundraising capability - Secure additional income streams in line with our plans for growth and ahead of 2019/20 Welfare Benefit change.

The external review of our fundraising highlighted the need to:

- Retain our core focus on trusts.
- Develop a new approach and materials for major donors (This will be led by the new Development Director funded by the Order of Malta).
- To identify actions to stabilise and develop our giving from individuals and churches, particularly connected to the new congregations and communities within our growth areas.

3 Optimise our services – put Nehemiah in a box

In preparation for growth our main objective this year is to optimise our services. This has four sub elements:

- Improve our referrals system to maximise occupancy but retain quality, standards and reputation.
- Improve our data recording and collection– one database holding all the charity's information. At present each team have their own systems which are a mixture of paper and electronic. This not only increases duplication but hinders efficiency. To grow we need a single replicable system.
- Identify training and development of staff to use this system.
- Refine key indicators within the system to identify the health of the different facets of the charity.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

4 Academic Partnership to improve the measurement of impact and outcomes

Since 2015 we have introduced a standardised set of PIs (used by other organisations in the sector) and we have included a set of our own outcome measures to record additional aspects relevant to our service-users. We will identify an external partner to work with us on independent evaluation. We have initiated discussions with an independent academic and a team based at a local university.

5 Package ourselves to become the 'go to' service

As a charity we see some remarkable results in individual lives, as part of the above actions we want to increasingly be seen as a charity to be a small but significant partner in some of the thinking in reshaping the future of our sector and where we can to feed into the thinking around prisons and rehabilitation. This could potentially be a source of income.

6 Sustainability

Nehemiah's growth is contingent on its sustainability strategy and our aim is to use the funding from the Order of Malta to acquire property and initial set-up costs, but then to develop local support and buy-in from major donors, churches and individual supporters in each new area to sustain the continuation of each Residence. At the start of 2017, alongside our growth plans, we have taken the opportunity to work with an external fundraising consultant to realign our fundraising strategy to accommodate growth and in anticipation of the potential Housing Benefit changes in 2019-20.

We hope that the ecumenical nature of our new venture will attract funding from a range of supporters and organisations.

Structure, governance and management

The charitable company is a company limited by guarantee and governed by its Memorandum as amended and adopted by special resolution in 2009 and Articles of Association dated 27th September 1996. It is also registered as a charity with the Charity Commission. In the event of winding up, members' liabilities are limited to £1 each.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr. J. M. P. Colman (Chair)

Mr T. B. Aikens

Mr W. Ansell

Mrs K. P. Hunter Johnston

Mr A. T. R. Nell

The Hon. Mrs. M. Rank

Mr A. P. Watson

Mrs M. Pizzey

Trustees are appointed by resolution of the existing trustees. Most new trustees will be familiar with the practical work of the charity and all trustees attend information events to keep up-to-date. New trustees receive all relevant information relating to the charity, 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.

Management Team

Dr J. Patience, CEO

Mrs L. Hawthorne, Volunteer Manager

Miss A. Sissuh, Supported Housing Manager

Miss L. Sullivan

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees meet quarterly through the year and ad hoc as events dictate. They receive quarterly financial reports as well as regular updates on the charity's activities and fundraising. They are responsible for the overall legal, financial and strategic direction and development of the charity.

Day-to-day management, include finance, HR and operations, is the responsibility of the CEO. He is supported by the other members of the management team, who meet monthly, and who take responsibility for the assets of the charity, the supported housing and prison programmes and fundraising.

Risks

The trustees review the charity's main risks on a regular basis. They are responsible for approving and then overseeing the implementation of any changes to procedures, training or other actions to mitigate the risks the charity faces. The Risk Register is reviewed by the trustees quarterly. All areas are RAG rated, with high priority areas separately reported.

Relationships with other charities

Two of the charity's move-on homes, The Chase, and Pountney Rd are owned by Sanctuary Housing. In June 2013 Nehemiah became Managing Agents for these properties. As such the residents are Sanctuary Licensees, managed by Nehemiah. This has enabled the charity to support more vulnerable adults recovering from drug/alcohol addiction.

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 accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts 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 accounts, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 accounts 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 the company's articles, a resolution proposing that Begbies be reappointed as auditor of the company will be put at a General Meeting.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

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.



Mr J M P Colman (Chair)

Trustee

Dated: 17 July 2017

THE NEHEMIAH PROJECT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE NEHEMIAH PROJECT

We have audited the financial statements of The Nehemiah Project for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 as updated by Bulletin 1.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of The Nehemiah Project for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

THE NEHEMIAH PROJECT

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts 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.



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

25/8/17

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 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<u>Income and endowments from:</u>					
Donations and legacies	3	116,592	145,000	261,592	299,124
Charitable activities	4	163,702	-	163,702	140,833
Other trading activities	5	-	-	-	32,782
Investments	6	202	-	202	13
Other income	7	-	-	-	220
Total income and endowments		280,496	145,000	425,496	472,972
<u>Expenditure on:</u>					
Raising funds	8	33,209	-	33,209	53,889
Charitable activities	9	177,797	156,592	334,389	341,694
Total resources expended		211,006	156,592	367,598	395,583
Net movement in funds		69,490	(11,592)	57,898	77,389
Fund balances at 1 January 2016		690,789	28,160	718,949	641,560
Fund balances at 31 December 2016		760,279	16,568	776,847	718,949

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 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	12		834,052		832,591
Current assets					
Debtors	13	20,638		15,011	
Cash at bank and in hand		101,805		78,392	
		<u>122,443</u>		<u>93,403</u>	
Creditors: amounts falling due within one year	15	<u>(26,339)</u>		<u>(45,186)</u>	
Net current assets			96,104		48,217
Total assets less current liabilities			<u>930,156</u>		<u>880,808</u>
Creditors: amounts falling due after more than one year	16		<u>(153,309)</u>		<u>(161,859)</u>
Net assets			<u><u>776,847</u></u>		<u><u>718,949</u></u>
Income funds					
Restricted funds	17		16,568		28,160
<u>Unrestricted funds</u>					
Designated funds	18	836,052		847,591	
General unrestricted funds		<u>(75,773)</u>		<u>(156,802)</u>	
			<u>760,279</u>		<u>690,789</u>
			<u><u>776,847</u></u>		<u><u>718,949</u></u>

The accounts were approved by the Trustees on 17 July 2017


Mr J M P Colman (Chair)
Trustee

Company Registration No. 3255850

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 - Charity SORP (FRS 102) Revised, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charitable company is a Public Benefit Entity as defined by FRS 102.

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

These accounts for the year ended 31 December 2016 are the first accounts of The Nehemiah Project prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The opening reserves and the previous year's Net Income and Expenditure are unchanged.

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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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 accounts.

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.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

Grants are recognised at the point when the charity is notified of the grant. Grants shown as donations are only deferred if they relate to a specific future time period as identified by the donor, or the charity is not entitled to the funds without first meeting criteria which are yet to be met at the year end.

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 as part of a service level agreement it would be shown as income from charitable activities and would be deferred to the extent the charity has yet to fulfil the service level obligations.

Housing benefits and other rental contributions are accounted for when receivable by the charity to the extent that they are expected to be recoverable.

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 one charitable activity, being the operation of a supported housing programme. 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 and general office costs are all allocated to the supported housing activity.

1.6 Tangible fixed assets

Tangible fixed assets 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
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 2016

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 high. 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 annually reviewed 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 2016

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.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees 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 estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Donations and gifts	44,231	-	44,231	58,160
Grants towards ongoing operations	58,775	145,000	203,775	224,568
Sponsorships	13,586	-	13,586	16,396
	<u>116,592</u>	<u>145,000</u>	<u>261,592</u>	<u>299,124</u>
For the year ended 31 December 2015	<u>144,131</u>	<u>154,993</u>		<u>299,124</u>
Grants receivable				
The Jerusalem Trust	-	40,000	40,000	
The Joseph Rank Trust	-	25,000	25,000	
LTSB Foundation	-	25,000	25,000	
Maurice Hilda Laing Trust	-	5,000	5,000	
CHK Charities	5,000	-	5,000	
Henry Smith Charity	-	36,000	36,000	
Hinchley Charitable Trust	-	5,000	5,000	
Trustees of the 29th May Charitable Trust	10,000	-	10,000	
Sheriffs and Records Fund	10,000	-	10,000	
Leathersellers Company	10,000	-	10,000	
Other below £5,000	23,775	9,000	32,775	
	<u>58,775</u>	<u>145,000</u>	<u>203,775</u>	

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4 Charitable activities

	2016 £	2015 £
Housing benefit and other rental income	163,702	140,833

5 Other trading activities

	2016 £	2015 £
Fundraising events - ticket sales, auctions and event sponsorship	-	32,782

6 Investments

	2016 £	2015 £
Interest receivable	202	13

7 Other income

	2016 £	2015 £
Net gain on disposal of tangible fixed assets	-	220

8 Raising funds

	2016 £	2015 £
<u>Costs of operating fundraising events</u>		
Seeking donations, grants and legacies	3,996	5,658
Staging fundraising events	-	21,805
Staff costs	29,213	26,426
Costs of operating fundraising events	33,209	53,889

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Charitable activities

	2016 £	2015 £
Staff costs	198,544	188,906
Depreciation and impairment	2,976	1,663
Staff and volunteer expenses	409	539
Rent and rates	34,314	34,107
Repairs and renewals	10,948	10,059
Light and heat	11,622	12,181
Motor and travel	626	984
Residents needs	1,039	3,245
Consultancy and professional fees	1,030	2,410
Subscriptions and licences	447	363
Cleaning materials and refuse disposal	1,342	1,101
Food	2,225	1,028
Insurance	10,490	13,639
Programme costs	2,638	1,592
	<u>278,650</u>	<u>271,817</u>
Share of support costs (see note 10)	48,629	64,147
Share of governance costs (see note 10)	7,110	5,730
	<u>334,389</u>	<u>341,694</u>
Analysis by fund		
Unrestricted funds	177,797	
Restricted funds	156,592	
	<u>334,389</u>	
For the year ended 31 December 2015		
Unrestricted funds		211,695
Restricted funds		129,999
		<u>341,694</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Support costs

	Support costs	Governance costs	2016	2015
	£	£	£	£
Staff costs	20,031	-	20,031	35,557
Printing, postage and stationery	5,943	-	5,943	5,101
Telephone	5,212	-	5,212	5,352
Staff recruitment	1,519	-	1,519	2,439
Consultancy and professional fees	1,657	-	1,657	3,606
Computer expenses	7,067	-	7,067	5,009
Loan interest	5,336	-	5,336	5,847
Sundry expenses	200	-	200	908
Training costs	1,664	-	1,664	328
Audit fees	-	5,040	5,040	5,040
Accountancy	-	2,070	2,070	690
	<u>48,629</u>	<u>7,110</u>	<u>55,739</u>	<u>69,877</u>
Analysed between				
Charitable activities	<u>48,629</u>	<u>7,110</u>	<u>55,739</u>	<u>69,877</u>

The charity has a single charitable activity of rehabilitation in supported housing and accordingly there is no further apportionment of support costs.

Governance costs includes payments to the auditors of £5,040 (2015- £5,040) for audit fees and £2,070 for the provision of management accounts during the year.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Employees

Number of employees

The average monthly number employees during the year was:

	2016 Number	2015 Number
	9	8
	<u>9</u>	<u>8</u>
Employment costs	2016 £	2015 £
Wages and salaries	228,967	231,604
Social security costs	18,821	19,285
	<u>247,788</u>	<u>250,889</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2016 Number	2015 Number
£60,001-£70,000	1	-
	<u>1</u>	<u>-</u>

12 Tangible fixed assets

	Land and buildings £	Fixtures, fittings & equipment £	Computers £	Total £
Cost				
At 1 January 2016	827,600	134,078	31,513	993,191
Additions	-	1,999	2,438	4,437
	<u>827,600</u>	<u>136,077</u>	<u>33,951</u>	<u>997,628</u>
At 31 December 2016	827,600	136,077	33,951	997,628
Depreciation and impairment				
At 1 January 2016	-	129,087	31,513	160,600
Depreciation charged in the year	-	2,163	813	2,976
	<u>-</u>	<u>131,250</u>	<u>32,326</u>	<u>163,576</u>
At 31 December 2016	-	131,250	32,326	163,576
Carrying amount				
At 31 December 2016	827,600	4,827	1,625	834,052
	<u>827,600</u>	<u>4,827</u>	<u>1,625</u>	<u>834,052</u>
At 31 December 2015	827,600	4,991	-	832,591
	<u>827,600</u>	<u>4,991</u>	<u>-</u>	<u>832,591</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Other debtors	11,122	12,977
Prepayments and accrued income	9,516	2,034
	<u>20,638</u>	<u>15,011</u>

14 Loans and overdrafts

	2016	2015
	£	£
Bank loans	167,195	175,745
Payable within one year	13,886	13,886
Payable after one year	153,309	161,859
	<u>167,195</u>	<u>175,745</u>
	<u>13,886</u>	<u>13,886</u>
	<u>153,309</u>	<u>161,859</u>

The long-term Charity Bank loan is secured on the property owned by the charitable company. The loan bears interest at 6.5% and is repaid by equal monthly instalments. The loan agreement duration is for ten year from November 2013 with a review after five.

The 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 uncertain timing.

15 Creditors: amounts falling due within one year

	Notes	2016	2015
		£	£
Bank loans	14	13,886	13,886
Other taxation and social security		5,978	5,822
Accruals and deferred income		6,475	25,478
		<u>26,339</u>	<u>45,186</u>

16 Creditors: amounts falling due after more than one year

	Notes	2016	2015
		£	£
Bank loans	14	63,309	71,859
Britland Charitable Trust loan		90,000	90,000
		<u>153,309</u>	<u>161,859</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016	Movement in funds		Balance at 31 December 2016
		Incoming resources	Resources expended	
Family support programme	5,000	-	(400)	4,600
Financial stability and independence	11,257	-	(11,257)	-
Supported housing programme salaries	11,903	61,000	(60,935)	11,968
A New Future supported housing	-	84,000	(84,000)	-
	<u>28,160</u>	<u>145,000</u>	<u>(156,592)</u>	<u>16,568</u>

Family Support Programme	To fund work with families
Financial stability and independence	To fund personal household finance workshops with residents
Supported housing programme salaries	For funding the cost of specific salaries in the supported housing programme.
A New Future supported housing programme.	For funding the cost of the first stage core rehabilitation programme.

All funds received for the general purpose of supported housing and rehabilitation are allocated to unrestricted funds as this is the charity's sole activity.

18 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 2016	Movement in funds			Balance at 31 December 2016
		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Property capital fund	742,590	-	-	1,462	744,052
Operational reserve	105,000	-	-	(13,000)	92,000
	<u>847,590</u>	<u>-</u>	<u>-</u>	<u>(11,538)</u>	<u>836,052</u>

Property capital fund - Income invested in the charity's residential home, furnishings and equipment. This equates to the tangible fixed assets less The Britland Trust loan.

Operational reserve - This provides a reserve of 3 months of operating costs.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

19 Analysis of net assets between funds

	Unrestricted free reserve £	Property capital fund £	Operational reserve £	Restricted funds £	Total £
Fund balances at 31 December 2016 are represented by:					
Tangible assets	-	834,052	-	-	834,052
Current assets/(liabilities)	(12,464)	-	92,000	16,568	96,104
Long term liabilities	(63,309)	(90,000)	-	-	(153,309)
	<u>(75,773)</u>	<u>744,052</u>	<u>92,000</u>	<u>16,568</u>	<u>776,847</u>

20 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.

21 Operating lease commitments

Lessee

The 'Move On' house and Poutney Road are rented from Sanctuary Housing Trust on an annually reviewed leases. The agreed prevailing rent is £22,358 and £9,436 respectively.

22 Related party transactions

During the year The Nehemiah Project received the continuing support of a loan of £90,000 from the Britland Trust a related party to Mr J.M.P Colman.

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 or benefits from the charitable company during the year.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	<u>61,500</u>	<u>60,000</u>

No guarantees have been given or received.